Ninety-Seventh Annual Report

of the

State Corporation Commission

of

Virginia

For the Year Ending December 31, 1999

GENERAL REPORT

Letter of Transmittal

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

RICHMOND, VIRGINIA, *December 31, 1999*

To the Honorable James S. Gilmore

Governor of Virginia

Sir:

We have the honor to transmit herewith the ninety-seventh Annual Report of the State Corporation Commission for the year 1999.

Respectfully submitted,

Theodore V. Morrison, Jr., Chairman

Hullihen Williams Moore, Commissioner

Clinton Miller, Commissioner

TABLE OF CONTENTS

State Corporation Commission

COMMISSIONERS

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

Joel H. Peck

Clerk of the Commission

*Term as Chairman expired January 31, 1999.

**Elected Chairman effective for term of one year, February 1, 1999

Commissioners

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

The names and terms of office of the Commissioners:

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

From 1903 through 1998 the lines of succession were:

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

Preface

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

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

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

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

Rules of Practice and Procedure

TABLE OF CONTENTS

PART V
PLEADINGS

PART VI
PREHEARING PROCEDURES

PART VII
PROCEEDINGS BEFORE A HEARING EXAMINER

PART VIII
FORMAL HEARING

RULES OF PRACTICE AND PROCEDURE

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. BAN19981110
JANUARY 13, 1999

APPLICATION OF
MARCO RICHARD FRANKLIN

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Marco Richard Franklin, Bumpass, Virginia, and filed his application, as required by Virginia Code Section 6.1-416.1, to acquire 25 percent or more of the voting shares of Midas Mortgage, LLC. Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

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

CASE NO. BAN19981125
JANUARY 29, 1999

APPLICATION OF
BB&T CORPORATION
Winston-Salem, North Carolina

To acquire MainStreet Financial Corporation and its subsidiaries pursuant to Chapter 15 of Title 6.1 of the Code of Virginia

ORDER OF APPROVAL

BB&T Corporation, a bank holding company headquartered in Winston-Salem, North Carolina, filed an application pursuant to Chapter 15 of Title 6.1 of the Code of Virginia to acquire MainStreet Financial Corporation, Martinsville, Virginia, and its subsidiaries (see Exhibit A). 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 November 6, 1998. 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 the criteria in § 6.1-383.2, Subsection A, are met: (1) the proposed acquisition will not be detrimental to the safety and soundness of BB&T Corporation, MainStreet Financial Corporation or its subsidiaries; (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 the shareholders of BB&T Corporation, MainStreet Financial Corporation or its subsidiaries; and (4) the acquisition is in the public interest.

Therefore, the Commission hereby approves the application of BB&T Corporation to acquire MainStreet Financial Corporation and its subsidiaries. The permission granted herein shall expire one year from this date, unless extended by Commission order prior to the expiration date. This matter shall be placed among the ended cases.

CASE NOS. BAN19981144, BAN19981145, and BAN19981146
FEBRUARY 12, 1999

APPLICATIONS OF
TOWNE BANK

For a certificate of authority to begin business as a bank at 5716 High Street, City of Portsmouth, Virginia and for authority to establish branches at 1510 South Military Highway, City of Chesapeake, Virginia and 984 First Colonial Road, City of Virginia Beach, Virginia

ORDER GRANTING AUTHORITY

ON A FORMER DAY Towne Bank, a Virginia corporation, applied for a certificate of authority, under Chapter 2, Title 6.1 of the Code of Virginia, to begin business as a bank at 5716 High Street, City of Portsmouth, Virginia. At the same time, the applicant sought authority to establish branches at 1510 South Military Highway, City of Chesapeake, Virginia and 984 First Colonial Road, City of Virginia Beach, Virginia. Thereupon the applications were referred to the Bureau of Financial Institutions for investigation.

NOW having considered the applications herein and the report of investigation of the Bureau, the Commission is of the opinion and finds that the public interest will be served by additional banking facilities in the Cities of Portsmouth, Chesapeake, and Virginia Beach, Virginia, where the applicant proposes to establish banking offices. Furthermore, the Commission ascertains with respect to the application for a certificate of authority herein:

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

(2) That financially responsible individuals have subscribed for capital stock and surplus 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 reason other 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.

IT IS THEREFORE ORDERED that a certificate of authority authorizing Towne Bank to do a banking business with its main office at 5716 High Street, City of Portsmouth, Virginia be granted, and a certificate of authority hereby is granted, subject to and contingent upon the following conditions being met before the bank opens for business:

(1) That capital funds totaling $36,925,640 be paid into the bank and allocated as follows: $18,462,820 to capital stock and $18,462,820 to surplus;

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

(3) That the applicant receive from the Commissioner of Financial Institutions approval of its appointment of a chief executive officer and that the bank notify the Commissioner of the date the applicant is to be open for business.

The Commission also finds with respect to the proposed branches that, upon receipt of the capital funds specified above, the bank will have paid-up and unimpaired capital sufficient to warrant such proposed expansion. THEREFORE IT IS ORDERED that Towne Bank be authorized to establish and operate branches at 1510 South Military Highway, City of Chesapeake, Virginia and 984 First Colonial Road, City of Virginia Beach, Virginia.

If, for any reason, the bank should fail to open for business within one year from this date any office authorized herein, the authority for such office shall expire. However, the Commission may renew or extend such authority by order entered prior to the expiration date.

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

CASE NO. BAN19981171
JUNE 15, 1999

APPLICATION OF
SOUTHERN COMMUNITY BANK & TRUST

For a certificate of authority to begin business as a bank at 13531 Midlothian Turnpike, Midlothian, Chesterfield 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 13531 Midlothian Turnpike, Midlothian, Chesterfield County, Virginia. Thereupon the application was referred to the Bureau of Financial Institutions for an investigation and report.

NOW, having considered the application herein and the report of the investigation made by the Bureau, the Commission is of the opinion and finds that the public interest will be served by additional banking facilities in Chesterfield County, Virginia, where the applicant bank is proposed. Furthermore, the Commission ascertains with respect to the application herein:

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

(2) That financially responsible individuals have subscribed for capital stock and surplus 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 Section 6.1-48 of the Code of Virginia;

(4) That the applicant was formed for no reason other 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 Southern Community Bank & Trust to do a banking business at 13531 Midlothian Turnpike, Midlothian, Chesterfield County, Virginia be granted, and a certificate of authority hereby is granted, subject to and contingent upon the following conditions being met before the bank opens for business:

1. That capital funds totaling $8,400,000 be paid in to the bank and allocated as follows: $3,360,000 to capital stock and $5,040,000 to surplus;

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

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

If, for any reason, the bank should fail to open for business within one year from this date, the authority granted herein shall expire. However, the Commission may renew or extend such authority by order entered prior to the expiration date.

CASE NO. BAN19981186
JANUARY 15, 1999

APPLICATION OF
SOUTH BRANCH VALLEY BANCORP, INC.
Moorefield, West Virginia

To acquire Shenandoah Valley National Bank, Winchester, Virginia, pursuant to Chapter 15 of Title 6.1 of the Code of Virginia

ORDER OF APPROVAL

South Branch Valley Bancorp, Inc., a bank holding company headquartered in Moorefield, West Virginia, filed an application pursuant to Chapter 15 of Title 6.1 of the Code of Virginia to acquire Shenandoah Valley National Bank, a Virginia bank (as defined in Section 6.1-398 of the Code) headquartered in Winchester, 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 November 25, 1998. 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 the criteria in § 6.1-383.2, Subsection A, are met: (1) the proposed acquisition will not be detrimental to the safety and soundness of South Branch Valley Bancorp, Inc., or Shenandoah Valley National Bank; (2) the applicant, its officers and directors, and the proposed new directors of Shenandoah Valley National Bank, 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 South Branch Valley Bancorp, Inc. or Shenandoah Valley National Bank; and (4) the acquisition is in the public interest.

Therefore, the Commission hereby approves the application of South Branch Valley Bancorp, Inc. to acquire Shenandoah Valley National Bank. The permission granted herein shall expire one year from this date, unless extended by Commission order prior to the expiration date. This matter shall be placed among the ended cases.

CASE NO. BAN19981244
JANUARY 27, 1999

APPLICATION OF
UNION BANK AND TRUST COMPANY

For a certificate of authority to do a banking and trust business following a merger with King George State Bank, Inc., and for authority to operate the authorized offices of the merging banks

ORDER APPROVING THE MERGER

Union Bank and Trust Company, a state-chartered bank with its main office at 211 N. Main Street, Bowling Green, Caroline County, Virginia, has applied pursuant to Section 6.1-44 of the Code of Virginia for a certificate of authority to do a banking and trust business following a merger with King George State Bank, Inc., King George, Virginia. Union Bank and Trust Company proposes to be the surviving bank in the merger, and seeks authority to operate all the currently-authorized offices of the merging banks. The application was referred to the Bureau of Financial Institutions for investigation.

The Commission, having considered the application herein and the report of the Bureau's investigation, is of the opinion that a certificate of authority should be issued to the applicant, and with respect to the application the Commission finds: (1) that all the provisions of law have been complied with; (2) that the surviving bank's capital stock will be $7,200,000 and its surplus will be not less than $37,685,119; (3) that the public interest will be served by the applicant's banking facilities in the communities where the applicant proposed to be; (4) that the oaths of all directors have been taken and filed in accordance with Section 6.1-48; (5) that the bank will conduct a legitimate banking business; (6) that the moral fitness, financial responsibility and business qualifications of those named as officers and directors are such as to command the confidence of the community; and (7) that the bank's deposits will be insured by the Federal Deposit Insurance Corporation.

Furthermore, the Commission is of the opinion and finds that the public interest will be served by authorizing Union Bank and Trust Company to engage in the banking and trust business and to operate all the currently-authorized offices of the merging banks.

Accordingly IT IS ORDERED THAT a certificate of authority to do a banking and trust business be granted to Union Bank and Trust Company, and such a certificate is hereby granted, effective upon the Clerk's issuing a certificate of merger, merging King George State Bank, Inc. into Union Bank and Trust Company. AND IT IS FURTHER ORDERED that, upon the merger of King George State Bank, Inc. into Union Bank and Trust Company, the surviving bank is authorized to operate a main office at 211 N. Main Street, Bowling Green, Caroline County, Virginia, and branches at all the previously-authorized office locations of the merging banks. The offices of the merging banks are listed in Attachment A. The authority granted herein shall expire one year from this date, unless extended by Commission order prior to the expiration date.

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

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

CASE NO. BAN19990008
FEBRUARY 25, 1999

APPLICATION OF
CENTURA BANKS, INC.
Rocky Mount, North Carolina

To acquire First Coastal Bankshares, Inc.

ORDER OF APPROVAL

ON A FORMER DAY Centura Banks, Inc. ("Centura") applied pursuant to Article 11 of Chapter 3.01 of Title 6.1 of the Code of Virginia to acquire First Coastal Bankshares, Inc. ("First Coastal"). Centura is an out-of-state savings institution holding company within the meaning of Section 6.1-194.96. First Coastal is a savings institution holding company, the parent of First Coastal Bank, a Virginia savings institution headquartered in Virginia Beach, Virginia. The application was referred to the Bureau of Financial Institutions for investigation, and notice of the application was published in the Bureau's Weekly Information Bulletin dated January 8, 1999. No objection to the proposed acquisition was received.

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

Furthermore, the Commission determines, pursuant to Section 6.1-194.99, that (1) the proposed acquisition would not be detrimental to the safety or soundness of the applicant or First Coastal; (2) the applicant, its officers and directors, are qualified by character, experience, and financial responsibility to control and operate a Virginia savings institution; (3) the proposed acquisition would not be prejudicial to the interests of depositors, creditors, beneficiaries of fiduciary accounts, or shareholders of the applicant or of First Coastal Bank; and (4) the acquisition is in the public interest. Therefore, the Commission hereby approves the acquisition of First Coastal Bankshares, Inc. by Centura Banks, Inc., provided that the acquisition takes place within one

year from this date, unless this authority is extended by Commission order prior to the expiration date, and the applicant notifies the Bureau of the effective date within ten days thereof.

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

CASE NO. BAN19990011
JULY 8, 1999

APPLICATION OF
ALLIANCE CAPITAL PARTNERS, L.P.

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Alliance Capital Partners, L.P., a Delaware limited partnership, and filed its application, as required by Section 6.1-416.1 of the Code of Virginia, to acquire 25 percent or more 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 Section 6.1-416.1 of the Code of Virginia. Therefore, the Commission hereby approves the acquisition of 25 percent or more of the voting shares of Alliance Mortgage Company by Alliance Capital Partners, L.P. and orders that this matter be placed among the ended cases.

CASE NOS. BAN19990015, BAN19990016, and BAN19990017
FEBRUARY 25, 1999

APPLICATION OF
FIRST VIRGINIA BANK - SOUTHWEST
Roanoke, Virginia

For a certificate of authority to do a banking and trust business following a merger with First Virginia Bank-Clinch Valley, First Virginia Bank-Piedmont and First Virginia Bank - Franklin County, and for authority to operate the authorized offices of the merging banks

ORDER GRANTING AUTHORITY

First Virginia Bank - Southwest, a state-chartered bank with its main office at 6625 Williamson Road, N.W., City of Roanoke, Virginia, has applied pursuant to Section 6.1-44 of the Code of Virginia for a certificate of authority to do a banking and trust business following a merger with: (1) First Virginia Bank-Clinch Valley, Tazewell, Virginia; (2) First Virginia Bank-Piedmont, Lynchburg, Virginia; and (3) First Virginia Bank – Franklin County, Rocky Mount, Virginia. First Virginia Bank – Southwest proposes to be the surviving bank in the merger, and seeks authority to operate all the currently-authorized offices of the merging banks. The applications were referred to the Bureau of Financial Institutions for investigation.

The Commission, having considered the applications herein and the report of the Bureau's investigation, is of the opinion that a certificate of authority should be issued, and with respect to the application the Commission finds: (1) that all the provisions of law have been complied with; (2) that the capital stock of the resulting bank will be $23,839,000 and its surplus will be not less than $105,234,000; (3) that the public interest will be served by the banking facilities of the resulting bank in the communities where it is proposed to be; (4) that the oaths of all directors have been taken and filed in accordance with Section 6.1-48; (5) that the bank will conduct a legitimate banking business; (6) that the moral fitness, financial responsibility and business qualifications of those named as officers and directors are such as to command the confidence of the community; and (7) that the deposits of the resulting bank will be insured by the Federal Deposit Insurance Corporation.

Furthermore, the Commission is of the opinion and finds that the public interest will be served by authorizing First Virginia Bank - Southwest to engage in the banking and trust business and to operate all the currently-authorized offices of the merging banks.

Accordingly IT IS ORDERED THAT a certificate of authority to do a banking and trust business be granted to First Virginia Bank – Southwest, and such a certificate is hereby granted, effective upon the issuance by the Clerk of a certificate of merger merging First Virginia Bank-Clinch Valley, First Virginia Bank-Piedmont and First Virginia Bank - Franklin County into First Virginia Bank - Southwest. AND IT IS FURTHER ORDERED that, upon the merger of First Virginia Bank-Clinch Valley, First Virginia Bank-Piedmont and First Virginia Bank - Franklin County into First Virginia Bank - Southwest, the surviving bank is authorized to operate a main office at 6625 Williamson Road, N.W., City of Roanoke, Virginia, and branches at all the previously-authorized office locations of the merging banks. The offices operated by the merging banks are listed in Attachment A. The authority granted herein shall expire one year from this date, unless extended by Commission order prior to the expiration date.

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

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

CASE NO. BAN19990042
FEBRUARY 19, 1999

APPLICATION OF
F&M BANK-NORTHERN VIRGINIA
Fairfax, Virginia

For a certificate of authority to do a banking and trust business following a merger with Security Bank Corporation and for authority to operate the authorized offices of the merging banks

ORDER GRANTING AUTHORITY

F&M Bank-Northern Virginia, a state-chartered bank with its main office at 4117 Chain Bridge Road, City of Fairfax, Virginia, has applied pursuant to Section 6.1-44 of Virginia Code for a certificate of authority to do a banking and trust business following its merger with Security Bank Corporation, Manassas, Virginia, under the charter and title of F&M Bank-Northern Virginia. Authority is sought for the bank resulting from the merger to operate all the currently-authorized offices of the merging banks. The application was referred to the Bureau of Financial Institutions for investigation.

The Commission, having considered the application herein and the report of the Bureau's investigation, is of the opinion that a certificate of authority should be issued, and with respect to the application the Commission finds: (1) that all the provisions of law have been complied with; (2) that the capital stock of the resulting bank will be $12,183,770 and its surplus will be not less than $51,114,797; (3) that the public interest will be served by the banking facilities of the resulting bank in the communities where it is proposed to be: (4) that the oaths of all directors have been taken and filed in accordance with Section 6.1-48; (5) that the bank will conduct a legitimate banking business; (6) that the moral fitness, financial responsibility and business qualifications of those named as officers and directors are such as to command the confidence of the community; and (7) that the deposits of the resulting bank will be insured by the Federal Deposit Insurance Corporation.

Furthermore, the Commission is of the opinion and finds that the public interest will be served by authorizing the bank resulting from the merger, under the title F&M Bank-Northern Virginia, to engage in the banking and trust business and to operate all the currently-authorized offices of the merging banks.

Accordingly IT IS ORDERED THAT a certificate of authority to do a banking and trust business be granted to the bank resulting from the merger of Security Bank Corporation with F&M Bank-Northern Virginia, and such a certificate is hereby granted, effective upon the issuance by the Clerk of a certificate of merger. AND IT IS FURTHER ORDERED that, upon the merger of Security Bank Corporation into F&M Bank-Northern Virginia, the surviving bank, entitled "F&M Bank-Northern Virginia", is authorized to operate a main office at 4117 Chain Bridge Road, City of Fairfax, Virginia, and branches at all the previously-authorized office locations of the merging banks. The offices operated by the merging banks are listed in Attachment A. The authority granted herein shall expire one year from this date, unless extended by Commission order prior to the expiration date.

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

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

CASE NO. BAN19990186
MARCH 26, 1999

APPLICATION OF
MILLENNIUM 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 Millennium Bankshares Corporation, Reston, Virginia, and filed its application, as required by Virginia Code Section 6.1-383.1, to acquire 100 percent of the voting shares of Millennium Bank, N.A., Reston, 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 Millennium Bank, N.A. by Millennium Bankshares Corporation, provided that the acquisition takes place within one year from this date and the applicant notifies the Bureau of the effective date within ten days thereof. It is ordered that this matter be placed among the ended cases.

CASE NO. BAN19990347
MAY 13, 1999

APPLICATION OF
AMERINET DELAWARE, INC.

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

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

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

CASE NO. BAN19990381
MAY 6, 1999

APPLICATION OF
BB&T CORPORATION

Pursuant to Section 6.1-406 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came BB&T Corporation, Winston-Salem, North Carolina, and filed its notice, as required by the Virginia Code Section 6.1-406, to acquire First Citizens Corporation, Newnan, Georgia, its bank subsidiary, First Citizens Bank of Georgia, Fayetteville, Georgia, and its savings bank subsidiary, First Citizens Bank, Newnan, Georgia. The application was referred to the Bureau of Financial Institutions.

Having considered the aforesaid notice and the report herein of the Bureau of Financial Institutions, the Commission is of the opinion and finds that the proposed acquisition will not affect detrimentally the safety or soundness of any Virginia bank. Therefore, the Commission hereby approves the acquisition of First Citizens Corporation by BB&T Corporation, provided that the acquisition takes place within one year from this date and the applicant notifies the Bureau of the effective date within ten days thereof. This matter shall be placed among the ended cases.

CASE NO. BAN19990404
APRIL 13, 1999

APPLICATION OF
CAPITAL Z FINANCIAL SERVICES FUND II, L.P.

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Capital Z Financial Services Fund II, L.P., New York, New York, and filed its application, as required by Virginia Code Section 6.1-416.1, to acquire 25 percent or more of the voting shares of One Stop Mortgage, Inc. Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

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

CASE NOS. BAN19990415-BAN19990421 and BAN19990429-BAN19990431
JUNE 2, 1999

APPLICATIONS OF
BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
Norfolk, Virginia

For a certificate of authority to do a banking and trust business following a merger with: Bank of Ferrum, Piedmont Trust Bank, MainStreet Bank (Central Virginia), Bank of Carroll, First Community Bank of Saltville, The First Bank of Stuart, The First National Bank of Clifton Forge, MainStreet Trust Company, National Association, The Bank of Northern Virginia, and Tysons National Bank, and for authority to operate the authorized offices of the merging banks

ORDER GRANTING AUTHORITY

Branch Banking and Trust Company of Virginia, a state-chartered bank with its main office at 109 Main Street, City of Norfolk, Virginia, has applied pursuant to Section 6.1-44 of the Code of Virginia for a certificate of authority to do a banking and trust business following a merger with: (1) Bank of Ferrum, Ferrum, Virginia; (2) Piedmont Trust Bank, Martinsville, Virginia; (3) MainStreet Bank (Central Virginia), Richmond, Virginia, (4) Bank of Carroll, Hillsville, Virginia; (5) First Community Bank of Saltville, Saltville, Virginia; (6) The First Bank of Stuart, Stuart, Virginia; (7) The First National Bank of Clifton Forge, Clifton Forge, Virginia; (8) MainStreet Trust Company, National Association, Martinsville, Virginia; (9) The Bank of Northern Virginia, Arlington, Virginia; and (10) Tysons National Bank, McLean, Virginia. Branch Banking and Trust Company of Virginia proposes to be the surviving bank in the merger, and seeks authority to operate all the currently-authorized offices of the merging banks. The applications were referred to the Bureau of Financial Institutions for investigation.

The Commission, having considered the applications herein and the report of the Bureau's investigation, is of the opinion that a certificate of authority should be issued, and with respect to the applications the Commission finds: (1) that all the provisions of law have been complied with; (2) that the capital stock of the resulting bank will be $6,886,000 and its surplus will be not less than $609,813,000; (3) that the public interest will be served by the banking facilities of the resulting bank in the communities where it 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 will conduct a legitimate banking business; (6) that the moral fitness, financial responsibility and business qualifications of those named as officers and directors are such as to command the confidence of the community; and (7) that the deposits of the resulting bank will be insured by the Federal Deposit Insurance Corporation.

Furthermore, the Commission is of the opinion and finds that the public interest will be served by authorizing Branch Banking and Trust Company of Virginia to engage in the banking and trust business and to operate all the currently-authorized offices of the merging banks.

Accordingly IT IS ORDERED THAT a certificate of authority to do a banking and trust business be granted to Branch Banking and Trust Company of Virginia, and such a certificate is hereby granted, effective upon the issuance by the Clerk of a certificate of merger merging Bank of Ferrum, Piedmont Trust Bank, MainStreet Bank (Central Virginia), Bank of Carroll, First Community Bank of Saltville, The First Bank of Stuart, The First National Bank of Clifton Forge, MainStreet Trust Company, National Association, The Bank of Northern Virginia, and Tysons National Bank into Branch Banking and Trust Company of Virginia. AND IT IS FURTHER ORDERED that, upon the merger, the surviving bank is authorized to operate a main office at 109 Main Street, City of Norfolk, Virginia, and branches at all the previously-authorized office locations of the merging banks. The offices operated by the merging banks are listed in Attachment A. The authority granted herein shall expire one year from this date, unless extended by Commission order prior to the expiration date.

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

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

CASE NO. BAN19990443
JUNE 11, 1999

APPLICATION OF
TIMOTHY J. THOMPSON

Pursuant to Section 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Timothy J. Thompson, Virginia Beach, Virginia, and filed his application, as required by Section 6.1-416.1 of the Code of Virginia, to acquire 25 percent or more of the voting shares of The Phoenix Financial Corporation of Virginia, Inc. Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

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

CASE NO. BAN19990474
MAY 27, 1999

APPLICATION OF
BB&T CORPORATION

Pursuant to Section 6.1-406 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came BB&T Corporation, Winston-Salem, North Carolina, and filed its notice, as required by the Virginia Code Section 6.1-406, to acquire Mason-Dixon Bancshares, Inc., Westminster, Maryland, and its bank subsidiaries, Carroll County Bank and Trust Company, Westminster, Maryland, and Bank of Maryland, Towson, 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 Mason-Dixon Bancshares, Inc. by BB&T Corporation, provided that the acquisition takes place within one year from this date and the applicant notifies the Bureau of the effective date within ten days thereof. This matter shall be placed among the ended cases.

CASE NO. BAN19990483
AUGUST 12, 1999

APPLICATION OF
COMMUNITY FIRST BANK

For a certificate of authority to begin business as a bank at 306 Gristmill Drive, Unit A, Forest, Bedford 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 306 Gristmill Drive, Unit A, Forest, Bedford County, Virginia. Thereupon the application was referred to the Bureau of Financial Institutions for an investigation and report.

NOW, having considered the application herein and the report of the investigation made by the Bureau, the Commission is of the opinion and finds that the public interest will be served by additional banking facilities in Bedford County, Virginia, where the applicant bank is proposed. Furthermore, the Commission ascertains with respect to the application herein:

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

(2) That financially responsible individuals have subscribed for capital stock and surplus 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 reason other 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 Community First Bank to do a banking business at 306 Gristmill Drive, Unit A, Forest, Bedford County, Virginia be granted, and a certificate of authority hereby is granted, subject to and contingent upon the following conditions being met before the bank opens for business:

1. That capital funds totaling $9,686,130 be paid in to the bank and allocated as follows: $3,874,452 to capital stock and $5,811,678 to surplus;

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

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

If, for any reason, the bank should fail to open for business within one (1) year from this date, the authority granted herein shall expire. However, the Commission may renew or extend such authority by order entered prior to the expiration date.

CASE NO. BAN19990495
JUNE 11, 1999

APPLICATION OF
JAMES MONROE BANCORP, INC.

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

ORDER GIVING NOTICE OF INTENT NOT TO DISAPPROVE AN ACQUISITION

ON A FORMER DAY James Monroe Bancorp, Inc., a Virginia corporation, applied as required by § 6.1-383.1 of the Code of Virginia to acquire 100 percent of the voting stock of James Monroe Bank, Arlington, Virginia. 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 § 6.1-383.1 of the Code, and it finds further that no reasonable basis exists for taking any of the other actions permitted the Commission by § 6.1-383.2.

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

CASE NO. BAN19990556
OCTOBER 12, 1999

APPLICATION OF
FIDELITY FUNDING ACQUISITION CORPORATION

Pursuant to § 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Fidelity Funding Acquisition Corporation, a Delaware corporation, and filed its application, as required by § 6.1-416.1 of the Code of Virginia, to acquire 25 percent or more of the voting shares of Fidelity Funding Mortgage Corp. Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

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

CASE NO. BAN19990557
JULY 7, 1999

APPLICATION OF
FIRST VIRGINIA BANK OF TIDEWATER, Norfolk, Virginia

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

ORDER GRANTING AUTHORITY

First Virginia Bank of Tidewater, a state-chartered bank with its main office at 555 Main Street, City of Norfolk, Virginia, has applied pursuant to Section 6.1-44 of the Code of Virginia for a certificate of authority to do a banking and trust business following a merger with First Virginia Bank - Commonwealth, Grafton, Virginia, under the charter of First Virginia Bank of Tidewater and the title First Virginia Bank-Hampton Roads. Authority is sought for the bank resulting from the merger to operate all the currently-authorized offices of the merging banks. The application was referred to the Bureau of Financial Institutions for investigation.

The Commission, having considered the application herein and the report of the Bureau's investigation, is of the opinion that a certificate of authority should be issued, and with respect to the application the Commission finds: (1) that all the provisions of law have been complied with; (2) that the capital stock of the resulting bank will be $17,000,000 and its surplus will be not less than $39,334,000; (3) that the public interest will be served by the banking facilities of the resulting bank in the communities where it is proposed to be; (4) that the oaths of all directors have been taken and filed in accordance with Section 6.1-48 of the Code of Virginia; (5) that the bank will conduct a legitimate banking business; (6) that the moral fitness, financial responsibility and business qualifications of those named as officers and directors are such as to command the confidence of the community; and (7) that the deposits of the resulting bank will be insured by the Federal Deposit Insurance Corporation.

Furthermore, the Commission is of the opinion and finds that the public interest will be served by authorizing the bank resulting from the merger, under the title First Virginia Bank-Hampton Roads, to engage in the banking and trust business and to operate all the currently-authorized offices of the merging banks.

Accordingly, IT IS ORDERED THAT a certificate of authority to do a banking and trust business be granted to the bank resulting from the merger of First Virginia Bank - Commonwealth with First Virginia Bank of Tidewater, and such a certificate is hereby granted, effective upon the issuance by the Clerk of a certificate of merger. AND IT IS FURTHER ORDERED that, upon the merger of First Virginia Bank - Commonwealth into First Virginia Bank of Tidewater, the surviving bank, entitled "First Virginia Bank-Hampton Roads", is authorized to operate a main office at 555 Main Street, City of Norfolk, Virginia, and branches at all the previously-authorized office locations of the merging banks. The offices operated by the merging banks are listed in Attachment A. The authority granted herein shall expire one (1) year from this date, unless extended by Commission order prior to the expiration date.

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

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

CASE NO. BAN19990604
JULY 8, 1999

APPLICATION OF
JAMES RIVER BANKSHARES, INC.

Pursuant to Title 6.1, Chapter 13, Code of Virginia

ORDER GIVING NOTICE OF INTENT NOT TO DISAPPROVE AN ACQUISITION

ON A FORMER DAY came James River Bankshares, Inc. and filed its application, as required by Section 6.1-383.1 of the Code of Virginia, to acquire 100 percent of the voting shares of State Bank of Remington, 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 the applicant has complied with Section 6.1-383.1 of the Code of Virginia, and that no reasonable basis exists for taking any of the other actions permitted by Section 6.1-383.2 of the Code.

THEREFORE, the Commission hereby issues this notice of its intent not to disapprove the acquisition of 100 percent of the voting shares of State Bank of Remington, Incorporated by James River Bankshares, Inc. This matter shall be placed among the ended cases.

CASE NO. BAN19990605
JULY 8, 1999

APPLICATION OF
JRB ACQUISITION BANK, INC.

For a certificate of authority to begin business as a bank at 100 John Stone Street, Remington, Fauquier County, Virginia and to operate two branch offices upon the merger of State Bank of Remington, Incorporated into JRB Acquisition Bank, Inc., under the charter of JRB Acquisition Bank, Inc. and title of State Bank of Remington, Incorporated

ON A FORMER DAY JRB Acquisition Bank, Inc., an interim bank, applied to the Commission for a certificate of authority to begin business as a bank at 100 John Stone Street, Remington, Fauquier County, Virginia, and for authority to operate the above main office and two branch offices of State Bank of Remington, Incorporated at the following locations: (1) 3420 Catlett Road, Catlett, Fauquier County, Virginia and (2) 11139 Marsh Road, Bealeton, Fauquier County, Virginia as branch offices. The application, with supporting documents and information, was referred to the Commissioner of Financial Institutions for investigation and report.

The Commissioner has submitted his report of investigation which states that the authorizations sought herein are steps to facilitate the proposed acquisition of State Bank of Remington, Incorporated by James River Bankshares, Inc. pursuant to Chapter 13 of Title 6.1 of the Code of Virginia. State Bank of Remington, Incorporated will merge into JRB Acquisition Bank, Inc. and the resulting bank will be re-named "State Bank of Remington, Incorporated".

AND THE COMMISSION, having considered the application herein and the recommendation of the Commissioner of Financial Institutions, is of the opinion that a certificate of authority to begin business as a bank should be issued to JRB Acquisition Bank, Inc. The Commission finds: (1) that all the provisions of law have been complied with; (2) that the stock of the interim bank has been subscribed, and that the capital of the resulting bank will be an amount deemed sufficient for successful operation, i.e., capital stock of $2,910,000 and surplus of not less than $4,606,000; (3) that the oaths of all directors have been taken and filed in accordance with the provisions of Section 6.1-48 of the Code of Virginia; (4) that in its opinion, the public interest will be served by having banking facilities of the applicant in the community where it proposes to be; (5) that the applicant was formed for no other reason than a legitimate banking business; (6) that the moral fitness, financial responsibility and business qualifications of those named as officers and directors of the

applicant are such as to command the confidence of the community in which the applicant will be located; and (7) that its deposits are to be insured by the Federal Deposit Insurance Corporation.

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

Accordingly, IT IS ORDERED THAT a certificate of authority be granted to JRB Acquisition Bank, Inc., and a certificate is hereby granted. And it is further ordered that, upon the merger of State Bank of Remington, Incorporated into JRB Acquisition Bank, Inc., the resulting bank, re-named "State Bank of Remington, Incorporated", be authorized to operate at 100 John Stone Street, Remington, Fauquier County, Virginia, with the branch offices listed above, and such authority hereby is granted. The authority granted herein shall expire if not exercised within one (1) year.

CASE NO. BAN19990607
JULY 2, 1999

APPLICATION OF
BB&T CORPORATION

Pursuant to Section 6.1-406 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came BB&T Corporation, Winston-Salem, North Carolina, and filed its notice, as required by the Virginia Code Section 6.1-406, to acquire Matewan Bancshares, Inc., Williamson, West Virginia, and its subsidiary, The Matewan National Bank, Williamson, West Virginia. 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 Matewan Bancshares, Inc. by BB&T Corporation, provided that the acquisition takes place within one (1) year from this date and the applicant notifies the Bureau of the effective date within ten (10) days thereof. This matter shall be placed among the ended cases.

CASE NO. BAN19990612
AUGUST 12, 1999

APPLICATION OF
THE BANK OF FRANKLIN, Franklin, Virginia

For a certificate of authority to do a banking business following a merger with The Bank of Sussex and Surry and for authority to operate the authorized offices of the merging banks

ORDER GRANTING AUTHORITY

The Bank of Franklin, a state-chartered bank with its main office at 100 East Fourth Avenue, City of Franklin, Virginia, has applied pursuant to § 6.1-44 of the Code of Virginia for a certificate of authority to do a banking business following a merger with The Bank of Sussex and Surry, Wakefield, Virginia, under the charter of The Bank of Franklin and the title of United Community Bank. Authority is sought for the bank resulting from the merger to operate all the currently-authorized offices of the merging banks. The application was referred to the Bureau of Financial Institutions for investigation.

The Commission, having considered the application herein and the report of the Bureau's investigation, is of the opinion that a certificate of authority should be issued, and with respect to the application the Commission finds: (1) that all the provisions of law have been complied with; (2) that the capital stock of the resulting bank will be $857,175 and its surplus will be not less than $19,566,000; (3) that the public interest will be served by the banking facilities of the resulting bank in the communities where it is proposed to be; (4) that the oaths of all directors have been taken and filed in accordance with § 6.1-48 of the Code of Virginia; (5) that the bank will conduct a legitimate banking business; (6) that the moral fitness, financial responsibility and business qualifications of those named as officers and directors are such as to command the confidence of the community; and (7) that the deposits of the resulting bank will be insured by the Federal Deposit Insurance Corporation.

Furthermore, the Commission is of the opinion and finds that the public interest will be served by authorizing the bank resulting from the merger, under the title United Community Bank, to engage in the banking business and to operate all the currently-authorized offices of the merging banks.

Accordingly, IT IS ORDERED THAT a certificate of authority to do a banking business be granted to the bank resulting from the merger of The Bank of Sussex and Surry with The Bank of Franklin, and such a certificate is hereby granted, effective upon the issuance by the Clerk of a certificate of merger. AND IT IS FURTHER ORDERED that, upon the merger of The Bank of Sussex and Surry into The Bank of Franklin, the surviving bank, entitled "United Community Bank", is authorized to operate a main office at 100 East Fourth Avenue, City of Franklin, Virginia, and branches at all the previously-authorized office locations of the merging banks. The offices operated by the merging banks are listed in Attachment A. The authority granted herein shall expire one (1) year from this date, unless extended by Commission order prior to the expiration date.

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

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

CASE NOS. BAN19990629 and BAN19990630
JULY 14, 1999

APPLICATIONS OF
CARDINAL FINANCIAL CORPORATION

Pursuant to Title 6.1, Chapter 13, Code of Virginia

ORDER GIVING NOTICE OF INTENT NOT TO DISAPPROVE ACQUISITIONS

ON A FORMER DAY came Cardinal Financial Corporation, Fairfax, Virginia, and filed its applications, as required by Section 6.1-383.1 of the Code of Virginia, to acquire 100 percent of the voting shares of Cardinal Bank – Dulles, National Association, Reston, Virginia and Cardinal Bank – Manassas/Prince William, National Association, Manassas, Virginia. Thereupon the applications were referred to the Bureau of Financial Institutions.

Having considered the applications 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 Section 6.1-383.1 of the Code of Virginia, 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 Cardinal Bank - Dulles, National Association and Cardinal Bank – Manassas/Prince William, National Association by Cardinal Financial Corporation, provided that the acquisitions take place within one (1) year from this date and the applicant notifies the Bureau of the effective dates within ten (10) days thereof. It is ordered that these matters be placed among the ended cases.

CASE NO. BAN19990687
OCTOBER 12, 1999

APPLICATION OF
CITIZENS COMMUNITY BANK

For a certificate of authority to begin business as a bank at 800 North Mecklenburg Avenue, South Hill, Mecklenburg 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 800 North Mecklenburg Avenue, South Hill, Mecklenburg County, Virginia. Thereupon the application was referred to the Bureau of Financial Institutions for an investigation and report.

NOW, having considered the application herein and the report of the investigation made by the Bureau, the Commission is of the opinion and finds that the public interest will be served by additional banking facilities in Mecklenburg County, Virginia, where the applicant bank is proposed. Furthermore, the Commission ascertains with respect to the application herein:

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

(2) That financially responsible individuals have subscribed for capital stock and surplus 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 reason other 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 Citizens Community Bank to do a banking business at 800 North Mecklenburg Avenue, South Hill, Mecklenburg County, Virginia be granted, and a certificate of authority hereby is granted, subject to and contingent upon the following conditions being met before the bank opens for business:

(1) That capital funds totaling $7,511,670 be paid in to the bank and allocated as follows: $3,755,835 to capital stock and $3,755,835 to surplus;

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

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

If, for any reason, the bank should fail to open for business within one (1) year from this date, the authority granted herein shall expire. However, the Commission may renew or extend such authority by order entered prior to the expiration date.

CASE NO. BAN19990737
SEPTEMBER 27, 1999

APPLICATION OF
FFC, INC.

Pursuant to § 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came FFC, Inc., Norfolk, Virginia, and filed its application, as required by § 6.1-416.1 of the Code of Virginia, to acquire 25 percent or more of the voting shares of Southeast Mortgage Banking Corp. Thereupon the application was referred to the Bureau of Financial Institutions for investigation.

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

CASE NO. BAN19990762
SEPTEMBER 27, 1999

APPLICATION OF
TONY MERGER CORP.

Pursuant to § 6.1-416.1 of the Code of Virginia

ORDER APPROVING THE ACQUISITION

ON A FORMER DAY came Tony Merger Corp., a Delaware corporation, and filed its application, as required by § 6.1-416.1 of the Code of Virginia, to acquire 25 percent or more of the voting shares of Transamerica Mortgage Company. Tony Merger Corp. was formed as a subsidiary of AEGON N.V., The Hague, The Netherlands, for the purpose of facilitating this proposed acquisition. 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 § 6.1-416.1 of the Code of Virginia. Therefore, the Commission hereby approves the acquisition of 25 percent or more of the voting shares of Transamerica Mortgage Company by the applicant. This matter shall be placed among the ended cases.

CASE NO. BAN19990795
SEPTEMBER 14, 1999

APPLICATION OF
BCC BANKSHARES, INC.

Pursuant to Title 6.1, Chapter 13, Code of Virginia

ORDER GIVING NOTICE OF INTENT NOT TO DISAPPROVE AN ACQUISITION

ON A FORMER DAY came BCC Bankshares, Inc., Phenix, Virginia, and filed its application, as required by § 6.1-383.1 of the Code of Virginia, to acquire 100 percent of the voting shares of The Bank of Charlotte County, Phenix, 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 § 6.1-383.I of the Code of Virginia, 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 voting shares of The Bank of Charlotte County by BCC Bankshares, Inc., provided that the acquisition takes place within one (1) year from this date and the applicant notifies the Bureau of the effective date within ten (10) days thereof. It is ordered that this matter be placed among the ended cases.

CASE NO. BAN19990843
AUGUST 27, 1999

APPLICATION OF
FNB FINANCIAL SERVICES CORPORATION, Reidsville, North Carolina

To acquire Black Diamond Savings Bank, F.S.B.

ORDER OF APPROVAL

ON A FORMER DAY FNB Financial Services Corporation ("FNB") applied pursuant to Article 11 of Chapter 3.01 of Title 6.1 of the Code of Virginia to acquire Black Diamond Savings Bank, F.S.B. ("Black Diamond"). FNB is an out-of-state savings institution holding company within the meaning of § 6.1-194.96. Black Diamond is a Virginia savings institution headquartered in Norton, Virginia. The application was referred to the Bureau of Financial Institutions for investigation, and notice of the application was published in the Bureau's Weekly Information Bulletin dated August 6, 1999. No objection to the proposed acquisition was received.

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

Furthermore, the Commission determines, pursuant to § 6.1-194.99, that (1) the proposed acquisition would not be detrimental to the safety or soundness of the applicant or Black Diamond; (2) the applicant, its officers and directors, are qualified by character, experience, and financial responsibility to control and operate a Virginia savings institution; (3) the proposed acquisition would not be prejudicial to the interests of depositors, creditors, beneficiaries of fiduciary accounts, or shareholders of the applicant or of Black Diamond; and (4) the acquisition is in the public interest. Therefore, the Commission hereby approves the acquisition of Black Diamond Savings Bank, F.S.B by FNB Financial Services Corporation, provided that the acquisition takes place within one (1) year from this date, unless this authority is extended by Commission order prior to the expiration date, and the applicant notifies the Bureau of the effective date within ten (10) days thereof.

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

CASE NO. BAN19990844
SEPTEMBER 27, 1999

APPLICATION OF
SOUTHERN FINANCIAL BANCORP, INC.

Pursuant to Title 6.1, Chapter 13, Code of Virginia

ORDER GIVING NOTICE OF INTENT NOT TO DISAPPROVE AN ACQUISITION

ON A FORMER DAY came Southern Financial Bancorp, Inc., Warrenton, Virginia, and filed its application, as required by § 6.1-383.1 of the Code of Virginia, to acquire 100 percent of the voting shares of The Horizon Bank of Virginia, Merrifield, 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 § 6.1-383.1 of the Code of Virginia, 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 voting shares of The Horizon Bank of Virginia by Southern Financial Bancorp, Inc., provided that the acquisition takes place within one (1) year from this date and the applicant notifies the Bureau of the effective date within ten (10) days thereof. It is ordered that this matter be placed among the ended cases.

CASE NO. BAN19990845
SEPTEMBER 27, 1999

APPLICATION OF
SOUTHERN FINANCIAL BANK, Warrenton, Virginia

For a certificate of authority to do a banking business following a merger with The Horizon Bank of Virginia, and for authority to operate the authorized offices of the merging banks

ORDER GRANTING AUTHORITY

Southern Financial Bank, a state-chartered bank with its main office at 37 East Main Street, Warrenton, Fauquier County, Virginia, has applied pursuant to § 6.1-44 of the Code of Virginia for a certificate of authority to do a banking business following its merger with The Horizon Bank of Virginia, Merrifield, Virginia, under the charter and title of Southern Financial Bank. Authority is sought for the bank resulting from the merger to operate all the currently authorized offices of the merging banks. The application was referred to the Bureau of Financial Institutions for investigation.

The Commission, having considered the application herein and the report of the Bureau's investigation, is of the opinion that a certificate of authority should be issued, and with respect to the application the Commission finds: (1) that all the provisions of law have been complied with; (2) that the capital stock of the resulting bank will be $6,150,000 and its surplus will be not less than $24,271,000; (3) that the public interest will be served by the banking facilities of the resulting bank in the communities where it is proposed to be; (4) that the oaths of all directors have been taken and filed in accordance with § 6.1-48 of the Code of Virginia; (5) that the bank will conduct a legitimate banking business; (6) that the moral fitness, financial responsibility and business qualifications of those named as officers and directors are such as to command the confidence of the community; and (7) that the deposits of the resulting bank will be insured by the Federal Deposit Insurance Corporation.

Furthermore, the Commission is of the opinion and finds that the public interest will be served by authorizing the bank resulting from the merger to engage in the banking business and to operate all the currently authorized offices of the merging banks.

Accordingly, IT IS ORDERED THAT a certificate of authority to do a banking business be granted to the bank resulting from the merger of The Horizon Bank of Virginia with Southern Financial Bank, and such a certificate is hereby granted, effective upon the issuance by the Clerk of a certificate of merger. AND IT IS FURTHER ORDERED that, upon the merger of The Horizon Bank of Virginia into Southern Financial Bank, the resulting bank is authorized to operate a main office at 37 East Main Street, Warrenton, Fauquier County, Virginia, and branches at all the previously authorized office locations of the merging banks. The offices operated by the merging banks are listed in Attachment A. The authority granted herein shall expire one (1) year from this date, unless extended by Commission order prior to the expiration date.

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

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

CASE NO. BAN19990944
OCTOBER 21, 1999

APPLICATION OF
BENEFICIAL MORTGAGE CO. OF NORTH CAROLINA

To acquire Decision One Mortgage Company, LLC

ORDER OF APPROVAL

Beneficial Mortgage Co. of North Carolina, a Delaware corporation, filed an application under § 6.1-416.1 of the Code of Virginia to acquire the voting shares of Decision One Mortgage Company, LLC. The application was investigated by the Bureau of Financial Institutions ("Bureau").

Having considered the application and the report of investigation of the Bureau, the Commission finds that the requirements in § 6.1-416.1 of the Code are met. Therefore, the Commission hereby approves the acquisition and orders that the matter be placed among the ended cases.

CASE NO. BAN19991054
NOVEMBER 24, 1999

APPLICATION OF
JAMES RANDOLPH CASKIE GILES

To acquire 50 percent of Blue Ridge Mortgage, L.L.C.

ORDER OF APPROVAL

James Randolph Caskie Giles, of Lynchburg, Virginia, filed an application under § 6.1-416.1 of the Code of Virginia to acquire a fifty (50) percent ownership interest in Blue Ridge Mortgage, L.L.C. The application was investigated by the Bureau of Financial Institutions ("Bureau").

Having considered the application and the report of investigation of the Bureau, the Commission finds that the requirements in § 6.1-416.1 of the Code are met. Therefore, the Commission hereby approves the acquisition and orders that the matter be placed among the ended cases.

CASE NO. BAN19991063
OCTOBER 27, 1999

APPLICATION OF
BB&T CORPORATION

Pursuant to § 6.1-406 of the Code of Virginia

ORDER OF APPROVAL

BB&T Corporation of Winston-Salem, North Carolina, filed the notice required by § 6.1-406 of the Code of Virginia of its proposed acquisition of Premier Bancshares, Inc., Atlanta, Georgia and its bank subsidiaries. The Bureau of Financial Institutions investigated the proposed transaction.

Having considered the notice and the report of the Bureau of Financial Institutions, the Commission finds that the proposed acquisition will not have a detrimental effect on the safety or soundness of any Virginia bank. Therefore, the Commission hereby approves the acquisition of Premier Bancshares, Inc. by BB&T Corporation, provided the acquisition takes place within one (1) year from this date and the applicant notifies the Bureau of the effective date within ten (10) days thereof. This matter shall be placed among the ended cases.

CASE NO. BAN19991129
DECEMBER 3, 1999

APPLICATION OF
VIRGINIA COMMERCE 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 Virginia Commerce Bancorp, Inc. of Arlington, Virginia and filed its application, as required by § 6.1-383.1 of the Code of Virginia, to acquire 100 percent of the voting shares of Virginia Commerce Bank of Arlington, 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 § 6.1-383.1 of the Code of Virginia, 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 voting shares of Virginia Commerce Bank by Virginia Commerce Bancorp, Inc., provided that the acquisition takes place within one (1) year from this date and the applicant notifies the Bureau of the effective date within ten (10) days thereof. It is ordered that this matter be placed among the ended cases.

CASE NO. BAN19991173
DECEMBER 16, 1999

APPLICATION OF
SMITH RIVER BANKSHARES, INC.

To acquire Smith River Community Bank, N.A.

ORDER OF APPROVAL

Smith River Bankshares, Inc. of Martinsville, Virginia filed the application required by § 6.1-383.1 of the Code of Virginia, to acquire all the voting shares of Smith River Community Bank, N.A. of Martinsville. The Bureau of Financial Institutions ("Bureau") investigated the proposed acquisition

Having considered the application and the report of the Bureau, the Commission finds that the requirements in § 6.1-383.1 of the Code are met.

THEREFORE, the Commission approves the acquisition of all the voting shares of Smith River Community Bank, N.A. by Smith River Bankshares, Inc., provided the acquisition takes place within one (1) year from this date and the applicant notifies the Bureau of the effective date within ten (10) days thereof. This matter shall be placed among the ended cases.

CASE NO. BAN19991176
DECEMBER 21, 1999

APPLICATION OF
F & M NATIONAL CORPORATION

To acquire The State Bank of the Alleghenies

ORDER OF APPROVAL

F & M National Corporation of Winchester, Virginia filed the application required by § 6.1-383.1 of the Code of Virginia to acquire all the voting shares of The State Bank of the Alleghenies of Covington, Virginia. The Bureau of Financial Institutions ("Bureau") investigated the proposed acquisition.

Having considered the application and the report of the Bureau, the Commission finds that the requirements in § 6.1-383.1 of the Code are met.

THEREFORE, the Commission approves the acquisition of all the voting shares of The State Bank of the Alleghenies by F & M National Corporation, provided the acquisition takes place within one (1) year from this date and the applicant notifies the Bureau of the effective date within ten (10) days thereof. This matter shall be placed among the ended cases.

CASE NO. BFI980067
MARCH 9, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ADVANTAGE MORTGAGE CO., LLC t/a BAY MORTGAGE COMPANY,
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 Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was canceled on November 20, 1998; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on January 14, 1999, that he would recommend that its license be revoked unless a new bond was filed by February 4, 1999, and that a written request for hearing was required to be filed in the Office of the Clerk of the Commission on or before January 28, 1999; 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 § 6.1-413 of the Code of Virginia, and it is

ORDERED that the license granted to Advantage Mortgage Co., LLC t/a Bay Mortgage Company to engage in business as a mortgage lender and broker is hereby revoked.

CASE NO. BFI980068
MARCH 31, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
TREO FUNDING, INCORPORATED (ML-329),
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant, Treo Funding, Incorporated is licensed to engage in business as a mortgage lender under Chapter 16 of Title 6.1 of the Code of Virginia; that a surety bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was canceled, effective November 10, 1998; that the Commissioner, pursuant to delegated authority, gave written notices to the Defendant by certified mail on October 28, 1998, and January 14, 1999, that the Commission would recommend revocation of Defendant's license on February 4, 1999, unless a new bond was filed by that date, and that any request for a hearing in the matter must be filed in the office of the Clerk of the Commission on or before January 28, 1999; 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 § 6.1-413 of the Code of Virginia, and

IT IS ORDERED that the license granted to Treo Funding, Incorporated to engage in business as a mortgage lender be, and it is hereby, revoked.

CASE NO. BFI990002
FEBRUARY 3, 1999

IN THE MATTER OF
THE NANSEMOND CREDIT UNION, INCORPORATED
617 East Washington Street
Suffolk, Virginia

CONSERVATORSHIP ORDER

The Bureau of Financial Institutions has filed a petition seeking the appointment of a conservator for The Nansemond Credit Union, Incorporated ("TNCU Inc."), pursuant to § 6.1-225.8 of the Code of Virginia. The Petition sets forth the grounds for the Bureau's request.

The Commissioner of Financial Institutions and the Bureau staff presented a Notice and the Petition, including a statement of the grounds, to the board of directors of TNCU Inc., in a meeting and reviewed those documents with the board. The Commissioner acknowledged that the board had made considerable efforts to improve the credit union's condition. The board then indicated that it would not contest the appointment of a conservator and waived the credit union's statutory right to a hearing.

Based on the Petition and information received, the Commission finds that grounds for the appointment of a conservator are present in this case, and that it is necessary in order to preserve the assets of the credit union and protect the interests of its members to appoint a conservator, in accordance with law, to take charge of the credit union pending further action of the Commission.

Accordingly, IT IS ORDERED THAT E. Joseph Face, Jr. be appointed conservator for The Nansemond Credit Union, Incorporated, and he hereby is so appointed. The conservator is hereby invested with all powers, duties, and responsibilities, in lieu of the members, officers, committees and directors of TNCU Inc., to conduct the affairs of the credit union in the best interest of the members. In carrying out his duties, the conservator shall have all powers provided by law, including those granted the Commission when authorized to rehabilitate or liquidate an insurer under § 38.2-1508 of the Code, and may act personally, or by one or more appointed agents, including Deputy Commissioner George H. Latham and Conservatorship Manager Judith A. Hallenbeck, to whom the conservator may delegate his authority.

The board of directors, officers, employees and agents of The Nansemond Credit Union, Incorporated are hereby ordered to turn over and release to the conservator and his agents forthwith all books, records, accounts, documents, assets, and real and personal property of every description belonging to TNCU Inc. The board of directors and management are further ordered to cease all activity on behalf of TNCU Inc., except as the conservator or his duly appointed agent may require or permit.

In carrying out the conservatorship, the conservator shall have authority that includes, but is not limited to, the following:

(a) to maintain possession and control of the business, assets, records, and property of TNCU Inc.;

(b) to sell, enforce collection of, and liquidate all such assets and property;

(c) to operate and transact business of TNCU Inc.;

(d) to repudiate agreements, contracts, and leases to which TNCU Inc. is a party;

(e) to compound all bad and doubtful debts;

(f) to make distribution and payment to creditors and members as their interests may appear;

(g) to defend such actions as may be brought against TNCU Inc. or against the Conservator, its Agent or TNCU Inc.;

(h) to sue in the name of the conservator or its agent or in the name of TNCU Inc.;

(i) to receive, examine, and pass upon claims made against TNCU Inc.;

(j) to execute such documents on behalf of TNCU Inc. and to do such other things as may be necessary to conduct the business of TNCU Inc.;

(k) to assign, extend, discharge in whole or in part, or foreclose (including making an entry to foreclosure) any mortgage on real or personal property standing in the name of TNCU Inc. in its own right or held by TNCU Inc. in any fiduciary capacity, and to subordinate the lien of any such mortgage to any other mortgage lease, or other interest, and to initiate and to defend any action with respect to any such mortgage;

(l) to sell, lease, convey, grant assessments or other interest in, enter agreements with respect to, and to initiate and to defend any action with respect to any real estate acquired by TNCU Inc. individually, by virtue of the foreclosure, or held by TNCU Inc. in any fiduciary capacity; and

(m) to sign, seal with the corporate seal, acknowledge and deliver all pleadings, affidavits, deeds, contracts, releases, discharges, certificates, leases, assents, grants, and other instruments necessary or appropriate to carry out the foregoing powers, and such execution shall in each case be conclusive as to the authority of the executing officer.

This order shall be effective immediately, and shall remain in effect until modified or withdrawn by the Commission.

CASE NO. BFI990003
MARCH 15, 1999

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is a foreign corporation 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 maintain a registered agent in this Commonwealth and its authority to transact business in Virginia was revoked; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on February 22, 1999, that he would propose that its license be revoked for those reasons, and that a written request for hearing was required to be filed in the office of the Clerk on or before March 8, 1999; and that no written request for hearing was received.

Accordingly, the Commission finds that the Defendant failed to conduct its business in accordance with applicable law, and

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

CASE NO. BFI990005
MAY 19, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
VEATCH MORTGAGE AND INVESTMENT CORPORATION (MB-636),
Defendant

DISMISSAL ORDER

ON A FORMER DAY the Staff reported to the Commission that the defendant was licensed as a mortgage lender under Chapter 16 of Title 6.1 of the Code of Virginia; that the defendant's surety bond, required of all licensees by § 6.1-413 of the Code, had been canceled; and that, upon being notified by the Commissioner of Financial Institutions that he intended to recommend revocation of the defendant's license, the defendant had surrendered its license by letter dated March 30, 1999. Accordingly,

IT IS ORDERED THAT:

(1) This case is hereby dismissed as moot.

(2) The papers herein shall be placed among the ended causes.

CASE NO. BFI990022
MAY 10, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
JVS FINANCIAL GROUP, INC. (ML-309),
Defendant

ORDER REVOKING LICENSE

ON THIS 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 Code of Virginia; that the Defendant failed to file its annual report due March 1, 1999, as required by § 6.1-418 of the Code; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 1, 1999, that he would propose that its license be revoked on April 26, 1999, and that any written request for a hearing was required to be filed in the office of the Clerk on or before April 19, 1999; and that no annual report or written request for hearing has been received. And the Commissioner asked that the subject license be revoked, in accordance with § 6.1-425, for this violation of § 6.1-418.

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

IT IS ORDERED that the license granted to JVS Financial Group, Inc. to engage in business as a mortgage lender is hereby revoked.

CASE NO. BFI990023
MAY 10, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MCA MORTGAGE CORPORATION (MLB-393),
Defendant

ORDER REVOKING LICENSE

ON THIS DAY the Commissioner of Financial Institutions reported to the Commission: that the Defendant is licensed to engage in business as a mortgage lender/broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 1999, as required by § 6.1-418 of the Code; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 1, 1999, that he would propose that its license be revoked on April 26, 1999, and that any written request for a hearing was required to be filed in the office of the Clerk on or before April 19, 1999; and that no annual report or written request for hearing has been received. And the Commissioner asked that the subject license be revoked, in accordance with § 6.1-425, for this violation of § 6.1-418.

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

IT IS ORDERED that the license granted to MCA Mortgage Corporation to engage in business as a mortgage lender/broker is hereby revoked.

CASE NO. BFI990035
APRIL 23, 1999

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

DISMISSAL ORDER

ON A FORMER DAY the Staff reported to the Commission that the defendant was licensed as a mortgage lender under Chapter 16 of Title 6.1 of the Code of Virginia; that during examinations by Bureau of Financial Institutions personnel, it was discovered that the defendant no longer met the funds available requirement contained in § 6.1-415 A 2 of the Code of Virginia; and that, upon being notified by the Commissioner of Financial Institutions that he intended to recommend revocation of the defendant's license, the defendant surrendered its license. Accordingly,

IT IS ORDERED THAT:

(1) This case is hereby dismissed as moot.

(2) The papers herein shall be placed among the ended causes.

CASE NO. BFI990039
APRIL 23, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
HARBOR FINANCIAL MORTGAGE CORP.,
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 various laws and regulations applicable to the conduct of its business; that upon being informed that the Commissioner of Financial Institutions (Commissioner) intended to recommend the imposition of a penalty therefor, the Defendant offered to settle this case by payment of a penalty in the sum of twenty-seven thousand dollars ($27,000), tendered said sum to the Commonwealth of Virginia, and waived its right to a hearing in the case; and the Commissioner recommended that the Commission accept Defendant's offer of settlement pursuant to authority granted under Virginia Code § 12.1-15.

ACCORDINGLY, IT IS ORDERED THAT:

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

(2) This case is hereby dismissed.

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

CASE NO. BFI990050
NOVEMBER 3, 1999

IN THE MATTER OF:
FEDERAL EMPLOYEES CREDIT UNION OF PETERSBURG, INCORPORATED
Merger with THE RICHMOND POSTAL CREDIT UNION, INCORPORATED

ORDER APPROVING THE MERGER

The Staff of the Bureau of Financial Institutions ("Bureau") has reported and represented to the Commission:

(1) Federal Employees Credit Union of Petersburg, Incorporated ("FECUP"), is a credit union incorporated pursuant to the Virginia Credit Union Act. It has assets of some $1.2 million, and its office is located at 29 Franklin Street, Petersburg, Virginia.

(2) FECUP has had several successive unsatisfactory examinations; these have resulted in a Letter of Understanding and Agreement dated August 2, 1996, and a Cease-and-Desist Order dated May 22, 1998. On its latest examination, as of February 28, 1999, FECUP again received an unsatisfactory rating.

(3) Management's efforts to improve the condition of the Credit Union have been ineffectual. Delinquencies have increased to an unacceptably high level, and required allocations to reserve accounts have resulted in operating losses for 1998 and 1999. Recently FECUP's office manager resigned, and she has not been replaced. There has been a lengthy vacancy on the five-member board of directors of FECUP, and the health of its president is poor. The conversion of FECUP's data processing system must be expedited in order to meet "Year-2000" concerns.

(4) The board of directors of FECUP and the board of directors of The Richmond Postal Credit Union, Incorporated ("TRPCU"), also a Virginia state credit union, have approved a plan of merger that provides, among other things, that members of FECUP will become members of TRPCU.

(5) The board of TRPCU has been assured by the National Credit Union Administration that all the accounts of the resulting credit union will be insured by the National Credit Union Share Insurance Fund.

(6) An emergency exists, and it is in the best interest of the members of FECUP to have it merged into TRPCU immediately. Although FECUP is not insolvent, its apparent inability to halt the deterioration of its financial condition warrants this immediate supervisory action which the Bureau seeks.

Having considered the report and the above representations of the Bureau, the Commission finds that an emergency exists, that the boards of directors of both credit unions have approved a merger of FECUP and TRPCU, and that the merger is in the best interest of the members of Federal Employees Credit Union of Petersburg, Incorporated.

Accordingly, IT IS ORDERED, pursuant to § 6.1-225.10 of the Code of Virginia, that the merger of Federal Employees Credit Union of Petersburg, Incorporated into The Richmond Postal Credit Union, Incorporated is hereby approved.

This order of approval shall take the place of the approval of the merger by the members of both credit unions, as provided in § 6.1-225.10 of the Code. Each Credit Union shall notify its members of this merger, and Federal Employees Credit Union of Petersburg, Incorporated shall inform its members as to how credit union services will continue to be provided following the merger.

CLERK'S OFFICE

CASE NO. CLK960026
APRIL 23, 1999

IN RE:
JERMANTOWN REALTY COMPANY, INC.

ORDER TERMINATING CORPORATE EXISTENCE

WHEREAS the Commission, on January 19, 1996, entered an order dissolving Jermantown Realty Company, Inc., a Virginia corporation, pursuant to a decree entered in certain cases pending in the Circuit Court of Madison County, Virginia; and

WHEREAS the Clerk of said Circuit Court has reported to the Commission that all of the assets of the corporation have been distributed to its creditors and shareholders. It is, therefore,

ORDERED that, pursuant to § 13.1-749(B) of the Code of Virginia, the corporate existence of Jermantown Realty Company, Inc. is hereby terminated.

CASE NO. CLK970483
MAY 6, 1999

IN RE:
PRETLOWS, INCORPORATED

DISMISSAL ORDER

ON A FORMER DAY the Commission was informed that Pretlows, Incorporated, a Virginia corporation (the Corporation), was dissolved by order entered by the Circuit Court of the City of Norfolk, Virginia in Chancery No. CH 89-104 pending in that court. Accordingly, the corporation was dissolved by order of this Commission dated September 3, 1997, pursuant to § 13.1-749 of the Code of Virginia. Thereafter, on July 31, 1998, the corporate existence of the corporation was automatically terminated for failure to timely pay its annual registration fee pursuant to § 13.1-752 of the Code of Virginia. Upon consideration whereof,

IT IS ORDERED THAT:

1. This case is dismissed as moot.

2. The papers herein shall be filed among the ended cases.

CASE NO. CLK980399
JULY 16, 1999

NATIONAL MEMORIAL TO THE PROGRESS OF THE COLORED RACE IN AMERICA,
Petitioner
v.
HOWARD W. SMITH, SR., JOHN A. SMITH, PAUL L. SMITH, PETER L. SMITH,
MARION O. SMITH, SR., MARION O. SMITH, JR., JOEL L. SMITH
and
MARK C. SMITH,
Respondents

FINAL ORDER

On September 1, 1998, The National Memorial to the Progress of the Colored Race in America ("National Memorial" or "Petitioner") filed a petition with this Commission seeking an order expunging certain corporate documents which are of record in the Clerk's Office. Specifically, the Petition seeks expungement of corporate annual reports filed with the Commission on the behalf of National Memorial for the years 1994 through 1997. The Petition alleges that the Respondents filed the annual reports for those years erroneously listing themselves as the officers and directors of National Memorial.

By an order dated October 22, 1998, the Commission docketed the Petition, assigned the matter to a Hearing Examiner and directed the Respondents to file an answer. On November 19, 1998, the Respondents filed their Answer. Various rulings of the Hearing Examiner established a hearing date of March 23, 1999. On that date a hearing was held and evidence received. After receiving the testimony and other evidence presented in the case, as well as reviewing all filings, the Hearing Examiner submitted his report on April 21, 1999.

Upon consideration of the pleadings, pre-hearing motions, the Hearing Examiner's rulings on those motions, prefiled testimony, transcript of the hearing, the Hearing Examiner's Report and the comments thereto, it appears that none of the Respondents were lawful officers or directors of National Memorial, and that the Hearing Examiner's recommendations should be adopted. Accordingly,

IT IS ORDERED THAT:

(1) The certificate of authority granted to National Memorial on September 23, 1993, is declared void *ab initio*;

(2) The clerk shall expunge from his records the annual reports filed on behalf of National Memorial for the years 1994 through 1997; and

(3) This matter be, and the same is hereby, dismissed from the Commission's docket of active cases.

Commissioner Morrison did not participate in this matter.

CASE NO. CLK990090
APRIL 20, 1999

EX PARTE, IN RE:
ADP, INC., a Delaware Corporation
and
PERFORMANCE, INCORPORATED, a Virginia Corporation

ORDER NULLIFYING MERGER

On December 31, 1988, the Commission issued a Certificate of Merger of Performance, Incorporated, ("Performance") a Virginia corporation, into ADP, Inc., ("ADP"), a Delaware corporation. Thereafter, ADP requested that the merger be reversed because the wrong corporation was merged into ADP. Upon consideration whereof,

IT IS ORDERED THAT:

1. The December 31, 1998, Certificate of Merger is vacated effective on that date.

2. The corporate existence of Performance is restored effective December 31, 1998.

CASE NO. CLK990099
JULY 14, 1999

GAVRIL P. CURTUI,
Petitioner,
v.
JOEL H. PECK, CLERK,
Defendant

DISMISSAL ORDER

On May 20, 1999, Gavril P. Curtui (Petitioner) filed a pro se letter petition with the Commission seeking, among other things, recission of corporate name reservations he procured through the Clerk's office pursuant to § 13.1-631 of the Code of Virginia, or expungement of Commission records relating thereto, and a refund of fees he paid for such reservations. The petition contained assertions that some impropriety was committed in the Clerk's office in relation to the reservations. Thereafter, the Clerk, by counsel, filed and served upon Petitioner an Answer denying the allegations contained in the petition. On June 16, 1999, the Commission entered an order setting this case for hearing on July 7, 1999 at 10:00 a.m. in the Commission's Courtroom. The Answer and the Order Setting A Hearing were served upon Petitioner in accordance with the Commission's Rules of Practice and Procedure.

On July 7, 1999, at 10:00 a.m., the hearing was convened. The Clerk and his counsel were present, but the Petitioner did not appear in person or by representative. Upon motion of the Clerk's counsel,

IT IS ORDERED THAT:

1. This case is dismissed with prejudice.

2. The papers herein shall be filed among the ended cases.

BUREAU OF INSURANCE

CASE NO. INS860166
JUNE 16, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex parte: In the matter of determination of activation of joint underwriting association

FINAL ORDER APPROVING
DISSOLUTION MATTERS

ON A FORMER DAY came the Virginia Medical Malpractice Joint Underwriting Association ("Association") and the Stabilization Reserve Fund, by counsel, and filed with the Clerk of the Commission an Application dated April 14, 1999, seeking approval of certain matters necessary for the dissolution of the Association and Stabilization Reserve Fund ("the Application");

BY ORDER entered herein April 19, 1999, the Commission conducted a hearing in its Courtroom at 10:30 a.m. on June 2, 1999, for the purpose of considering the Application and determining, inter alia, whether the Association should be authorized to enter into the Assumption Agreement between the Association and American Continental Insurance Company ("American Continental") included as part of the Application whereby American Continental would assume the liabilities arising from the Association's policies, as well as certain of the other liabilities and obligations arising from the operation of the Association, in return for certain assets of the Association, and whether the proposed pro rata method of distribution of the remaining assets to policyholders described in the Application constituted an equitable distribution pursuant to the requirements of § 38.2-2807 F of the Code of Virginia;

WHEREAS, the Association caused to be filed a Proof of Notice of this proceeding wherein the servicing carrier of the Association certified that the Notice to Current and Former Policyholders and Creditors of the Association ("Notice"), prescribed by Paragraph 4 of the Order entered by the Commission on April 19, 1999, was mailed, by first class mail, to each current and former policyholder of the Association, along with the other documents described in the affidavit, on April 28, 1999;

WHEREAS, the Association also caused to be filed affidavits certifying newspaper publication and other proofs of newspaper publication on April 28, 1999, of the aforesaid Notice, as required by Paragraph 4 of the Order entered by the Commission on April 19, 1999;

WHEREAS, the Application was supported by the testimony presented at the June 2, 1999 Hearing;

WHEREAS, no objections to the Application were filed and no person appeared at the June 2, 1999 Hearing to speak in opposition to the Application; and

WHEREAS, the Bureau of Insurance has recommended that the Commission approve the Application;

THE COMMISSION, having considered the Application filed by the Association and the Stabilization Reserve Fund, the testimony presented at the June 2, 1999 Hearing, the recommendation of the Bureau of Insurance for approval thereof, and the law applicable in this matter, is of the opinion that the Application as filed by the Association and the Stabilization Reserve Fund should be, and it is hereby, APPROVED, including the following items set forth in the Application:

(1) The Association entering into the Assumption Agreement between the Association and American Continental and the implementation of the terms of that agreement including (a) the payment of $825,000 to American Continental incident to the assumption of liabilities and obligations of the Association by American Continental, as specified in the Assumption Agreement, and (b) the transfer of the Association's liabilities (except for those excluded liabilities identified in the Assumption Agreement) to American Continental, including the 57 policies for which extended reporting period endorsements were purchased.

(2) The liquidation of the Association's assets and the conversion of those assets into cash.

(3) The transfer to the Stabilization Reserve Fund of any remaining funds after the Association satisfies, or makes arrangement for the satisfaction of, all of its liabilities and obligations.

(4) The distribution by the Stabilization Reserve Fund of the funds transferred by the Association and all of the Stabilization Reserve Fund assets in accordance with the "pro rata" method of distribution described in the Application after the Stabilization Reserve Fund has satisfied its debts, liabilities and claims.

(5) The performance by the Association and the Stabilization Reserve Fund of all other acts incidental to and necessary for completion of the matters discussed in this Application and such other matters as may be necessary for the Association and the Stabilization Reserve Fund to complete their dissolution.

(6) The filing of reports by the Association and the Stabilization Reserve Fund with the Commission with respect to the satisfaction of their liabilities and obligations and a final report that demonstrates that all liabilities and obligations have been satisfied, including the distribution of the remaining funds by the Stabilization Reserve Fund to policyholders.

Upon the filing of the final report described above, the Commission shall cause to be issued a certificate of dissolution of the Association and the Stabilization Reserve Fund.

CASE NO. INS910045
MAY 4, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
LIBERTY BANKERS LIFE INSURANCE COMPANY
(FORMERLY MIDDLE ATLANTIC LIFE INSURANCE COMPANY),
Defendant

FINAL ORDER

WHEREAS, Liberty Bankers Life Insurance Company, a foreign corporation domiciled in the State of Wisconsin (formerly Middle Atlantic Life Insurance Company, a foreign corporation domiciled in the State of Ohio) ("Defendant"), initially was licensed to transact the business of insurance in the Commonwealth of Virginia on May 20, 1988;

WHEREAS, § 38.2-1028 of the Code of Virginia requires that insurers licensed to transact the business of insurance in the Commonwealth of Virginia are required to maintain minimum capital of $1,000,000 and minimum surplus of $3,000,000;

WHEREAS, by order entered herein September 17, 1991, Defendant's license to transact the business of insurance in the Commonwealth of Virginia was suspended due to Defendant's failure to comply with such minimum capital surplus requirements;

WHEREAS, the 1998 Annual Statement of Defendant filed with the Bureau of Insurance of March 1, 1999, reflects that Defendant's capital and surplus have been restored to at least $1,000,000 and $3,000,000 respectively;

WHEREAS, the Bureau of Insurance has recommended that the Suspension Order entered by the Commission be vacated and that this case be closed; and

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

THEREFORE, IT IS ORDERED THAT:

(1) The Suspension Order entered by the Commission should be, and it is hereby, VACATED;

(2) This case be, and it is hereby, DISMISSED; and

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

CASE NO. INS910045
MAY 13, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
LIBERTY BANKERS LIFE INSURANCE COMPANY
(FORMERLY MIDDLE ATLANTIC LIFE INSURANCE COMPANY),
Defendant

VACATING ORDER

GOOD CAUSE having been shown, the Final Order entered herein May 4, 1999, is hereby vacated.

CASE NO. INS910045
MAY 13, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
LIBERTY BANKERS LIFE INSURANCE COMPANY
(FORMERLY MIDDLE ATLANTIC LIFE INSURANCE COMPANY),
Defendant

AMENDED FINAL ORDER

WHEREAS, Liberty Bankers Life Insurance Company, a foreign corporation domiciled in the State of Wisconsin (formerly Middle Atlantic Life Insurance Company, a foreign corporation domiciled in the State of Ohio) ("Defendant"), initially was licensed to transact the business of insurance in the Commonwealth of Virginia on May 20, 1988;

WHEREAS, § 38.2-1028 of the Code of Virginia requires that insurers licensed to transact the business of insurance in the Commonwealth of Virginia maintain minimum capital of $1,000,000 and minimum surplus of $3,000,000;

WHEREAS, by order entered herein September 17, 1991, Defendant's license to transact the business of insurance in the Commonwealth of Virginia was suspended due to Defendant's failure to comply with the minimum surplus requirement of $1,000,000 in effect at that time;

WHEREAS, the 1998 Annual Statement of Defendant filed with the Bureau of Insurance of March 1, 1999, reflects that Defendant's capital and surplus have been restored to at least $1,000,000 and $3,000,000 respectively; and

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

THEREFORE, IT IS ORDERED THAT:

(1) The Suspension Order entered by the Commission should be, and it is hereby, VACATED;

(2) This case be, and it is hereby, DISMISSED; and

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

CASE NO. INS930060
MARCH 10, 1999

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

ORDER TO TAKE NOTICE

WHEREAS, § 38.2-1040 of the Code of Virginia 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, for reasons stated in an order entered herein April 2, 1993, the Commission suspended the license of Consumers United Insurance Company, 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 ("Defendant");

WHEREAS, by Liquidation and Injunction Order entered May 5, 1994, in the Court of Chancery for New Castle County, Delaware, in Case No. 12789, Defendant was declared insolvent, and the Commissioner of Insurance for the State of Delaware was appointed the Receiver of Defendant and directed to liquidate the business and affairs of Defendant; 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 March 23, 1999, revoking the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before March 23, 1999, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, a request for a hearing before the Commission with respect to the proposed revocation of Defendant's license.

CASE NO. INS930060
MARCH 25, 1999

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

ORDER REVOKING LICENSE

WHEREAS, for the reasons stated in an order entered herein March 10, 1999, Defendant was ordered to take notice that the Commission would enter an order subsequent to March 23, 1999, revoking the license of the Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before March 23, 1999, 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, Defendant failed to file a request to be heard before the Commission with respect to the proposed revocation of Defendant's license;

THEREFORE, IT IS ORDERED THAT:

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

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

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

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

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

CASE NO. INS930062
MAY 13, 1999

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

FINAL ORDER

WHEREAS, by order entered herein June 4, 1993, Defendant's license to transact the business of insurance in the Commonwealth of Virginia was suspended;

WHEREAS, by letter of Fran Piacenti, Staff Accountant in the Office of the Special Deputy Receiver of Inter-American Insurance Company of Illinois, parent company of Defendant, dated November 17, 1998, and filed with the Commission on May 11, 1999, the Commission was advised that the Defendant wished to withdraw its license to transact the business of insurance in the Commonwealth of Virginia;

WHEREAS, the withdrawal of Defendant's license has been processed by the Bureau of Insurance, effective February 18, 1999; and

WHEREAS, the Bureau of Insurance has recommended that this case be closed;

THEREFORE, IT IS ORDERED THAT:

(1) The Suspension Order entered by the Commission should be, and it is hereby, VACATED;

(2) This case be, and it is hereby, DISMISSED; and

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

CASE NO. INS940118
MAY 3, 1999

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

FINAL ORDER

WHEREAS, US Health and Life Insurance Company, a foreign corporation domiciled in the State of Michigan ("Defendant"), initially was licensed to transact the business of insurance in the Commonwealth of Virginia on November 24, 1987;

WHEREAS, § 38.2-1028 of the Code of Virginia requires that insurers licensed to transact the business of insurance in the Commonwealth of Virginia are required to maintain minimum capital of $1,000,000 and minimum surplus of $3,000,000;

WHEREAS, by order entered herein December 7, 1994, Defendant's license to transact the business of insurance in the Commonwealth of Virginia was suspended due to Defendant's failure to comply with such minimum capital and surplus requirements;

WHEREAS, the 1998 Annual Statement of Defendant filed with the Bureau of Insurance on March 1, 1999, reflects that Defendant's capital and surplus have been restored to at least $1,000,000 and $3,000,000 respectively;

WHEREAS, the Bureau of Insurance has recommended that the Suspension Order entered by the Commission be vacated and that this case be closed; and

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

THEREFORE, IT IS ORDERED THAT:

(1) The Suspension Order entered by the Commission should be, and it is hereby, VACATED;

(2) This case be, and it is hereby, DISMISSED; and

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

CASE NO. INS940146
AUGUST 31, 1999

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

FINAL ORDER

WHEREAS, by Order Approving Supplemental Refund Program (the "Order") entered herein on November 16, 1995, Blue Cross and Blue Shield of Virginia (referred to in the Order and herein as "Trigon") was directed to conduct a supplemental copayment refund program according to the terms set forth in Exhibit A to the Order;

WHEREAS, ordering paragraph (3) of the Order provided that the Commission shall retain jurisdiction over this matter pending receipt of reports from the Commission's Bureau of Insurance (the "Bureau") and from the independent accounting firm engaged in this matter by the Bureau and that such reports shall be filed with the Clerk of the Commission;

WHEREAS, by Amendment No. 1 to the Order entered herein on April 22, 1997, paragraph 7 of Exhibit A to the Order, entitled "Unclaimed Property," was amended;

WHEREAS, a joint report was prepared by the accounting firm of Ernst & Young, on behalf of the Bureau and the accounting firm, and such report was forwarded to the Bureau;

WHEREAS, Trigon has satisfactorily completed the supplemental copayment refund program described in Exhibit A to the Order, as amended by Amendment No. 1 to the Order;

WHEREAS, Trigon has filed with the Bureau letters dated April 7, 1998, and April 14, 1998, respectively, notifying the Bureau that it has complied with the terms of Exhibit A to the Order, as amended by Amendment No. 1 to the Order;

WHEREAS, the joint report prepared by Ernst & Young was filed with the Clerk of the Commission on August 26, 1999; and

WHEREAS, the Bureau has recommended that this case be closed;

THEREFORE, IT IS ORDERED THAT:

(1) This case be, and it is hereby, dismissed; and

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

CASE NO. INS940150
FEBRUARY 12, 1999

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

FINAL ORDER

WHEREAS, by order entered herein October 3, 1994, Defendant's license to transact the business of insurance in the Commonwealth of Virginia was suspended;

WHEREAS, Defendant's corporate certificate of authority was revoked by the Clerk of the Commission on September 1, 1997;

WHEREAS, by letter and affidavit of Sara M. Begley, Deputy Receiver of Defendant, dated June 10, 1998, and filed with the Commission on February 10, 1999, and October 27, 1998, respectively, the Commission was advised that the Deputy Receiver wished to withdraw the license of Defendant to transact the business of insurance in the Commonwealth of Virginia;

WHEREAS, the withdrawal of Defendant's license has been processed by the Bureau of Insurance, effective September 23, 1998; and

WHEREAS, the Bureau of Insurance has recommended that this case be closed;

THEREFORE, IT IS ORDERED THAT:

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

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

CASE NO. INS940218
FEBRUARY 3, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
HOW INSURANCE COMPANY, HOME WARRANTY CORP.
and
HOME OWNERS WARRANTY CORP.,
Defendants

ORDER ON APPLICATION FOR APPROVAL OF SETTLEMENT AGREEMENT

ON A FORMER DAY came Alfred W. Gross in his capacity as Deputy Receiver ("Deputy Receiver") for HOW Insurance Company, a Risk Retention Group, Home Warranty Corporation and Home Owners Warranty Corporation (collectively the "HOW Companies") and moved this Commission for an Order approving the Settlement Agreement between the Deputy Receiver, individual HOW certificate holders Michael and Joanne Daughety, and Felton and Joellen Davenport, (the "Plaintiffs") and Defendants Glenn M. Burns, Stanley Waranch, Robert F. Spies, Joseph Chudnow, Aaron H. Kolkey, Stanford B. Miot, James Barnett, Terence S. Cooke, William F. Kenny, John C. Kezer, H. Kenneth Seeber, Jack Lageschulte, E. Ray Kothe, and Dale C. DeHarpport (together the "Directors and Officers") in litigation styled Alfred W. Gross, Commissioner of Insurance, Bureau of Insurance, State Corporation Commission of the Commonwealth of Virginia, et al. v. National Association of Home Builders of the United States, et al., Cause No. 96-00472, in the 101st Judicial District Court, Dallas County, Texas (the "Texas Action").

NOW, THEREFORE, IT IS ORDERED, for good cause shown, that the Settlement Agreement and Mutual Releases (the "Agreement") entered into between the Plaintiffs and the Directors and Officers in the Texas Action be, and it is hereby, APPROVED in its entirety.

IT IS FURTHER ORDERED that the Agreement shall be governed and construed in accordance with the laws of the State of Texas and any action to enforce its terms or for breach of the Agreement shall be commenced in the District Courts of Dallas County, Texas, which shall have exclusive jurisdiction and venue solely for this purpose.

IT IS FURTHER ORDERED that the Agreement approved herein, the terms of which the Plaintiffs and the Officers and Directors have agreed shall be confidential, be, and it is hereby, SEALED; provided, however, should any person(s) seek to unseal the Agreement for any purpose, such person(s) shall file a written application so to do with the Clerk of the Commission and simultaneously give notice thereof to counsel for the Plaintiffs and the Officers and Directors as hereinbelow set forth. The Clerk of the Commission shall retain the Agreement under seal. Said Agreement shall not be unsealed unless the Commission so orders in writing.

CASE NO. INS950013
SEPTEMBER 3, 1999

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

FINAL ORDER

WHEREAS, by Order Accepting Offer of Settlement (the "Order") entered herein on April 13, 1995, Blue Cross and Blue Shield of Virginia (referred to in the Order and herein as "Trigon") was directed to make past due payments of interest on certain claims according to the terms set forth in the Order;

WHEREAS, ordering paragraph (8) of the Order directed Trigon to notify the Commission and the Division of Consumer Counsel of the Office of the Attorney General (the "Division of Consumer Counsel") by July 10, 1995, that it had made the payments of all such past due interest on or before June 30, 1995;

WHEREAS, ordering paragraph (9) of the Order directed Trigon to provide to the Commission and the Division of Consumer Counsel by July 31, 1995, a report specifying all measures it had undertaken to comply with the terms of the Order;

WHEREAS, ordering paragraph (12) of the Order provided that the Commission shall retain jurisdiction in this matter pending receipt of satisfactory evidence of Trigon's payment of the past due interest and until further order of the Commission;

WHEREAS, Trigon provided the report required by ordering paragraph (8) of the Order to the Commission's Bureau of Insurance (the "Bureau") and to the Division of Consumer Counsel on July 10, 1995;

WHEREAS, Trigon provided the report required by ordering paragraph (9) of the Order to the Bureau and to the Division of Consumer Counsel on July 31, 1995;

WHEREAS, Trigon has satisfactorily completed the payments of past due interest described in ordering paragraphs (6), (7), and (8) of the Order;

WHEREAS, Trigon has filed with the Bureau letters dated June 20, 1996, and February 13, 1998, respectively, and an affidavit dated February 13, 1998, notifying the Bureau that it has complied with the terms of ordering paragraphs (6), (7), and (8) of the Order;

WHEREAS, the aforementioned reports, letters, and affidavit were filed with the Clerk of the Commission on September 2, 1999; and

WHEREAS, the Bureau has recommended that this case be closed;

THEREFORE, IT IS ORDERED THAT:

(1) This case be, and it is hereby, dismissed; and

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

CASE NO. INS970002
JUNE 16, 1999

PETITION OF
FARHAD AND SHOHRE MOUSAVIPOUR

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

ORDER

On October 14, 1994, the Circuit Court of the City of Richmond, Virginia, entered an order appointing the State Corporation Commission ("Commission") the Receiver of the HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation ("HOW Companies" or "HOW"). The receivership order granted the Commission authority to proceed with the rehabilitation or liquidation of the HOW Companies and established a "Receivership Appeal Procedure" to govern any appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly authorized representatives.

On December 23, 1996, Farhad and Shohre Mousavipour ("Petitioners") filed a Petition for Review ("Petition") with the Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 9104401-A, denying the Petitioners' claim for coverage under their homeowners warranty insurance policy for structural defects to their home located at 3459 Barry Avenue, Los Angeles, California.

Chief Hearing Examiner Deborah V. Ellenberg heard this matter on September 3, 1997. By Hearing Examiner's Report dated March 24, 1998, Chief Hearing Examiner Ellenberg detailed her findings and recommendations to the Commission. The Report, among other things, identified two major structural defects to Petitioners' home. The identified major structural defects related to the buckling shear wall supporting the second floor master bedroom and the deflection in the dining room floor system.[1]

By Order of April 29, 1998, the Commission adopted the Chief Hearing Examiner's findings and recommendations with modifications and ordered, among other things, that: (i) the Petition of Farhad and Shohre Mousavipour as it relates to the buckling shear wall supporting the second floor master bedroom and the deflection in the dining room floor system be granted; (ii) the Deputy Receiver and the Petitioners obtain written estimates of the costs of repair for the two identified major structural defects within a reasonable time, "not to exceed ninety (90) days" from the date of April 29, 1998; (iii) the final amount awarded for repair of each major structural defect shall be the average of the two written estimates; (iv) the written estimates were to be reported to the Commission; and (v) the Commission retained jurisdiction of this matter for such additional proceedings and orders as may be appropriate, and the case was continued generally.[2]

In response to the Commission's Order of April 29, 1998, Petitioners filed their estimate of repairs with the Commission on July 23, 1998. That estimate of repairs, which was prepared by Corner Construction Co., Inc. of Los Angeles, California, totaled seventy-nine thousand four dollars ($79,004.00).[3]

The Deputy Receiver, in response to the Commission's Order of April 29, 1998, filed its estimate of repairs with the Commission on July 29, 1998. That estimate of repairs was prepared by Tempco Disaster Services, Inc. of Glendale, California, without the benefit of conducting a destructive investigation, and totaled six thousand six hundred dollars ($6,600).[4]

However, prior to submitting the aforementioned estimate of repairs, the Deputy Receiver filed a Report of Progress ("Progress Report" or "Report") dated July 1, 1998, with the Commission. Therein, the Deputy Receiver claimed, among other things, that INSpire Insurance Solutions ("INSpire"), the third party administrator of the Companies' Receivership Estate, selected an engineer and contractor to prepare a plan of repair and an estimate of repairs for Petitioners' home. The Deputy Receiver's engineer informed Petitioners that certain destructive testing would be necessary to determine the conditions causing the distress to the two identified stress areas. However, the Deputy Receiver represented that Petitioners refused to allow any removal of finishes or openings to be made. The Deputy Receiver sought guidance from the Commission in resolving this impasse.[5]

Progress Reports dated respectively July 1, July 28, and September 3, 1998, were filed by the Deputy Receiver with the Commission. Collectively, the Reports revealed, among other things, that the Petitioners and Deputy Receiver ("Parties") had filed written estimates for repairs to Petitioners' home in accordance with the Commission's Order of April 29, 1998. Additionally, the Reports revealed that negotiations between the Parties on issues of: (i) destructive testing, (ii) family relocation costs, and (iii) the scope of repairs, were at or near impasse. Consequently, the Deputy Receiver sought guidance from the Commission in resolving the impasse and requested the opportunity to continue his efforts to obtain an engineering plan of repair based upon invasive testing.[6]

On December 2, 1998, the Commission ordered, among other things, that: (i) Petitioners and the Deputy Receiver schedule a date(s) certain for the inspection of Petitioners' home and the destructive testing of the two identified stress areas to determine the conditions causing the distress; (ii) the Deputy Receiver repair any openings made or removal of finishes to Petitioners' home in conducting destructive testing therein by patching the openings and

[1] Report of Deborah V. Ellenberg, Chief Hearing Examiner, March 24, 1998, at 3-4, 6, and 7.

[2] Commission Order, April 29, 1998, at 5-7.

[3] Petitioners' letter including Estimate of Repairs, July 20, 1998, at 4-5. The estimate itself is dated July 14, 1998.

[4] Report of Progress, July 28, 1998, Exhibit A at 3-5.

[5] Report of Progress, July 1, 1998, at 3.

[6] Report of Progress, July 1, 1998, at 2-3; Report of Progress, July 28, 1998, at 2-3; and Report of Progress, September 3, 1998, at 2-5.

repainting completely the rooms containing the affected area(s) with identical materials; (iii) the Deputy Receiver submit a written report outlining his inspection and testing findings of Petitioners' home to the Commission; (iv) the Deputy Receiver submit a written repair estimate for Petitioners' home to the Commission; and (v) the Commission retain jurisdiction of this matter for such additional proceedings and orders as may be appropriate, and the case was continued generally.[7]

In response to the Commission's Order of December 2, 1998, the Deputy Receiver filed a Progress Report dated February 5, 1999. The Report, among other things, provided: (i) inspection results and findings of the invasive testing to Petitioners' home; (ii) a repair plan and specification drawings authored by Risha Engineering Group, Inc. ("REGI") for use in preparation of an estimate for completion of the repairs; and (iii) a written repair estimate submitted by Tempco Disaster Services, Inc., based upon the REGI repair plan and specifications, in the amount of nine thousand five hundred sixty dollars and forty cents ($9,560.40).[8]

On March 22, 1999, Petitioners filed a revised estimate of repairs in the amount of seventy thousand seven hundred ninety-two dollars ($70,792.00) based upon the REGI repair plan and specifications.[9]

Upon consideration of the filings in this case, the Commission is of the opinion that this matter should be resolved in accordance with ordering paragraph (5)(iii) of the Commission's Order of April 29, 1998. Ordering paragraph (5)(iii) of the Commission's Order of April 29, 1998, indicates that for each major structural defect, the final amount awarded shall be the average of the two written estimates provided.[10]

The Petitioners filed a revised estimate of repairs in the amount of seventy thousand seven hundred ninety-two dollars ($70,792.00) on March 22, 1999. The Deputy Receiver filed an estimate of repairs in the amount of nine thousand five hundred sixty dollars and forty cents ($9,560.40) on February 8, 1999. Accordingly,

IT IS ORDERED THAT:

(1) Forty thousand one hundred seventy-six dollars and twenty cents ($40,176.20) is the average of the two written estimates of repairs, and is Petitioners' total direct claim;

(2) The Deputy Receiver shall pay Petitioners' total direct claim in accordance with the claims payment priority set forth in the Deputy Receiver's Third Directive;

(3) The Deputy Receiver should forthwith pay the Petitioners the amount of twenty-four thousand one hundred five dollars and seventy-two cents ($24,105.72) (60% of Petitioners' direct claim); and

(4) The case is dismissed with prejudice, and the papers herein are passed to the file for ended causes.

---

[7] Commission Order, December 2, 1998, at 3-5.

[8] Report of Progress, February 5, 1999.

[9] Petitioners' letter including revised Estimate of Repairs, March 13, 1999, at 6-7. The estimate itself is dated March 2, 1999.

[10] Commission Order, April 29, 1998, at 5-6.

CASE NO. INS970120
MARCH 11, 1999

PETITION OF
CRESTED BUTTE HILLSIDE HOMES

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

ORDER

On October 14, 1994, the Circuit Court of the City of Richmond, Virginia entered an order appointing the State Corporation Commission ("Commission") the Receiver of the HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation ("HOW" or "HOW Companies"). The Receivership Order granted the Commission the authority to proceed with the rehabilitation or liquidation of the HOW Companies and established a "Receivership Appeal Procedure" ("RAP") to govern any appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly authorized representatives.

On April 11, 1997, Crested Butte Hillside Homes, Inc. ("Crested Butte") filed a Petition with the Commission contesting the Deputy Receiver's Determination of Appeal in claim numbers 0853321, 0853320, 0853315, 0919939, 0919940, 1087099, 1087101, 1087103, and 1087104A. On March 14, 1997, the Deputy Receiver had issued a Determination of Appeal, which stated that "the Deputy Receiver has determined to approve your appeal for re-evaluation of your clients claims and continued settlement negotiations."

Crested Butte objected to the Deputy Receiver's decision, contending that the decision would further delay the resolution of Crested Butte's claim; that, after previous litigation between the parties, several engineering reports evidencing the presence of major structural defects, and two years to evaluate the claim, there was no good faith basis for the Deputy Receiver's continued delay and effective denial of Crested Butte's claim; that the Deputy Receiver engaged in a pattern of bad faith in handling the claims and that the claims process denied it certain due process rights. Crested Butte asked the Commission

to award it the benefits due under the HOW insurance/warranty documents plus all recoverable statutory penalties, additional damages, exemplary damages, interest, costs and attorney fees.

By an order dated April 30, 1997, the Commission docketed the Petition, assigned the matter to a Hearing Examiner and directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition. On May 27, 1997, the Deputy Receiver filed an Answer and a Motion to Dismiss.

By a Hearing Examiner's Ruling dated July 10, 1997, the Motion to Dismiss was denied. On December 8, 1997, a telephonic hearing was convened at which time both parties requested a continuance of the matter to complete settlement negotiations. These negotiations broke down and, on December 31, 1997, Crested Butte filed a Motion to Enforce Settlement Agreement. This Motion was denied by the Hearing Examiner on January 26, 1998. Another telephonic hearing was convened on June 4, 1998, as scheduled, and the Hearing Examiner took evidence presented by the parties and made various rulings concerning pre-hearing motions, which had the effect of disposing of all motions.

The parties agreed at the hearing that the subject buildings at Crested Butte have major structural defects as that term is defined by the HOW insurance/warranty documents. The questions remaining in dispute are: the reasonable cost of the repairs needed to eliminate the structural deficits; and whether the Deputy Receiver engaged in a bad faith denial of Crested Butte's claim that would permit an award for attorney fees, pursuant to § 38.2-209 of the Code of Virginia, and/or, punitive damages.

After receiving the testimony and other evidence presented in the case, as well as all filings and post-hearing briefs, the Hearing Examiner made the following findings and recommendations:

1) Virginia substantive law should control this case;

2) The buildings at Crested Butte have major structural defects as defined in the HOW insurance/warranty documents;

3) The bid relied on by the Deputy Receiver in determining repair costs is the lowest reasonable bid to perform the work at Crested Butte;

4) A performance or surety bond should be required in this case and included in the cost of repair;

5) The Company whose bid was the basis for the Deputy Receiver's estimate for the cost of repairs should be permitted an opportunity to revise its bid taking into account the cost of the performance or surety bond; acknowledge that the work is to be performed for Crested Butte; and address the fact that, since the bid expired on November 1, 1997, such bid may no longer reflect the current cost to perform the repairs;

6) The Commission should direct the Deputy Receiver to obtain a revised bid from the Company it relied on to determine the costs of repair and to provide a copy of the bid to Crested Butte;

7) The Commission should base any final award in this case on the revised bid;

8) Crested Butte failed to substantiate its claim of $18,000.00 drainage work and this claim should be denied;

9) HOW insurance/warranty documents do not provide coverage for future costs to re-level the buildings at Crested Butte;

10) The evidence in this case does not support an award of punitive damages to Crested Butte;

11) The evidence in this case does support an award of costs and attorney fees pursuant to § 38.2-209 of the Code of Virginia;

12) The Commission should consider elevating the status of the claim for costs and attorney fees to a direct claim; and

13) The Commission should retain jurisdiction in this case.

Upon Consideration of the pleadings, pre-petition motions, the Hearing Examiner's rulings on those motions, prefiled testimony, transcript of the hearing, the Hearing Examiner's Report and the comments thereto, it appears to the Commission that the Hearing Examiner's findings and recommendations should be adopted in part, and rejected in part.

A careful review of the record indicates that the Hearing Examiner is correct in his finding that Virginia substantive law should be applied in this case, as it is in all receivership cases of this nature. His finding is consistent with past Commission precedent and correctly sets forth the prevailing interpretation of Virginia's choice of law rules.

He is also correct in his finding that the buildings at Crested Butte have major structural defects which are subject to the HOW insurance/warranty documents. Further the bid relied on by the Deputy Receiver, to determine the cost of repairs to the buildings, is the lowest reasonable bid and should be used as a basis to establish the award for repairs with the modifications he recommended.[1] The Hearing Examiner is also correct in his analysis of the prevailing Virginia law, as it relates to his determination that the Petitioner failed to reach the threshold showing required, in this Commonwealth, to impose punitive damages for an alleged breach of good faith in the handling of an insurance claim.

[1] Those modifications are: A) The bid should include the cost of a performance bond; B) The Company that made the original bid relied on by the Deputy Receiver should be given the opportunity to revise its bid to accurately reflect the current cost of performing the repair work; C) The bid should be increased by 10% to cover the reasonable cost of engineering fees to supervise the repairs.

We note that in rejecting the Petitioner's claim of $18,000.00, allegedly paid to correct drainage deficiencies left by the builder, the Hearing Examiner found that testimony of the Petitioner's witness was insufficient without supporting documentation to sustain the claim. We agree with the Hearing Examiner that the record is sufficient to maintain a claim for liability, under the HOW agreements, for the repairs to correct the deficient drainage which was one of the causes of the foundation settlement creating the major structural defects. We are inclined to accept the documentation presented as sufficient for corroboration of the Petitioner's witness' testimony, subject to objections of the Deputy Receiver, as to the amount expended. However, since the witness testified that the amount spent in these repairs was $18,000.00, the basis of the award for those repairs will be limited to that amount.[2] Further, since the documentation was presented by way of affidavit, the Deputy Receiver will be given the opportunity to raise objections to the authenticity of the documentation.

We cannot agree with the Hearing Examiner that the Petitioners are entitled to attorney fees pursuant to § 38.2-209, of the Code of Virginia. While there is no question that the initial settlement decision was faulty and the resolution of this claim has been lengthy, there is an insufficient showing that these problems were due to bad faith on the part of the Deputy Receiver. The record shows that, although the third party administrator hired by the Deputy Receiver to administer the initial claims determination process made a faulty determination of the claim, that determination was reviewed by the Deputy Receiver and reversed. The Petitioner then requested review of what was ostensibly a favorable opinion, focusing on the time element of the claim procedures.

At the time of the filing of the Petition for Review, the Deputy Receiver had not been able to prepare a plan of repair or determine the cost of repairing the structural defect. While we agree that the third party administrator should have correctly assessed the validity of the claim, when it did not, the Deputy Receiver corrected the mistake. This is the purpose of the RAP as envisioned by the Circuit Court of the City of Richmond when it established the Receivership. As such, at the time the Petition for Review was filed, the Deputy Receiver had neither denied the claim nor refused to make payment. The subsequent Determination of Appeal found that there were structural defects covered by the HOW insurance/warranty agreements. Only the amount to be awarded was still in dispute.

The Deputy Receiver is a court-appointed administrator charged with the responsibility of husbanding the assets of the HOW companies, so that those assets may be distributed to as many claimants as possible on a fair and equitable basis. In carrying out this mandate, the Deputy Receiver not only owes a duty to the Petitioner to fairly and impartially dispose of this claim, he also owes a duty to all other HOW claimants to be vigilant in determining the validity and value of each individual claim. When keeping this dual duty in mind, there is nothing in the record which elevates the Deputy Receiver's actions to the standard of conduct required for a showing of bad faith under § 38.2-209.

For the reasons listed above IT IS ORDERED THAT:

(1) The Hearing Examiner's findings 1) through 7), as well as 9), 10) and 13), as set forth above, be, and the same are hereby, adopted.

(2) The Hearing Examiner's findings 8), 11) and 12) be, and the same are hereby, rejected.

(3) The company whose bid is the basis of the Deputy Receiver's estimate of the cost of repairs, shall be allowed the opportunity revise its bid to account for any adjustment needed for the current cost of the repairs, to take into account the cost of a performance bond and to include 10% of the repair costs to reflect the costs of recommended engineering services for supervision of the repairs.

(4) The reasonableness of any revision of the bid will be subject to the review and approval of the Commission and the parties shall be given the opportunity to comment.

(5) Any revised bid should acknowledge that the work is to be performed for Crested Butte and a copy of the bid shall be provided to the Petitioner.

(6) The final basis of the award in this case shall reflect the $18,000.00 claim for drainage work, subject to any objections the Deputy Receiver may raise as to the authenticity of the documentation submitted with the Petitioner's comments to the Hearing Examiner's Report.

(7) This case is to remain on the Commission's current docket for such further action and orders that may be needed consistent herewith.

[2] The documentation was for a total of $22,100.00.

CASE NO. INS970120
OCTOBER 12, 1999

PETITION OF
CRESTED BUTTE HILLSIDE HOMES

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

ORDER REQUIRING REVISED BID PAYMENT TO BE MADE TO PETITIONER AND STRIKING AND DISMISSING CASE FROM COMMISSION DOCKET

The record herein having been returned to the Clerk of the Commission by the Clerk of the Virginia Supreme Court upon advice by letter dated September 20, 1999, that Petitioner failed to file with the Supreme Court a petition for appeal within the time allowed by law, the Commission is of the opinion (i) that the Deputy Receiver may now transmit to Petitioner payment in the amount of the revised bid as set forth in the Deputy Receiver's Report of Progress filed herein on April 30, 1999, no objection thereto having been filed in the record by petitioner prior to the date on which petitioner forfeited its

appeal and, by law, petitioner's right to any further appeal of the Commission's order of March 11, 1999, was foreclosed; and (ii) that this matter should be stricken and dismissed from the Commission's docket.

THEREFORE, IT IS ORDERED:

(1) That the Deputy Receiver forthwith transmit to Petitioner payment in accordance with the revised bid as set forth in the Deputy Receiver's aforesaid Report of Progress;

(2) That any pending motion which is not expressly granted herein be, and it is hereby, denied; and

(3) That this matter be, and it is hereby, stricken and dismissed from the Commission's docket and the papers herein be placed in the file for ended causes.

CASE NO. INS970180
FEBRUARY 18, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
RAEBURN S. GRASTY,
Defendant

JUDGMENT ORDER

WHEREAS, by Rule to Show Cause entered herein November 3, 1998, for the reasons stated therein, the Commission's Hearing Examiner conducted a show cause hearing on behalf of the Commission on December 11, 1998, where the Bureau of Insurance appeared represented by counsel and the Defendant failed to appear;

WHEREAS, on December 11, 1998, the Commission's Hearing Examiner issued his final report which contained his findings of fact, conclusions of law and his recommendations that the Commission enter an order: (i) revoking Defendant's license to transact the business of insurance in the Commonwealth of Virginia; (ii) penalizing Defendant in the amount of five thousand dollars ($5,000) for his violation of § 38.2-1809 of the Code of Virginia; and (iii) dismissing the case from the Commission's docket of active proceedings and placing the papers in the file for ended causes; and

THE COMMISSION, having considered the record herein, the findings of fact, conclusions of law, and recommendations of its Hearing Examiner, adopts the Hearing Examiner's findings of fact and conclusions of law as its own, and further, the Commission is of the opinion that Defendant's license to transact the business of insurance in the Commonwealth of Virginia as an insurance agent should be revoked and that Defendant should be penalized in the amount of five thousand dollars ($5,000);

THEREFORE, IT IS ORDERED THAT:

(1) Pursuant to § 38.2-1831 of the Code of Virginia, the license of Defendant to transact the business of insurance in the Commonwealth of Virginia be, and it is hereby, REVOKED;

(2) All appointments issued under said license be, and they are hereby, VOID;

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

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

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

(6) Pursuant to § 38.2-218 of the Code of Virginia, Defendant be, and he is hereby, penalized in the amount of five thousand dollars ($5,000) for Defendant's violation of § 38.2-1809 of the Code of Virginia, which amount Defendant shall pay to the Clerk of the Commission within sixty days from the date of this order; and

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

CASE NO. INS970342
MAY 13, 1999

PETITION OF
BARBARA E. SHERRILL

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

FINAL ORDER

On October 14, 1994, the Circuit Court of the City of Richmond, Virginia, entered an order appointing the State Corporation Commission ("Commission") the Receiver of the HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation ("HOW Companies" or "HOW"). The receivership order granted the Commission the authority to proceed with the rehabilitation or liquidation of the HOW Companies and established a Receivership Appeal Procedure ("RAP") to govern appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly authorized representatives.

On October 27, 1997, Barbara E. Sherrill ("Petitioner") filed a Petition for Review ("Petition") with the Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 4182479, denying the Petitioner's claim for coverage under her homeowners warranty insurance policy for a crack in the concrete foundation of her home at 5360 North Entrada De Sabino, Tucson, Arizona. The Deputy Receiver, in the Determination of Appeal, found no evidence that the crack constituted a major structural defect as that term is used in the HOW insurance/warranty documents.

In her Petition, Petitioner alleged, among other things, that: (i) she did not receive her HOW insurance/warranty documents at closing which would have enabled her to file a proper and timely claim; (ii) the Deputy Receiver has attempted to bring in new evidence during the appeal process; (iii) her home has a major structural defect; and (iv) three separate contractors have concluded that the best course of action to address the major structural defect in her home would be to rebuild the home.

By order dated December 1, 1997, the Commission docketed the Petition, assigned the matter to a Hearing Examiner, and directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition on or before January 9, 1998.

The Deputy Receiver filed an Answer to the Petition on January 8, 1998. Therein the Deputy Receiver, among other things, denied Petitioner's allegations that: (i) Petitioner's claim with HOW was timely filed; (ii) the builder's failure to provide Petitioner with the HOW insurance/warranty documents at closing operates to extend the years one and two major structural defect coverage; (iii) the Deputy Receiver is precluded from presenting new evidence in this matter; (iv) a covered major structural defect exists in the Petitioner's home; and (v) the opinions of the three contractors regarding the method of repair are relevant to this proceeding. Additionally, as an affirmative defense, the Deputy Receiver alleged that Petitioner's claim is time-barred by the express terms of the HOW insurance/warranty documents.

By Hearing Examiner's Ruling of January 13, 1998, a procedural schedule was established, and a telephonic hearing was calendared for April 7, 1998.

On February 24, 1998, the Deputy Receiver filed a Motion for Summary Judgment. In his Motion, the Deputy Receiver argued, among other things, that the alleged major structural defect first occurred during the builder's limited warranty coverage period, but was not reported to the HOW Companies until March 1997, well after the expiration of the applicable builder's limited warranty coverage.

Petitioner filed her Rebuttal to the Motion for Summary Judgment and filed her own Motion for Summary Judgment on March 11, 1998. In her Rebuttal, Petitioner claimed, among other things, that the builder and the HOW Companies denied her the opportunity to timely file a claim, and granting the Motion for Summary Judgment would be a great injustice to Petitioner's rights under the HOW insurance documents. Petitioner's Motion for Summary Judgment claimed that the facts and exhibits establish that she is entitled to the relief requested in her Petition.

By Hearing Examiner's Ruling dated March 31, 1998, Pulte Home Corporation ("Pulte" or "the Builder") was found to be a necessary party and was joined to the proceeding. Additionally, the Hearing Examiner revised the procedural schedule and changed the hearing date from April 7, 1998, to June 23, 1998.

On April 8, 1998, the Petitioner filed an Objection to Continuance of April 7, 1998, Telephonic Hearing, and Petitioner filed a second Motion for Summary Judgment on June 10, 1998. In the Motion, Petitioner argued, among other things, that Pulte's failure to file pre-filed testimony or exhibits as required by Hearing Examiner's Ruling dated March 31, 1998, or to participate in this proceeding, evidences their agreement that Petitioner's claim should be covered under her HOW insurance/warranty documents.

On June 11, 1998, Pulte, by counsel, filed a motion requesting a continuance of the June 23, 1998, hearing date and the filing dates for prefiled direct testimony and exhibits. Petitioner filed an objection to Pulte's Motion for Continuance.

By Hearing Examiner's Ruling of June 11, 1998, the telephonic hearing was rescheduled to September 10, 1998, and the procedural schedule was further modified. Another Hearing Examiner's Ruling, dated July 28, 1998, provided the Deputy Receiver and Pulte an opportunity to respond to the Petitioner's second Motion for Summary Judgment.

The Deputy Receiver filed a Response to Petitioner's second Motion for Summary Judgment and his second Motion for Summary Judgment on August 5, 1998. Therein, the Deputy Receiver averred, among other things, that, as to Petitioner's Motion for Summary Judgment: (i) there were contested issues of fact thereby making summary judgment improper; and (ii) Pulte's active participation in the case renders any summary judgment based on lack of participation improper. In his Motion for Summary Judgment, the Deputy Receiver argued that under the express terms of the HOW insurance/warranty documents a defect that first occurs during the two year builder's limited warranty period, but not reported to the HOW Companies until March 1997, during the fifth year of the HOW program coverage, is not covered. The Deputy Receiver argued summary judgment in his favor would, therefore, be proper.

Pulte filed a Response to Petitioner's second Motion for Summary Judgment and Pulte's Motion for Summary Judgment on August 10, 1998. Therein, Pulte contended, among other things, that: (i) Pulte's prefiled testimony establishes that it not only opposes Petitioner's claims, but that those claims should be summarily denied; (ii) Petitioner cannot seek coverage from HOW on a claim in which Petitioner reached a settlement with Pulte; (iii) Petitioner's claim is time-barred under the express terms of the HOW insurance/warranty documents; and (iv) cracks in the concrete slab of Petitioner's home do not constitute a "major structural defect" as that term is defined in the HOW insurance/warranty documents.

The hearing commenced on September 10, 1998. Petitioner appeared *pro se.* Pulte appeared by its counsel, Stephen E. Richman, Esquire. Susan E. Salch, Esquire, appeared as counsel to the Deputy Receiver.

After receiving the testimony and evidence presented in the case, and reviewing the filings therein and the applicable law, the Hearing Examiner made the following findings and recommendations:

(1) Petitioner's home was enrolled in the HOW program on February 24, 1993;

(2) Petitioner filed a request for warranty service related to the cracks in her concrete floor slab with Pulte in December 1994;

(3) In January 1995, Pulte repaired the cracks in Petitioner's concrete floor slab;

(4) Petitioner was apparently dissatisfied with the repair performed by Pulte, and on or about February 7, 1995, she filed a complaint against Pulte with the Arizona Registrar of Contractors;

(5) Petitioner filed a claim relating to the cracks in her concrete floor slab with the HOW Companies under her HOW insurance/warranty documents on March 19, 1997;

(6) The facts relating to when the crack first occurred in Petitioner's concrete floor slab and the date she filed her claim for HOW program coverage are not in dispute; therefore, this case may be decided on the Deputy Receiver's August 5, 1998, Motion for Summary Judgment;

(7) The defect occurred in Petitioner's concrete floor slab in December 1994, during the second year of the HOW coverage, but was not reported to the HOW Companies until March 19, 1997, three years after the expiration of the builder's limited warranty coverage;

(8) Petitioner's claim was reported to the HOW Companies after the expiration of the builder's limited warranty coverage period; therefore, Petitioner's claim is not covered under the HOW insurance/warranty documents builder default insurance coverage;

(9) The defect in Petitioner's home first occurred during the builder's limited warranty coverage period; therefore, Petitioner's claim is not covered under the HOW insurance/warranty documents' major structural defect insurance coverage; and

(10) The Commission should enter an order that: (i) adopts his findings; (ii) grants the Deputy Receiver's Motion for Summary Judgment; (iii) affirms the Deputy Receiver's Determination of Appeal; (iv) denies Pulte's Motion for Summary Judgment; (v) denies Petitioner's Motion for Summary Judgment; and (vi) dismisses the Petition for Appeal with prejudice.

Upon consideration of the pleadings, prefiled testimony, transcript of the hearing, the Hearing Examiner's Report, and the responses filed thereto, the Commission is of the opinion that the Hearing Examiner's findings and recommendations should be adopted. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The Deputy Receiver's Motion for Summary Judgment filed herein on August, 5, 1998, be, and it is hereby GRANTED;

(2) The Petition of Barbara E. Sherrill for review of the Deputy Receiver's Determination of Appeal be, and it is hereby, DENIED;

(3) The Deputy Receiver's Determination of Appeal issued in Claim No. 4182479 on October 7, 1997, be, and it is hereby, AFFIRMED;

(4) Petitioner's Motions for Summary Judgment be, and they are hereby, DENIED;

(5) Pulte's Motion for Summary Judgment be, and it is hereby, DENIED;

(6) The Deputy Receiver's Motion for Summary Judgment filed herein on February 24, 1998, be, and it is hereby, DENIED; and

(7) The case is dismissed with prejudice and the papers herein are passed to the file for ended causes.

CASE NO. INS970366
JANUARY 4, 1999

PETITION OF
W. BRUCE AND PATRICIA L. BULLINGTON

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

ORDER

On October 14, 1994, the Circuit Court of the City of Richmond, Virginia, entered an order appointing the State Corporation Commission ("Commission") the Receiver of the HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation ("HOW Companies" or "HOW"). The receivership order granted the Commission authority to proceed with the rehabilitation or liquidation of the HOW Companies and established a "Receivership Appeal Procedure" to govern any appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly authorized representatives.

On December 18, 1997, W. Bruce and Patricia L. Bullington ("Petitioners") filed a Petition for Review ("Petition") with the Commission contesting the Deputy Receiver's Determination of Appeal on Claim No. 2945248-A, denying the Petitioners' claim for coverage under their HOW policy for foundation problems, associated with shrink/swell soil and band board rotting, to their home located at 14401 Oak Knoll Circle, Midlothian, Virginia.

By order dated January 5, 1998, the Commission docketed the Petition, assigned the matter to a Hearing Examiner, and directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition on or before March 6, 1998. The Deputy Receiver filed its Answer on March 6, 1998.

By Hearing Examiner's Rulings dated March 13, May 11, and June 8, 1998, a procedural schedule was established and a telephonic hearing was calendared for July 16, 1998. The hearing was convened as scheduled. Petitioners appeared pro se. Susan E. Salch, Esquire, and Lonnie W. Fugit, Esquire, appeared as counsel for the Deputy Receiver.

Petitioners contend, among other things, that they filed a second claim in October 1996 and a third claim in January 1997 against their HOW policy, because their home sustained additional structural damage caused by shrink/swell soil and water damage. The Deputy Receiver contends, among other things, that any additional foundation damage to Petitioners' home should not be covered by the HOW policy because the Petitioners received a claim for foundation damage, were compensated, and signed a release for the damage claimed in 1992.

After receiving the testimony and evidence presented in the case, and reviewing the filings therein, the Hearing Examiner made the following findings and recommendations:

(1) In 1991, Petitioners noticed cracks in the interior walls, found the foundation had experienced serious cracking, and filed a claim with HOW regarding this problem;

(2) The HOW Companies paid fourteen thousand eight hundred twenty-eight dollars and seventy-five cents ($14,828.75) for piering a portion of the foundation, and Petitioners signed and executed a release on May 8, 1992, in consideration of that payment as full satisfaction and remedy of the major structural defect;

(3) On October 16, 1996, Petitioners filed a second claim against their HOW policy for additional structural damage to the remaining portion of the home caused by shrink/swell soil;

(4) On January 8, 1997, Petitioners filed another claim with HOW for problems associated with rotting band boards caused by water damage;

(5) The release executed by Petitioners on May 8, 1992 was only for the foundation defects to that portion of the home which was repaired;

(6) The release does not excuse the Deputy Receiver from compensating Petitioners for new damage to the remaining portion of their home;

(7) The additional foundation damage caused by shrink/swell soil constitutes a major structural defect, and was not covered by the release executed by Petitioners on May 8, 1992, and Petitioners should be compensated for the additional damage;

(8) The damage to the band boards supporting the flooring system, the subject of the claim of January 8, 1997, is a major structural defect only to the extent of the eight feet of band board that sustained actual physical damage and/or loss of load-bearing ability;

(9) The Deputy Receiver's determination with regard to the floor system should be affirmed;

(10) The new foundation damage caused by shrink/swell soil is a major structural defect covered under the terms of the HOW Insurance/Warranty documents, the claim was timely filed, and the claim should be paid;

(11) The Deputy Receiver should be directed to solicit repair estimates from two piering contractors. The average of the two estimates should be used as a basis for compensation to Petitioners for the additional foundation damage;

(12) The damage to eight feet of band board has caused significant loss in load-bearing capacity, is a major structural defect in the flooring system, and the claim should be paid as determined by the Deputy Receiver; and

(13) The Commission should enter an order adopting her findings, reversing the Deputy Receiver's Determination of Appeal as it relates to the additional foundation damage, affirming the Deputy Receiver's Determination of Appeal as it relates to the damages to the band boards, and dismissing this matter from the Commission's docket of active cases.

Upon consideration of the pleadings, prefiled testimony, transcript of the hearing and the Hearing Examiner's Report, the Commission is of the opinion that the Hearing Examiner's findings and recommendations should be adopted. Accordingly,

IT IS ORDERED THAT:

(1) The Petition of W. Bruce and Patricia L. Bullington for review of the Deputy Receiver's Determination of Appeal be, and it is hereby, GRANTED;

(2) The Deputy Receiver's Determination of Appeal issued on November 20, 1997 on Claim No. 2945248-A, pertaining to the flooring systems be, and it is hereby, AFFIRMED;

(3) The Deputy Receiver's Determination of Appeal issued on November 20, 1997 on Claim No. 2945248-A, pertaining to additional foundation damage caused by shrink/swell soil be, and it is hereby, REVERSED;

(4) The Deputy Receiver is directed to solicit repair estimates from two piering contractors, and use the average of the two estimates as the basis for compensation to Petitioners, in accordance with the receivership payment procedures, for the additional foundation damage caused by the shrink/swell soil; and

(5) The case is dismissed and the papers herein are passed to the file for ended causes.

CASE NO. INS980005
JANUARY 19, 1999

PETITION OF
VIRGINIA KING

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

ORDER

On October 14, 1994, the Circuit Court of the City of Richmond, Virginia entered an order appointing the State Corporation Commission ("Commission") the Receiver of the HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation ("HOW Companies" or "HOW"). The Receivership Order granted the Commission the authority to proceed with the rehabilitation or liquidation of the HOW Companies and established a "Receivership Appeal Procedure" ("RAP") to govern appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly authorized representatives.

On November 13, 1997, Virginia King ("Petitioner") filed a Petition for Review ("Petition") with the Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 2391728. The Deputy Receiver denied Petitioner's claim for coverage under her homeowners warranty insurance policy for: (i) water damage to her living room wall as a result of a nail being driven into a plumbing pipe in the wall that finally rusted through and caused water to leak out of the pipe and damage the wall; and (ii) a roof defect that has caused damage to the ceilings in her second floor bathroom, hall and two upstairs bedrooms at Petitioner's home located at 8 Tynemouth Court, Robbinsville, New Jersey 08691.

By order dated January 12, 1998, the Commission docketed the Petition, assigned the matter to a Hearing Examiner, and directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition on or before April 17, 1998. The Deputy Receiver filed a Motion to Dismiss and Answer to Petition, and a Memorandum in Support of the Motion to Dismiss on April 16, 1998. Therein, the Deputy Receiver asserted, among other things, that Petitioner's claim was time-barred by the express contractual provisions of the HOW insurance/warranty documents.

By Hearing Examiner's Ruling of April 17, 1998, Carteret Realty Corporation ("Builder") was made a party to the proceeding and Petitioner was provided an opportunity to respond on or before May 5, 1998. Petitioner filed her response to the Motion to Dismiss on May 6, 1998. Therein, Petitioner asserted, among other things, that: (i) the expiration of her HOW coverage should be April 27, 2000, (ii) Petitioner first occupied the house on April 27, 1990, and (iii) the Builder sent a letter to the HOW Companies requesting that the enrollment date for her home be changed from July 19, 1985 to April 27, 1990.

By Hearing Examiner's Rulings dated May 15, 1998 and June 26, 1998, the Deputy Receiver's Motion to Dismiss was denied, and the Builder was dismissed as a party to the proceeding.

A telephonic hearing was convened as scheduled on September 1, 1998. Petitioner appeared *pro se*. Susan Salch, Esquire, appeared as counsel to the Deputy Receiver. Petitioner contends, among other things, that she has a valid claim against the HOW Companies for the water damage to her living room wall and the damage to her ceilings for: (i) four-hundred ninety- three dollars ($493.00) to repair the water-damaged drywall in her living room; (ii) one thousand two hundred dollars ($1,200.00) for repainting the areas where damage occurred; (iii) three thousand two hundred twenty-five dollars ($3,225.00) for replacement of the fire retardant decking and shingles on her roof; and (iv) six hundred forty-four dollars and nine cents ($644.09) in miscellaneous expenses. Additionally, Petitioner claims that the water damage to her living room and the use by the Builder of fire retardant plywood on her roof are major structural defects.

The Deputy Receiver contends, among other things, that the Petitioner's claim is untimely, and, in the alternative, that none of the defects alleged by the Petitioner constitute a major structural defect as that term is defined by the HOW insurance/warranty documents.

After receiving the testimony and evidence presented in the case, and reviewing the filings therein and the applicable law, the Hearing Examiner made the following findings and recommendations:

(1) Petitioner's home was enrolled in the HOW program by the Builder on July 19, 1985;

(2) Builder was issued a temporary certificate of occupancy and used the Petitioner's home as a model;

(3) Petitioner purchased the home on April 27, 1990;

(4) Builder sent a certified letter to HOW requesting that the enrollment date for Petitioner's home be changed from July 19, 1985 to April 27, 1990;

(5) The HOW insurance/warranty documents provide that no change in insurance coverage will be valid unless in the form of an endorsement, attached to the Certificate, and approved by an executive officer of the insurer;[1]

(6) The HOW Companies did not issue an endorsement changing the enrollment date on Petitioner's insurance/warranty documents;[2]

(7) In 1977, the New Jersey legislature enacted The New Home Warranty and Builders' Registration Act, a comprehensive statutory and regulatory scheme to deal with builder's limited warranty and major structural defect coverage;[3]

(8) The HOW insurance/warranty program was an approved alternate new home warranty security program in the State of New Jersey;[4]

(9) Virginia substantive law should be applied in this case to determine whether coverage is still in effect under the HOW insurance/warranty documents;[5]

(10) In receivership proceedings, the Commission has the powers of a court of equity;[6]

(11) The coverage afforded by the HOW insurance/warranty documents is provided to a "purchaser" and precludes the Builder in this case from being covered under the HOW program;

(12) The HOW Companies were precluded by the express terms of the insurance/warranty documents from providing HOW program coverage to member builders for model homes;

(13) The "commencement date" for the coverage under the HOW insurance/warranty documents is the date the builder conveys title of the home to the purchaser and provides his limited warranty to the purchaser;

(14) HOW's failure to change the enrollment date after a request by one of its member builders and the Petitioner's reliance on that error creates the mutual mistake necessary to reform the insurance contract issued by HOW;

(15) Petitioner's enrollment date in the HOW program should be reformed to April 27, 1990, the date Petitioner first occupied the house;

(16) The water damage to Petitioner's living room wall does not qualify as a major structural defect;

(17) Plywood roof decking meets the criteria of a load-bearing portion of the home subject to major structural defect coverage;

(18) Petitioner established that her roof has fire retardant plywood decking;

(19) Petitioner put on no evidence that the roof decking has failed;

(20) Petitioner failed to carry her burden of producing evidence and her burden of persuasion with respect to the alleged roof defect claim;

(21) The Commission should enter an order adopting his findings, affirming the Deputy Receiver's Determination of Appeal, and dismissing Petitioner's Petition for Appeal.

Upon consideration of the pleadings, prefiled testimony, transcript of the hearing, the Hearing Examiner's Report, and the Deputy Receiver's Comments thereto, it appears to the Commission that the Hearing Examiner is correct in his finding that the water damage to the wall in the living room does not constitute a major structural defect covered under the HOW policy. Further, careful review of the record indicates that the Hearing Examiner is correct in finding that the Petitioner failed to produce evidence that the roofing system failed. Therefore, there is no need to address the issue of what the correct

[1] Ex. LV-3 Exhibit 2, at 11.

[2] Transcript at 18.

[3] N.J. Stat. Ann. Sections 46:3B-1 through 46:3B-20 (West 1997).

[4] Ex. LV-3 Exhibit 3.

[5] Report of Michael D. Thomas, Hearing Examiner at 5 (October 15, 1998).

[6] Sections 38.2-1502 and 38.2-1508 of the Code of Virginia.

commencement date of the HOW insurance/warranty policy is for model homes. Similarly, the issue of whether plywood roof sheathing is excluded from coverage under the HOW insurance/warranty documents, which incorporate the New Jersey Supplement, need not be addressed at this time.

Accordingly, IT IS ORDERED THAT:

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

(2) The Deputy Receiver's Determination of Appeal issued in Claim No. 2391728 on December 23, 1997, be, and it is hereby, AFFIRMED;

(3) The Case is dismissed and the papers herein are passed to the file for ended causes.

CASE NO. INS980025
FEBRUARY 18, 1999

PETITION OF
UNITED AMERICAN INSURANCE COMPANY

For review and reversal of rate filing disapprovals by Bureau of Insurance pursuant *inter alia* to §§ 38.2-316 and 38.2-1926 of the Code of Virginia

ORDER GRANTING MOTION TO DISMISS

ON MOTION of the Bureau of Insurance, by counsel, filed herein, there being no objection on the part of Petitioner, and for good cause shown,

IT IS ORDERED THAT:

(1) The proceeding herein be, and it is hereby, DISMISSED; and

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

CASE NO. INS980030
JANUARY 29, 1999

PETITION OF
DIANE M. LAW

For review of HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation Deputy Receivers Determination of Appeal

ORDER

On October 14, 1994, the Circuit Court of the City of Richmond, Virginia entered an order appointing the State Corporation Commission ("Commission") the Receiver of the HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation ("HOW Companies" or "HOW"). The Receivership Order granted the Commission the authority to proceed with the rehabilitation or liquidation of the HOW Companies and established a Receivership Appeal Procedure ("RAP") to govern appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly authorized representatives.

On February 18, 1998, Diane M. Law ("Petitioner") filed a Petition of Review ("Petition") with the Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 3198984, denying the Petitioner's claim for coverage under her homeowners warranty insurance policy for damage associated with roof leaks and water penetrating the siding on the garage at 19545 N.E. Norrland Court, Poulsbo, Washington.

By order dated February 25, 1998, the Commission docketed the Petition, assigned the matter to a Hearing Examiner, and directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition on or before May 8, 1998.

On May 8, 1998, the Deputy Receiver filed a Motion to Dismiss and Answer to Petition, and a Memorandum in Support of the Motion to Dismiss. In its Motion to Dismiss, the Deputy Receiver declared, among other things, that Petitioner's claim was time-barred by the express contractual provisions of the HOW insurance/warranty documents.

Petitioner filed her Response to the Motion to Dismiss on May 29, 1998. Therein, she claimed, among other things, that the exterior walls ooze water causing actual physical damage to the load-bearing exterior walls. Petitioner claimed this water is causing dry rot to the unprotected wood frame which constitutes a major structural defect.

By Hearing Examiner's Ruling of June 9, 1998, the Deputy Receiver's Motion to Dismiss was denied, a procedural schedule was established, and a telephonic hearing was calendared for September 15, 1998. A Hearing Examiner Ruling of September 15, 1998 continued the telephonic hearing to October 5, 1998.

On October 5, 1998, the telephonic hearing was reconvened. The Petitioner appeared *pro se*. Susan E. Salch, Esquire, appeared as counsel to the Deputy Receiver. Petitioner claimed, among other things, that water is penetrating the siding on her home and is causing the wood-framing members in the

exterior wall of her garage to dry rot, thereby affecting the load-bearing structural integrity of the wall. The Deputy Receiver claimed, among other things, that: (i) Petitioner's claim was untimely since it was submitted after the builder's first year limited warranty expired on July 28, 1990; and (ii) the claims for roof leaks and defective exterior siding do not constitute major structural defects as that term is defined in the HOW insurance/warranty documents.

After receiving the testimony and evidence presented in the case, and reviewing the filings therein, the Hearing Examiner made the following findings and recommendations:

(1) Petitioner presented no evidence at the hearing to support her leaking roof claim;

(2) Petitioner failed to carry her burden of proof in support of her leaking roof claim;

(3) The HOW Companies received Petitioner's defective siding claim in the eighth year of HOW program coverage on the home;

(4) The Builder's Limited Warranty under the HOW insurance/warranty documents requires the builder to repair or replace siding when the siding delaminates or when the joist separates;

(5) The Builder's Limited Warranty coverage expired two years after the date it commenced;

(6) Petitioner's HOW program builder's limited warranty covering her home expired on July 28, 1991;

(7) Petitioner's defective siding claim, which was submitted to the HOW Companies in the eighth year of coverage, is not covered under the builder's limited warranty;

(8) The only coverage provided by the HOW insurance/warranty documents on Petitioner's home after July 28, 1991, is major structural defect coverage under the certificate of insurance issued by HOWIC;

(9) The insurance certificate provides that damage to certain non-load bearing portions of the home, including exterior siding, does not constitute a major structural defect;

(10) Petitioner's claim for damage to her exterior siding is not a major structural defect as that term is defined in the HOW insurance/warranty documents;

(11) Petitioner's claims for roof leaks and defective siding are not covered by the HOW insurance/warranty documents; and

(12) The Commission should enter an order dismissing the Petitioner's claims with prejudice and affirming the Deputy Receiver's Determination of Appeal.

Upon consideration of the pleadings, prefiled testimony, transcript of hearing and the Hearing Examiner's Report, the Commission is of the opinion that the Hearing Examiner's findings and recommendations should be adopted. Accordingly,

IT IS ORDERED THAT:

(1) The Petition of Diane M. Law for review of the Deputy Receiver's Determination of Appeal be, and it is hereby, DENIED;

(2) The Deputy Receiver's Determination of Appeal issued in Claim No. 3198984 on February 6, 1998, be, and it is hereby, AFFIRMED; and

(3) The case is dismissed and the papers herein are passed to the file for ended causes.

CASE NO. INS980041
MAY 3, 1999

PETITION OF
MARK AND KATHERINE DAVIDSON

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

ORDER

On October 14, 1994, the Circuit Court of the City of Richmond, Virginia, entered an order appointing the Virginia State Corporation Commission ("Commission") the Receiver of the HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation ("HOW" or "HOW Companies"). The Receivership Order granted the Commission the authority to proceed with the rehabilitation or liquidation of the HOW Companies and established a "Receivership Appeal Procedure" ("RAP") to govern appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly authorized representatives.

On March 5, 1998, Mark and Katherine Davidson ("Petitioners") filed a Petition for Review ("Petition") with the Commission challenging the Deputy Receiver's Determination of Appeal in Claim No. 2476253B, denying the Petitioners' claim for coverage under their homeowners warranty insurance policy regarding problems associated with their home at 9406 Shipman Street, Rowlett, Texas. Specifically, Petitioners seek HOW coverage for damage related to a crack in the concrete slab foundation of their home.

By Order dated March 16, 1998, the Commission docketed the Petition, assigned the matter to a Hearing Examiner, and directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition on or before May 22, 1998.

On May 22, 1998, the Deputy Receiver filed a Motion to Dismiss and Answer as well as a Memorandum in Support of Motion to Dismiss. Therein, the Deputy Receiver claimed, among other things, that: (i) Petitioners filed their claim after the expiration of HOW coverage; (ii) the alleged problems with the foundation do not fall within the definition of a major structural defect as defined by the HOW insurance/warranty documents; and (iii) Petitioners' Petition fails to assert a claim on which relief may be granted, and should be dismissed.

On July 13, 1998, Petitioners filed their response to the Deputy Receiver's Motion to Dismiss. Therein, Petitioners asserted, among other things, that: (i) they made a claim with HOW regarding the foundation of their home in May 1991, January 1993, and in October 1994; and (ii) the claim was denied by HOW correspondence dated January 19, 1995; (iii) the HOW Companies' January 19, 1995, correspondence was not specific as to which claim was denied; and (iv) Petitioners never received the January 19, 1995, letter.

Pursuant to Hearing Examiner's Ruling of July 28, 1998, the Motion to Dismiss was denied, a procedural schedule established, and a telephonic hearing set for October 27, 1998.

On October 27, 1998, a telephonic hearing was convened as scheduled for receiving evidence on the Petition. Mark J. Davidson appeared *pro se*. Susan E. Salch, Esquire, appeared as counsel for the Deputy Receiver. Petitioners contend, among other things, that: (i) in March 1993 they filed their first foundation defect claim with HOW, and the claim was denied due to a lack of a major structural defect; (ii) in October 1994 they filed their second foundation defect claim with HOW, and the claim was denied by HOW's Notice of Claim Determination dated January 19, 1995; (iii) they never received the January 19, 1995, Notice of Claim Determination and believed that their claim remained pending before HOW; (iv) in September 1997 they filed a cracked foundation claim with HOW, which claim was denied because insurance/warranty coverage terminated on January 10, 1996; and (v) their failure to receive the January 19, 1995, Notice of Claim Determination serves to extend HOW coverage.

The Deputy Receiver contends, among other things, that: (i) the Petitioners' claim of September 29, 1997, was submitted to HOW well after the expiration of all coverage; (ii) the problems with the foundation crack do not fall within the definition of a major structural defect as defined by the HOW Insurance/Warranty documents and; (iii) the appeal period should not be extended for the Petitioners because they unreasonably failed to inquire as to the status of their claim of October 1994.

After reviewing the testimony and evidence presented in the case, the Hearing Examiner made the following findings and recommendations:

(1) HOW coverage on the Petitioners' home commenced on January 10, 1986;

(2) Petitioners filed their first claim with HOW in March 1993;

(3) The March 1993 claim was denied on May 27, 1993, due to HOW's determination that no major structural defect existed;

(4) In October 1994, Petitioners filed their second claim with HOW;

(5) By Notice of Claim Determination dated January 19, 1995, HOW denied the Petitioners' second claim;

(6) Petitioners assert they never received the Notice of Claim Determination dated January 19, 1995, and believed their claim remained pending before HOW;

(7) HOW coverage on the Petitioners' home ended January 10, 1996;

(8) Petitioners' third claim with HOW was filed by letter dated September 29, 1997, for a crack in the concrete slab foundation of their home;

(9) HOW denied Petitioners' third claim as untimely since the claim was filed after the termination of HOW's coverage period of January 10, 1996;

(10) Petitioners did not receive the Notice of Claim Determination dated January 19, 1995;

(11) Petitioners did not violate any reasonableness standard by failing to inquire as to the status of their claim of October 1994;

(12) Petitioners' claim of September 29, 1997, should be read to incorporate an appeal of their October 1994 claim;

(13) Petitioners' failure to receive the Notice of Claim Determination of January 19, 1995, cannot give Petitioners coverage for defects occurring subsequent to January 10, 1996, or permit Petitioners to file a claim for HOW coverage more than thirty days after the expiration of coverage;

(14) Due to the lack of a major structural defect as defined by the HOW Insurance/Warranty documents, the Deputy Receiver's denial of the Petitioners' October 1994 claim should be affirmed;

(15) All HOW Insurance/Warranty coverage for Petitioners' home expired on January 10, 1996; therefore, the Deputy Receiver's denial of the claim filed by Petitioners in September 1997 should be affirmed; and

(16) The Commission should enter an order adopting his findings, affirming the Deputy Receiver's denial of Claim No. 2476253B, and dismissing this case from the docket of active matters.

Upon consideration of the pleadings, prefiled testimony, transcript of the hearing, the Hearing Examiner's Report, and the comments filed thereto, the Commission is of the opinion that the Examiner's findings and recommendations should be adopted. Accordingly,

IT IS ORDERED THAT:

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

(2) The Deputy Receiver's Determination of Appeal issued in Claim No. 2476253B on February 6, 1998, be, and it is hereby, AFFIRMED;

(3) The Deputy Receiver's Notice of Claim Determination issued in Claim No. 2476153-A on January 19, 1995, and incorporated for appeal herein be, and it is hereby, AFFIRMED; and

(4) The case is dismissed and the papers herein are passed to the file for ended causes.

CASE NO. INS980091
APRIL 16, 1999

PETITION OF
AVELARDO AND IRENE TRUJILLO

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

ORDER

On October 14, 1994, the Circuit Court of the City of Richmond, Virginia, entered an order appointing the Virginia State Corporation Commission ("Commission") the Receiver of the HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation ("HOW Companies" or "HOW"). The receivership order granted the Commission authority to proceed with the rehabilitation or liquidation of the HOW Companies and established a "Receivership Appeal Procedure" ("RAP") to govern any appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly authorized representatives.

On April 27, 1998, Avelardo and Irene Trujillo ("Petitioners" or "Trujillos") filed a Petition for Review ("Petition") with the Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 1532492-A, which denied the Trujillos' claim for coverage under their homeowners warranty insurance policy regarding problems associated with their home at 12103 Swaps Drive, El Paso, Texas. Specifically, the Petitioners seek HOW coverage for damage to the mortar between the bricks on the outside of their home.

By order dated May 14, 1998, the Commission docketed the Petition, assigned the matter to a Hearing Examiner, and directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition on or before July 3, 1998. On July 2, 1998, the Deputy Receiver filed a Motion to Dismiss and Answer to Petition for Review, as well as a Memorandum in Support of the Motion to Dismiss. Therein, the Deputy Receiver asserted that: (i) Petitioners' claim regarding defects in the mortar and bricks of their home was untimely; and (ii) Petitioners' allegations concerning the condition of their home were insufficient to support a claim for a Major Structural Defect. Thus, the Deputy Receiver contended, the Petition failed to assert a claim on which relief could be granted and should be dismissed.

On July 29, 1998, the Trujillos filed a response to the Deputy Receiver's Motion to Dismiss. Therein, the Petitioners maintained that: (i) they filed a claim with the HOW Companies prior to the expiration of the HOW coverage; and (ii) the condition of the outside bricks and mortar of their home continues to deteriorate.

By Hearing Examiner's Ruling of August 14, 1998, the Deputy Receiver's Motion to Dismiss was denied. Thereafter, the Deputy Receiver filed a Motion for Summary Judgment claiming, in essence, that Petitioners failed to state a claim on which relief could be granted. By Hearing Examiner's Ruling of September 23, 1998, the Deputy Receiver's Motion for Summary Judgment was denied.

On November 5, 1998, a telephonic hearing was convened for receiving evidence on the Petition. Irene Trujillo appeared *pro se*. Susan E. Salch, Esquire, appeared as counsel for the Deputy Receiver. Petitioners contend, among other things, that: (i) On June 6, 1994, they filed a claim for HOW coverage concerning cracking of bricks, separation of the front courtyard from the wall, a damaged roof beam, and a crack in the den wall; (ii) HOW denied the existence of a major structural defect and denied Petitioners' claim in June 1994; (iii) the January 1998 claim filed with HOW was for the deteriorating conditions of the bricks and mortar on the outside walls of their home.

The Deputy Receiver contends, among other things, that: (i) Petitioners' home was enrolled in the HOW Program on September 6, 1984; (ii) on June 6, 1994, during the tenth year of coverage, the HOW Companies received the Petitioners' first claim for damaged brick veneer; (iii) the property was inspected, the criteria for major structural defect coverage were not met, and Petitioners' claim was properly denied; (iv) Petitioners' claim filed in 1994 did not extend the coverage term beyond September 6, 1994; (v) the Deputy Receiver denied Petitioners' January 1998 claim because it was filed after the expiration of the policy; and (vi) damage to bricks and mortar would not constitute a major structural defect as defined by the HOW Insurance/Warranty documents.

After reviewing the filings, testimony, and evidence submitted in the case, the Hearing Examiner made the following findings and recommendations:

(1) The HOW Insurance/Warranty documents limit coverage to ten years after the date of enrollment;

(2) Petitioners' HOW Insurance/Warranty coverage commenced on September 6, 1984;

(3) Petitioners' HOW Insurance/Warranty coverage ended on September 6, 1994;

(4) Petitioners' 1994 claim did not extend their coverage term beyond September 6, 1994;

(5) Petitioners did not have any HOW Insurance/Warranty coverage for any defects occurring subsequent to September 6, 1994;

(6) Damage to bricks and mortar as described by Petitioners would not constitute a major structural defect;

(7) The Deputy Receiver's denial of Petitioners' claim should be affirmed; and

(8) The Commission should enter an order adopting his findings, affirming the Deputy Receiver's denial of Claim No. 1532492-A, and dismissing the case from the docket of active matters.

Upon consideration of the pleadings, prefiled testimony, transcript of the hearing, and the Hearing Examiner's Report, the Commission is of the opinion that the Hearing Examiner's findings and recommendations should be adopted. Accordingly,

IT IS ORDERED THAT:

(1) The Petition of Avelardo and Irene Trujillo for review of Deputy Receiver's Determination of Appeal be, and it is hereby, DENIED;

(2) The Deputy Receiver's Determination of Appeal issued in Claim No. 1532492-A on April 3, 1998, be, and it is hereby, AFFIRMED; and

(3) The case is dismissed and the papers herein are passed to the file for ended causes.

CASE NO. INS980093
APRIL 16, 1999

PETITION OF
MICHAEL AND JEAN BUSSE

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

ORDER

On October 14, 1994, the Circuit Court of the City of Richmond, Virginia, entered an order appointing the Virginia State Corporation Commission ("Commission") the Receiver of the HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation ("HOW Companies" or "HOW"). The Receivership Order granted the Commission the authority to proceed with the rehabilitation or liquidation of the HOW Companies and established a "Receivership Appeal Procedure" ("RAP") to govern appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly authorized representatives.

On May 1, 1998, Michael and Jean Busse ("Petitioners"), by counsel, filed a Petition for Review ("Petition") with the Commission challenging the Deputy Receiver's Determination of Appeal in Claim No. 2910193-A, denying Petitioners' claims for coverage under their homeowners warranty insurance policy regarding problems associated with foundation wall cracks and a damp basement floor in their home located at 119 South Hampton Drive, St. Charles, Missouri 63303.

In their Petition, Petitioners contend a basement that is constantly wet and subject to mildew meets the major structural defect criteria of not being sanitary or livable. Petitioners further contend, since the wet basement problem occurred almost immediately after their taking possession of the home, the first-year coverage provisions of the HOW insurance/warranty documents should apply.

By Order dated May 21, 1998, the Commission docketed the Petition, assigned the matter to a Hearing Examiner, and directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition on or before July 10, 1998.

The Deputy Receiver filed an Answer to the Petition on July 10, 1998. Therein, the Deputy Receiver, inter alia, denied the allegations set forth in the Petition and claimed that if a major structural defect occurred in Petitioners' foundation during the two-year builder's limited warranty period, the defect is not within the coverage provided by the HOW Companies during years 3-10 of the HOW policy.

Pursuant to Hearing Examiner's Ruling of July 27, 1998, a procedural schedule was established, and a hearing date was calendared for October 20, 1998.

On the appointed day of the hearing, Elkin L. Kistner, Esquire, a member of the Missouri Bar, admitted to practice pro hac vice before the Commission, appeared as counsel to the Petitioners. Petitioners contend, among other things, that (i) the wall cracks and the wet basement floor constitute major structural defects; (ii) the wet basement defect occurred almost immediately after they moved into their home, thereby triggering coverage under the HOW Companies' first year builder's limited warranty; (iii) Missouri law should apply in this case since the HOW insurance/warranty documents specifically incorporate the law of the state where the residence is located; and (iv) the Petitioners are entitled to the costs of repair and attorney's fees.

The Deputy Receiver asserts, inter alia, that: (i) there is no major structural defect to Petitioners' home since there has been no loss of load-bearing function in the foundation wall; (ii) drainage problems are not covered after the first-year builder's limited warranty; (iii) Missouri law is not controlling in this matter; rather, Virginia law controls; and (iv) Petitioners' claim for coverage, as well as their claim for attorney's fees and other relief, should be denied in their entirety.

After receiving the testimony and evidence presented in the case, and reviewing the filings therein and the applicable law, the Hearing Examiner made the following findings and recommendations:

(1) Virginia substantive law controls the resolution of this case;

(2) Petitioners' claim for a wet basement is not covered under the HOW warranty document first-year builder's limited warranty or the second-year major structural defect builder's limited warranty;

(3) Petitioners' claim for a wet basement is not covered under the HOW major structural defect insurance coverage;

(4) Petitioners' claim for foundation cracks in their basement walls is not covered under the HOW major structural defect insurance coverage; and

(5) The Commission should enter an order adopting his findings, affirming the Deputy Receiver's Determination of Appeal, and dismissing Petitioners' Petition for Appeal.

Upon consideration of the pleadings, prefiled testimony, transcript of the hearing, the Hearing Examiner's Report, and the comments submitted thereto, the Commission is of the opinion and finds that the Examiner's findings and recommendations should be adopted.

Accordingly, IT IS ORDERED THAT:

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

(2) The Deputy Receiver's Determination of Appeal issued in Claim No. 2910193-A, on April 3, 1998, be, and it is hereby, AFFIRMED; and

(3) The case is dismissed with prejudice and the papers herein are passed to the file for ended causes.

CASE NO. INS980106
FEBRUARY 18, 1999

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

FINAL ORDER

WHEREAS, by order entered herein August 20, 1998, Defendant's license to transact the business of insurance in the Commonwealth of Virginia was suspended;

WHEREAS, Defendant's corporate certificate of authority was revoked by the Clerk of the Commission on December 16, 1998;

WHEREAS, by letter of Peggy W. Davis, Vice President of Defendant, dated December 22, 1998, and filed with the Commission on February 12, 1999, the Commission was advised that the Defendant wished to withdraw its license to transact the business of insurance in the Commonwealth of Virginia;

WHEREAS, the withdrawal of Defendant's license has been processed by the Bureau of Insurance, effective January 29, 1999; and

WHEREAS, the Bureau of Insurance has recommended that this case be closed;

THEREFORE, IT IS ORDERED THAT:

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

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

CASE NO. INS980116
FEBRUARY 4, 1999

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 Commission beginning on November 17, 1998, and ending on November 18, 1998. The National Council on Compensation Insurance (the "Applicant"), the Bureau of Insurance, the Office of the Attorney General, intervenors Washington Construction Employers Association, and the Iron Workers Employers Association, were represented by their counsel.

NOW, ON THIS DAY, having considered the record herein, and the law applicable hereto, THE COMMISSION is of the opinion, finds, and orders:

(1) That, based on the calculation of two policy years of loss and premium experience for the voluntary market, the factor of 0.950 proposed by the Applicant to adjust for experience, trend, and benefits is excessive and, in lieu thereof, a factor of 0.908 shall be utilized, resulting from the use of the "paid plus case" loss experience methodology, loss development to an 8th report based on voluntary market experience using five year dollar weighted averages, loss development from an 8th report to a 17th 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;

(2) That, based on the calculation of five policy years of loss and premium experience for the assigned risk market, the factor of 0.981 proposed by the Applicant to adjust for experience, trend, and benefits is excessive and, in lieu thereof, a factor of 0.921 shall be utilized, resulting from the use of the "paid plus case" loss experience methodology, loss development to an 8th report based on assigned risk market experience using five year dollar weighted averages, loss development from an 8th report to a 17th 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;

(3) That the annual indemnity trends and the annual medical trends proposed by the Applicant are excessive; and, in lieu thereof, an annual indemnity trend of –5.8% and an annual medical trend of –2.2% shall be utilized, based on the combined experience for both the voluntary market and assigned risk market and the trending methodology previously approved by the Commission;

(4) That the use of econometric trend be rejected for these proceedings. Should the Applicant propose to use econometric trend models in the future, the Applicant should work with the Bureau and any other parties interested therein to develop such models;

(5) That the factor of 1.009 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;

(6) That the change in the provision for loss adjustment expenses for the voluntary market from 14.7 percent of expected loss to 15.5 percent of expected loss proposed by the Applicant is excessive; and, in lieu thereof, a provision for loss adjustment expense of 14.4 percent of expected loss shall be utilized, resulting in a factor of 0.997 to adjust voluntary loss costs for the change in loss adjustment expense;

(7) That the offset for the premium credits expected to result from the Virginia Contractors Classifications Premium Adjustment Program ("VCCPAP") of 0.75% for the Contracting Group shall be continued until further order of the Commission; provided, however, that the Applicant shall provide relevant data for supporting the continued use of this offset with its next loss costs and assigned risk application;

(8) That the calculation of the change to voluntary market loss costs for industrial classes expressed as a percentage shall be: experience, trend, and benefits (9.2 percent decrease), loss adjustment expense (0.3 percent decrease), resulting in a total change in voluntary market loss costs of a 9.5 percent decrease rather than the 4.3 percent decrease proposed by the Applicant;

(9) That the factor of 1.020 for the change in expenses (loss adjustment, taxes, general, production, administrative and other) for the assigned risk market proposed by the Applicant shall be utilized;

(10) That the change in profit and contingencies provision for the assigned risk market from negative 7.843 percent to negative 3.0 percent representing a premium increase of 6.4 percent proposed by the Applicant produces excessive premiums; and, in lieu thereof, the profit and contingencies provision shall be changed to negative 6.77 percent representing an increase of 1.4 percent in premiums resulting from a payment pattern of 35 years, a rate of return of 11.41 percent (which is based on an 85/15 equity-to-debt ratio, a 12.00 percent cost of common equity, and an 8.09 percent cost of long term debt), a 7.49 percent pre-tax return on invested assets before consideration of investment expenses, a 5.61 percent post-tax return on invested assets before consideration of investment expenses, a 5.40 percent post-tax return on invested assets after consideration of investment expenses, the claims and expense payment schedule proposed by the Applicant, a provision of 2.5 percent for uncollectible premium, and a reserve-to-surplus ratio of 2.66 considering only loss and loss adjustment expense reserves;

(11) That the increase in the expense constant from $180 to $205 proposed by the Applicant shall be utilized; and that the offset to the assigned risk rates for the increase in the expense constant shall be a rate decrease of 0.9 percent. If the Applicant proposes to revise the expense constant in the future, the Applicant shall provide relevant data and a sound actuarial analysis for determining such an expense constant rather than trending the possibly outdated 1991 expense study data now in use;

(12) That the calculation of the assigned risk market rate changes for industrial classes expressed as a percentage shall be: experience, trend, and benefits (7.9 percent decrease), expenses, taxes and loss adjustment expense (2.0 percent increase), profit and contingency (1.4 percent increase), offset for the expense constant (0.9 percent decrease) resulting in a 5.6 percent decrease in assigned risk market rates, rather than the 5.5 percent increase proposed by the Applicant;

(13) That the proposed increase of 19.0 percent for voluntary market loss costs for "F" classifications is excessive and, in lieu thereof, an increase of 8.9 percent is hereby approved;

(14) That the proposed 30.2 percent rate increase for assigned risk market rates for "F" classifications is excessive and, in lieu thereof, an increase of 14.7 percent is hereby approved;

(15) That, as respects the occupational disease component of coal mine classifications voluntary loss costs and assigned risk rates, the changes proposed by the Applicant are hereby approved. That, as respects the traumatic component of coal mine classifications, the changes proposed by the Applicant are excessive; and, thereby, the combined voluntary loss costs and assigned risk rates for coal classifications proposed by the Applicant are excessive; and, in lieu thereof, the following be adopted:

	Underground Mines	
	Voluntary Loss Costs	Assigned Risk Rates
Traumatic	$19.42	$29.23
Occupational Disease	2.78	4.56
Total	$22.20	$33.79

	Surface Mines	
	Voluntary Loss Costs	Assigned Risk Rates
Traumatic	$ 4.01	$ 5.58
Occupational Disease	0.96	1.57
Total	$ 4.97	$ 7.15

(16) That, in subsequent applications, the Applicant shall include traumatic coal mine indications based on the "industrial methodology";

(17) That, based on issues brought to the attention of the Commission during this proceeding, prior to its next application, the Applicant shall research and report to the Commission on the number of Virginia classifications affected by possible class rate-making inequities and the extent to which any affected classifications are impacted;

(18) 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;

(19) 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 April 1, 1999; and

(20) 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. INS980145
MAY 28, 1999

PETITION OF
SAEED ZARGARNIAN

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

FINAL ORDER

On October 14, 1994, the Circuit Court of the City of Richmond, Virginia, entered an order appointing the State Corporation Commission ("Commission") the Receiver of the HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation ("HOW Companies" or "HOW"). The receivership order granted the Commission the authority to proceed with the rehabilitation or liquidation of the HOW Companies and established a Receivership Appeal Procedure ("RAP") to govern appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly authorized representatives.

On July 1, 1998, Saeed Zargarnian ("Petitioner") filed a Petition for Review ("Petition") with the Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 3067135. The Deputy Receiver had affirmed in part and denied in part Petitioner's claim. The Deputy Receiver determined that the reasonable cost to repair Petitioner's home, located at 1914 Diamond Cluster, Carrollton, Texas, for the major structural defect in the foundation and the secondary damage that occurred as a result of that defect, to be forty-nine thousand eight hundred twelve dollars and ninety-two cents ($49,812.92). The Petitioner objects to the amount approved by the Deputy Receiver and the exclusion of certain items from being considered as covered secondary damage.

By Order dated July 23, 1998, the Commission docketed the Petition, assigned the matter to a Hearing Examiner, and directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition on or before August 7, 1998.

On August 7, 1998, the Deputy Receiver filed his Answer and therein denied: (i) any liability to Petitioner in excess of the amount set forth in the Determination of Appeal dated June 1, 1998; (ii) that excessive delays on the part of the HOW Companies led to cancellation of Petitioner's homeowner's insurance; and (iii) that the HOW Companies' estimate for repairs does not reflect the total cost of repairs. As an affirmative defense, the Deputy Receiver claimed that repairs to portions of the home not part of the original construction are specifically excluded from coverage under the HOW insurance/warranty documents.

By Hearing Examiner's Ruling dated September 2, 1998, a procedural schedule was established and a telephonic hearing was calendared for November 18, 1998.

The telephonic hearing was convened on November 18, 1998. Petitioner appeared *pro se.* Susan E. Salch, Esquire, appeared as counsel to the Deputy Receiver. The Petitioner and the Deputy Receiver concur that the central dispute in this case involves the reasonable cost to repair the secondary damage that occurred to Petitioner's home as a result of a major structural defect.[1] Petitioner contends that the total cost of repairs to the foundation, and to repair the secondary damage, is seventy-eight thousand two hundred three dollars ($78,203.00).[2] Petitioner specified seventeen (17) items of secondary damage that required repair.[3] To support Petitioner's position on the cost to repair the secondary damage to Petitioner's home, Petitioner's witness, Ken Woolwine of Remodeling and Repairs Unlimited, testified that his bid of forty-two thousand eight hundred thirty dollars ($42,830.00) represented the reasonable cost to repair only the secondary damage to Petitioner's home.[4]

The Deputy Receiver, through his witness, Daniel Smith of INSpire, contends that the reasonable cost to repair Petitioner's home, including both structural and secondary damage, is forty-nine thousand eight hundred twelve dollars and ninety-two cents ($49,812.92).[5] Included within this total amount, the Deputy Receiver, through his witness, Gary Herren of Metro Restoration, Inc. ("Metro Restoration"), declares that thirteen thousand six hundred eighty-seven dollars and ninety-two cents ($13,687.92) represents the reasonable cost of repairing the secondary damage associated with Petitioner's foundation defect.[6] Furthermore, the Deputy Receiver, through his witness, Jim McNeme of Geodynamics, Inc., questioned the extent of the secondary damage caused by the foundation movement.[7]

After receiving the testimony and evidence presented in the case and reviewing the filings therein and the applicable law, the Hearing Examiner made the following findings and recommendations:

(i) The HOW Companies' obligation to repair the secondary damage to Petitioner's home is set forth in the HOW insurance/warranty documents;[8]

(ii) The Hearing Examiner cannot find that the HOW Companies' estimate to repair the secondary damage to Petitioner's home is unreasonable;

(iii) Once the HOW Companies met their burden of producing evidence on the reasonableness of their secondary damage repair estimate, the burden shifted to Petitioner to produce evidence to the contrary;

(iv) Petitioner failed to meet his evidentiary burden;

(v) Petitioner's only evidence rebutting the Deputy Receiver's estimate is the estimate prepared by Remodeling Repairs Unlimited, which appears excessive;

(vi) Pursuant to the terms of the HOW insurance/warranty documents, Petitioner is only entitled to the cost of repair of those items of the home damaged by the major structural defect, not a complete remodeling of his home;

(vii) The estimate prepared by Metro Restoration to repair the secondary damage to Petitioner's home is reasonable;

(viii) A contingency of 10% of Metro Restoration's repair bid is reasonable to address any additional secondary damage that may occur as a result of repairing the home's major structural defect;

(ix) Petitioner's total direct claim should be approved for the following amount:

---

[1] Transcript at 12-13; Report of Michael D. Thomas, Hearing Examiner, dated March 8, 1999 ("Hearing Examiner's Report"), at 7-8.

[2] Petition at 8.

[3] Exhibit DS-35 at 1-3; Hearing Examiner's Report at 4.

[4] Hearing Examiner's Report at 5; Transcript at 85.

[5] Transcript at 93; Hearing Examiner's Report at 5.

[6] Hearing Examiner's Report at 4; Exhibit SZ-27.

[7] Exhibit DS-35 at 1-3; Hearing Examiner's Report at 6.

[8] Exhibit DS-34 at 20.

Structural Repairs	$28,925.00
Reasonable Allowance for Epoxy Injection	1,000.00
Drainage	6,450.00
Secondary Repairs	13,687.92
Contingency	1,368.79
Less Deductible	250.00
Total Direct Claim	$51,181.71

(x) The Deputy Receiver should pay Petitioner's total direct claim in accordance with the claims payment priority set forth in the Deputy Receiver's Third Directive;

(xi) The Deputy Receiver should forthwith pay the Petitioner the amount of thirty thousand seven hundred nine dollars and three cents ($30,709.03) (60% of Petitioner's total direct claim); and

(xii) The Commission should enter an order adopting the findings in his report, affirming the Deputy Receiver's Determination of Appeal, as modified herein, and dismissing the Petition for Appeal with prejudice.

Upon consideration of the pleadings, prefiled testimony, transcript of the hearing, and the Hearing Examiner's Report, the Commission is of the opinion that the Hearing Examiner's findings and recommendations should be adopted. Accordingly,

IT IS ORDERED THAT:

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

(2) The Deputy Receiver's Determination of Appeal issued in Claim No. 3067135 on June 1, 1998, be, and it is hereby, AFFIRMED, as modified in the "Findings And Recommendations" of the Hearing Examiner's Report of March 8, 1999;

(3) The Deputy Receiver should pay Petitioner's total direct claim in accordance with the claims payment priority set forth in the Deputy Receiver's Third Directive;

(4) The Deputy Receiver should forthwith pay the Petitioner the amount of thirty thousand seven hundred nine dollars and three cents ($30,709.03) (60% of Petitioner's total direct claim); and

(5) The case is dismissed with prejudice, and the papers herein are passed to the file for ended causes.

CASE NO. INS980182
FEBRUARY 25, 1999

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

FINAL ORDER

WHEREAS, by order entered September 23, 1998, Defendant, a foreign corporation domiciled in the State of New Jersey and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, was ordered to eliminate the impairment in its surplus, restore the same to at least $3,000,000, and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer;

WHEREAS, by affidavit of Defendant's Senior Vice President and Chief Financial Officer dated December 22, 1998, and filed with the Commission on December 28, 1998, the Commission was advised that, as of December 7, 1998, ARI Mutual Insurance Company, Defendant's parent corporation, had authorized a capital contribution to Defendant of ARI Indemnity Company stock (Defendant's sister corporation) in the amount of $2,000,000, which contribution would restore Defendant's surplus to policyholders to at least $3,000,000;

WHEREAS, by affidavit of Defendant's Senior Vice President and Chief Financial Officer dated February 18, 1999, and filed with the Commission on February 22, 1999, the Commission was advised that the New Jersey Department of Banking and Insurance had approved such $2,000,000 capital contribution to Defendant, and, as a result, Defendant has restored its surplus to policyholders to at least $3,000,000; and

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

THEREFORE, IT IS ORDERED THAT:

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

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

CASE NO. INS980193
JANUARY 26, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

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

ORDER TO TAKE NOTICE

WHEREAS, § 12.1-13 of the Code of Virginia 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 § 38.2-223 of the Code of Virginia provides that the Commission may issue any rules and regulations necessary or appropriate for the administration and enforcement of Title 38.2 of the Code of Virginia;

WHEREAS, the Bureau of Insurance has submitted to the Commission a proposed revised regulation entitled "Rules Governing Minimum Standards for Medicare Supplement Policies"; and

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

THEREFORE, IT IS ORDERED THAT:

(1) All interested persons TAKE NOTICE that the Commission shall enter an order subsequent to February 25, 1999, adopting the revised regulation proposed by the Bureau of Insurance unless on or before February 25, 1999, any person objecting to the adoption of such a regulation files a request for a hearing, and in such request specifies in detail his objection to the adoption of the proposed revised regulation, to be effective April 26, 1999, with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218;

(2) An attested copy hereof, together with a copy of the proposed revised regulation, be sent by the Clerk of the Commission to the Bureau of Insurance in care of Deputy Commissioner Gerald A. Milsky who forthwith shall give further notice of the proposed adoption of the regulation by mailing a copy of this order, together with a complete draft of the proposed regulation, to all insurers, health services plans, and health maintenance organizations licensed to write medicare supplement insurance in the Commonwealth of Virginia; and

(3) 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 "Chapter 170. Rules Governing Minimum Standards for Medicare Supplement Policies" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS980193
MARCH 12, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

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

ORDER ADOPTING REGULATION

WHEREAS, by order entered herein January 26, 1999, all interested persons were ordered to take notice that the Commission would enter an order subsequent to February 25, 1999, adopting a revised regulation proposed by the Bureau of Insurance unless on or before February 25, 1999, any person objecting to the adoption of the regulation filed a request for a hearing with the Clerk of the Commission;

WHEREAS, as of the date of this order, no request for a hearing has been filed with the Clerk of the Commission;

THEREFORE, IT IS ORDERED that the regulation entitled "Rules Governing Minimum Standards for Medicare Supplement Policies," which is attached hereto and made a part hereof, should be, and it is hereby, ADOPTED to be effective April 26, 1999.

NOTE: A copy of Attachment A entitled "Chapter 170. Rules Governing Minimum Standards For Medicare Supplement Policies" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS980195
JANUARY 26, 1999

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

ORDER TO TAKE NOTICE

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

WHEREAS, by order entered herein September 30, 1998, 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 December 28, 1998; and

WHEREAS, as of the date of this order, Defendant has failed to file an affidavit with the Commission which states that it has eliminated the impairment in its surplus;

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to February 8, 1999, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before February 8, 1999, 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. INS980195
FEBRUARY 12, 1999

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

FINAL ORDER

WHEREAS, by order entered September 30, 1998, 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, for the reasons stated in an order entered herein January 26, 1999, Defendant was ordered to take notice that the Commission would enter an order subsequent to February 8, 1999, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before February 8, 1999, 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;

WHEREAS, by affidavit of Defendant's President dated January 21, 1999, and filed with the Commission on February 9, 1999, the Commission was advised that Defendant wished to withdraw its license to transact the business of insurance in the Commonwealth of Virginia;

WHEREAS, the withdrawal of Defendant's license has been processed by the Bureau of Insurance, effective January 29, 1999; and

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

IT IS THEREFORE ORDERED THAT:

(1) The Impairment Order and the Order to Take Notice entered by the Commission should be, and they are hereby, VACATED;

(2) This case be, and it is hereby, dismissed; and

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

CASE NO. INS980197
NOVEMBER 10, 1999

PETITION OF
CHAPELLE R. ALLEN

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

FINAL ORDER

On October 14, 1994, the Circuit Court of the City of Richmond, Virginia, entered an order appointing the State Corporation Commission ("Commission") the Receiver of the HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation ("HOW Companies" or "HOW"). The receivership order granted the Commission authority to proceed with the rehabilitation or liquidation of the HOW Companies and established a "Receivership Appeal Procedure" ("RAP") to govern any appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly authorized representatives.

On April 16, 1998, Chapelle R. Allen ("Petitioner" or "Allen") filed a claim with HOW for coverage under his homeowners warranty insurance policy for a standing water problem associated with his residence located at 10812 O'Hara Lane, Midwest City, Oklahoma 73130. The Deputy Receiver denied the claim in a Notice of Claim Determination dated April 20, 1998. On May 13, 1998, pursuant to the RAP, Mr. Allen appealed the findings of the Notice of Claim Determination. On May 18, 1998, the Deputy Receiver issued to Mr. Allen an Extension of Appeal letter, which, among other things, informed the Petitioner that his appeal would be deemed automatically rejected if the Petitioner did not receive a Determination of Appeal on or before September 10, 1998. Petitioner did not receive a Determination of Appeal by September 10, 1998. Thereafter, on September 21, 1998, Mr. Allen filed a Petition for Review ("Petition") with the State Corporation Commission ("Commission") contesting the ruling denying coverage by the Deputy Receiver.

By Order dated October 8, 1998, the Commission docketed the Petition, assigned the matter to a Hearing Examiner, and directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition on or before October 30, 1998. On October 30, 1998, the Deputy Receiver filed a Motion to Dismiss, an Answer to Petition for Review, and a Memorandum in Support of Motion to Dismiss. Therein, the Deputy Receiver asserted, among other things, that: (i) the defects alleged by Mr. Allen are excluded from major structural defect coverage under the HOW Program; and (ii) Mr. Allen's allegations are insufficient to support a claim for a major structural defect. The Deputy Receiver maintained that the Petition failed to assert a claim on which relief could be granted and should be dismissed.

On December 22, 1998, the Petitioner filed a response to the Deputy Receiver's Motion to Dismiss. Therein, Mr. Allen asserted, among other things, that both his builder and homeowner's insurance company consider the cause of the water leaking into his home to be a major structural defect. By Hearing Examiner Ruling of February 25, 1999, the Hearing Examiner denied the Deputy Receiver's Motion to Dismiss.

On July 14, 1999, a telephonic hearing was convened as scheduled for receiving evidence on the Petition. Mr. Allen appeared *pro se*. Susan E. Salch, Esquire, appeared as counsel for the Deputy Receiver. Petitioner contends, among other things, that: (i) the failure of the Deputy Receiver to notify him of his decision regarding Petitioner's appeal was misleading and a denial of due process; (ii) the failure of the Deputy Receiver to visually inspect his home also constituted a denial of due process; and (iii) the water damage to his home is a covered defect under his homeowners warranty insurance policy.

The Deputy Receiver contends, among other things, that: (i) the defects alleged by the Petitioner are excluded from major structural defect coverage under the HOW Program; and (ii) Petitioner's allegations are insufficient to support a claim for a major structural defect.

After receiving the testimony and evidence presented in the case, the Hearing Examiner made the following findings and recommendations:

(1) Neither the failure by the Deputy Receiver to notify Mr. Allen of his Determination of Appeal, nor the failure by the Deputy Receiver to inspect Mr. Allen's home constitutes a denial of due process;

(2) The failure of the Deputy Receiver to send Mr. Allen a Determination of Appeal did not prevent Mr. Allen from appearing before the Commission;

(3) The failure of the Deputy Receiver to inspect Mr. Allen's home did not adversely affect Mr. Allen's opportunity to be heard by the Commission;

(4) Mr. Allen managed to protect his rights to due process before the Commission;

(5) The damage to Mr. Allen's home fails to constitute a major structural defect as defined in the HOW Insurance/Warranty documents;

(6) The HOW Insurance/Warranty documents explicitly exclude any damage caused by water seepage;

(7) Problems related to grading and the installation of the patio are covered only during the Builder's limited warranty period, which ends at the conclusion of the initial year of HOW coverage;

(8) When Mr. Allen filed his claim in approximately the fifth year of HOW coverage, the only coverage remaining in effect was for major structural defects as defined by the HOW Insurance/Warranty documents;

(9) The Deputy Receiver's denial of Petitioner's claim should be affirmed; and

(10) The Commission should enter an order adopting his findings, affirming the Deputy Receiver's denial of Claim No. 4227435, and dismissing this case from the Commission's docket of active matters.

Accordingly, IT IS ORDERED THAT:

(1) The Petition of Chapelle R. Allen for review of the Deputy Receiver's determination of appeal be, and it hereby is, DENIED;

(2) The Deputy Receiver's determination of appeal in Claim No. 4227435 be, and it hereby is, AFFIRMED; and

(3) The case is dismissed and the papers herein are passed to the file for ended causes.

CASE NO. INS980210
JANUARY 26, 1999

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated § 38.2-610 of the Code of Virginia by failing to give to applicants for insurance written notice of an adverse underwriting decision in the form approved by the Commission;

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

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of fifteen thousand dollars ($15,000), and 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 § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

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

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

CASE NO. INS980213
JANUARY 5, 1998

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
BRENDA JOYCE O'BANNON,
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 a certain instance, violated § 38.2-502 of the Code of Virginia by misrepresenting the benefits, advantages, conditions or terms of a certain insurance policy;

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

IT FURTHER APPEARING that Defendant has been notified of Defendant's right to a hearing before the Commission in this matter by certified letter dated October 28, 1998, 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 § 38.2-502 of the Code of Virginia by misrepresenting the benefits, advantages, conditions or terms of a certain insurance policy;

THEREFORE, IT IS ORDERED THAT:

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

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

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

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

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

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

CASE NO. INS980236
FEBRUARY 18, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
THE GEORGE WASHINGTON UNIVERSITY HEALTH PLAN, INC.,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia, in certain instances, violated Subsection 1 of § 38.2-502, Subsection 7 a (1) of § 38.2-606, and Subsection 8 of § 38.2-606, and §§ 38.2-316 B, 38.2-316 C, 38.2-503, 38.2-510 A 5, 38.2-510 A 14, 38.2-511, 38.2-608, 38.2-609, 38.2-610 A 2, 38.2-1318 C, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A 1, 38.2-1834 C, 38.2-3407.4 A, 38.2-3431 D 7, 38.2-3433 B, 38.2-4306 A 2, 38.2-4306 B 1, 38.2-4306.1 B, 38.2-4308, 38.2-4312, and 38.2-4313 of the Code of Virginia, as well as 14 VAC 5-90-50 B, 14 VAC 5-90-60 A 2, 14 VAC 5-90-60 B 1, 14 VAC 5-90-130 A, 14 VAC 5-90-170 A, 14 VAC 5-180-50, 14 VAC 5-210-50 C, 14 VAC 5-210-50 C 2, 14 VAC 5-210-60 H 1, 14 VAC 5-210-70 C, 14 VAC 5-210-70 H, 14 VAC 5-210-90 B 1 b (2), 14 VAC 5-210-100 B 17, 14 VAC 5-210-110 A, 14 VAC 5-210-110 B, 14 VAC 5-234-40 B, and 14 VAC 5-234-40 C;

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

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of sixty-nine thousand dollars ($69,000), waived its right to a hearing, and 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 § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of Subsection 1 of § 38.2-502, Subsection 7 a (1) of § 38.2-606, and Subsection 8 of § 38.2-606, and §§ 38.2-316 B, 38.2-316 C, 38.2-503, 38.2-510 A 5, 38.2-510 A 14, 38.2-511, 38.2-608, 38.2-609, 38.2-610 A 2, 38.2-1318 C, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A 1, 38.2-1834 C, 38.2-3407.4 A, 38.2-3431 D 7, 38.2-3433 B, 38.2-4306 A 2, 38.2-4306 B 1, 38.2-4306.1 B, 38.2-4308, 38.2-4312, and 38.2-4313 of the Code of Virginia, as well as 14 VAC 5-90-50 B, 14 VAC 5-90-60 A 2, 14 VAC 5-90-60 B 1, 14 VAC 5-90-130 A, 14 VAC 5-90-170 A, 14 VAC 5-180-50, 14 VAC 5-210-50 C, 14 VAC 5-210-50 C 2, 14 VAC 5-210-60 H 1, 14 VAC 5-210-70 C, 14 VAC 5-210-70 H, 14 VAC 5-210-90 B 1 b (2), 14 VAC 5-210-100 B 17, 14 VAC 5-210-110 A, 14 VAC 5-210-110 B, 14 VAC 5-234-40 B, and 14 VAC 5-234-40 C of the Code of Virginia; and

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

CASE NO. INS980237
JANUARY 26, 1999

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Subsection 1 of § 38.2-502 and §§ 38.2-316 A, 38.2-316 B, 38.2-316 C 1, 38.2-503, 38.2-510 A 4, 38.2-510 A 5, 38.2-510 A 6, 38.2-510 A 14, 38.2-511, 38.2-610, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A 1, 38.2-3407.1, 38.2-3407.3, 38.2-3412.1 C 2, and 38.2-3431 C 6 of the Code of Virginia, as well as 14 VAC 5-90-60 A 1, 14 VAC 5-90-60 B 1, 14 VAC 5-90-90 A, 14 VAC 5-90-130 A, 14 VAC 5-90-170 A, 14 VAC 5-400-60 A, 14 VAC 5-400-60 B, and 14 VAC 5-400-70 B;

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

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of thirty-one thousand dollars ($31,000), and 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 § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

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

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

CASE NO. INS980239
FEBRUARY 18, 1999

APPLICATION OF
MBL LIFE ASSURANCE CORPORATION

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

ORDER APPROVING APPLICATION

ON A FORMER DAY came MBL Life Assurance Corporation ("MBL"), by its Vice President and Deputy General Counsel-Insurance, and filed with the Commission an application requesting approval of an assumption reinsurance agreement pursuant to § 38.2-136 C of the Code of Virginia, whereby Anchor National Life Insurance Company, an Arizona-domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia, would assume certain life insurance policies, annuity contracts, and supplementary contracts issued by MBL;

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 MBL Life Assurance Corporation for approval of an assumption reinsurance agreement pursuant to § 38.2-136 C of the Code of Virginia be, and it is hereby, APPROVED.

CASE NO. INS980240
JANUARY 28, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AMERICAN BANKERS INSURANCE COMPANY OF FLORIDA,
AMERICAN BANKERS LIFE ASSURANCE COMPANY OF FLORIDA,
AMERICAN RELIABLE INSURANCE COMPANY,
and
VOYAGER LIFE INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

IT APPEARING from a Multi-State market conduct examination that Defendants, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated various sections of Title 38.2 of Code of Virginia, including, but not limited to, those pertaining to licensing, claims, insurance operations, forms and rates, and advertising;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219 and 38.2-1040 of the Code of Virginia 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, without admitting any violation of Virginia law, have made an offer of settlement, which is attached hereto and made a part hereof, to the Commission wherein Defendants have tendered to the Commonwealth of Virginia the sum of three hundred thirty-six thousand twenty-five dollars ($336,025), have agreed to a Consent Order and Compliance Plan, and have waived their right to a hearing; and

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

IT IS ORDERED THAT:

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

(2) Defendants shall fully comply with the Consent Order and Compliance Plan as set forth in their Settlement Offer and a copy of which is attached hereto and made a part hereof; and

(3) The Commission shall retain jurisdiction of this matter until further order of the Commission to monitor compliance with the terms of this Settlement Order.

NOTE: A copy of Attachment A entitled "American Bankers Insurance Group Consent Order and Compliance 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. INS980243
FEBRUARY 18, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
RICHARD W. DELONG,
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 §§ 38.2-502 and 38.2-1809 of the Code of Virginia by misrepresenting the benefits, advantages, conditions or terms of an insurance policy and by refusing to permit the Commission or any of its employees or agents, including employees of the Bureau of Insurance, to make an examination of his records;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and 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 17, 1998, 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 §§ 38.2-502 and 38.2-1809 of the Code of Virginia by misrepresenting the benefits, advantages, conditions or terms of an insurance policy and by refusing to permit the Commission or any of its employees or agents, including employees of the Bureau of Insurance, to make an examination of his records;

THEREFORE, IT IS ORDERED THAT:

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

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

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

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

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

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

CASE NO. INS980247
FEBRUARY 18, 1999

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Subsection 1 of § 38.2-502 and §§ 38.2-316 C, 38.2-610 B, 38.2-1834 C, and 38.2-3115 B of the Code of Virginia, as well as 14 VAC 5-40-40 A 1, 14 VAC 5-40-40 E 2, 14 VAC 5-90-50 A, 14 VAC 5-90-60 A 1, 14 VAC 5-90-60 A 7, 14 VAC 5-90-110, 14 VAC 5-90-130 A, 14 VAC 5-90-170 A, and 14 VAC 5-400-50 B;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and 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 Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of five thousand dollars ($5,000), waived its right to a hearing, and 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 § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of Subsection 1 of § 38.2-502, and §§ 38.2-316 C, 38.2-610 B, 38.2-1834 C, and 38.2-3115 B of the Code of Virginia, as well as 14 VAC 5-40-40 A 1, 14 VAC 5-40-40 E 2, 14 VAC 5-90-50 A, 14 VAC 5-90-60 A 1, 14 VAC 5-90-60 A 7, 14 VAC 5-90-110, 14 VAC 5-90-130 A, 14 VAC 5-90-170 A, and 14 VAC 5-400-50 B; and

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

CASE NO. INS990001
FEBRUARY 10, 1999

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

SETTLEMENT ORDER

IT APPEARING from an examination 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 §§ 38.2-1331, 38.2-1343 C, 38.2-1346, 38.2-1408, and 38.2-1859 of the Code of Virginia;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and 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 Virginia law, 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), waived its right to a hearing, and 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 § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of §§ 38.2-1331, 38.2-1343 C, 38.2-1346, 38.2-1408, and 38.2-1859 of the Code of Virginia; and

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

CASE NO. INS990013
JANUARY 19, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
JOHN B. MCKEE,
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 §§ 38.2-512, 38.2-1804, and 38.2-1813 of the Code of Virginia by making false or fraudulent statements or representations on or relative to an application or any document or communication relating to the business of insurance for the purpose of obtaining a fee, commission, money, or other benefit from any insurer, agent, broker, premium finance company, or individual, by signing or allowing an insured to sign an incomplete or blank form pertaining to insurance, by failing in the ordinary course of business to pay funds to the insured or his assignee, insurer, insurance premium finance company or agent entitled to the payment, and by commingling funds required to be kept in a separate fiduciary account with other business and personal funds;

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

IT FURTHER APPEARING that Defendant has been notified of Defendant's right to a hearing before the Commission in this matter by certified letter dated December 21, 1998, 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 §§ 38.2-512, 38.2-1804, and 38.2-1813 of the Code of Virginia by making false or fraudulent statements or representations on or relative to an application or any document or communication relating to the business of insurance for the purpose of obtaining a fee, commission, money, or other benefit from any insurer, agent, broker, premium finance company, or individual, by signing or allowing an insured to sign an incomplete or blank form pertaining to insurance, by failing in the ordinary course of business to pay funds to the insured or his assignee, insurer, insurance premium finance company or agent entitled to the payment, and by commingling funds required to be kept in a separate fiduciary account with other business and personal funds;

THEREFORE, IT IS ORDERED THAT:

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

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

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

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

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

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

CASE NO. INS990014
JANUARY 19, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
SUSANNA GAIL REDDICK,
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 §§ 38.2-512, 38.2-514.1, 38.2-1804, and 38.2-1813 of the Code of Virginia by making false or fraudulent statements or representations on or relative to an application or any document or communication relating to the business of insurance for the purpose of obtaining a fee, commission, money, or other benefit from any insurer, agent, broker, premium finance company, or individual, by soliciting, negotiating, procuring, or effecting contracts of insurance in conjunction with automobile club service agreements without properly providing the required written disclosure to the applicant, by signing or allowing an applicant to sign an incomplete or blank form pertaining to insurance, by failing to hold funds in a fiduciary capacity, and by failing in the ordinary course of business to pay funds to the insured or his assignee, insurer, insurance premium finance company or agent entitled to the payment;

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

IT FURTHER APPEARING that Defendant has been notified of Defendant's right to a hearing before the Commission in this matter by certified letter dated December 21, 1998, 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 §§ 38.2-512, 38.2-514.1, 38.2-1804, and 38.2-1813 of the Code of Virginia by making false or fraudulent statements or representations on or relative to an application or any document or communication relating to the business of insurance for the purpose of obtaining a fee, commission, money, or other benefit from any insurer, agent, broker, premium finance company, or individual, by soliciting, negotiating, procuring, or effecting contracts of insurance in conjunction with automobile club service agreements without properly providing the required written disclosure to the applicant, by signing or allowing an applicant to sign an incomplete or blank form pertaining to insurance, by failing to hold funds in a fiduciary capacity, and by failing in the ordinary course of business to pay funds to the insured or his assignee, insurer, insurance premium finance company or agent entitled to the payment;

THEREFORE, IT IS ORDERED THAT:

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

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

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

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

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

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

CASE NO. INS990018
APRIL 29, 1999

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

JUDGMENT ORDER

A Rule to Show Cause was issued initiating this case on January 28, 1999, for the reasons stated therein. The Commission conducted a show cause hearing on April 22, 1999, in which the Bureau of Insurance appeared represented by counsel and the Defendant appeared and was represented by counsel;

Pursuant to § 38.2-220 of the Code of Virginia, on April 22, 1999, the Commission having heard the evidence presented in this case, as well as the arguments of counsel, finds the Defendant GUILTY of criminal contempt, for her violation of the INJUNCTION issued by the Commission in Case No. INS980139 on September 15, 1998, by acting as an agent, as that term is defined in § 38.2-1822 of the Code of Virginia, after her license to transact the business of insurance as an agent had been revoked and she had been enjoined for a period of ten years from acting as an agent; and

In consideration of the Defendant's record before this Commission, the Commission deems it warranted that the Defendant be sentenced to jail for one hundred twenty (120) days and fined five hundred dollars ($500).

THEREFORE, IT IS ORDERED THAT:

1) The Defendant be, and she is hereby, found GUILTY of criminal contempt for violating an INJUNCTION of the Commission, issued in Case No. INS980139 on September 15, 1998;

2) The Defendant is sentenced to one hundred twenty (120) days in jail and fined in the amount of five hundred dollars ($500);

3) The execution of the sentence and payment of fine are SUSPENDED, conditioned upon the Defendant's faithful compliance with the Commission's INJUNCTION issued in Case No. INS980139 on September 15, 1998;

4) During the twelve months next from April 22, 1999, the Bureau of Insurance shall periodically investigate the Defendant to determine her continued compliance with the Commission's Orders, and report immediately to the Commission any violations thereof. Periodic investigation of the Defendant shall mean active investigation of the Defendant's business affairs in her home community shall occur no more frequently than once per month unless there is reasonable cause to believe the Defendant has continued to violate any Orders of this Commission;

5) The Bureau of Insurance shall contact each insurer with whom the Defendant has had recent contact, and advise it that the Defendant is not licensed to transact the business of insurance, including acting as an agent as that term is defined in § 38.2-1822, Code of Virginia, and request those insurers to take such measures as they deem necessary for the protection of the insured persons; and

6) The papers herein be placed in the file for ended causes, with leave granted the Bureau of Insurance to immediately reinstate this case upon motion alleging any violation of the condition upon which the jail sentence and fine imposed against the Defendant was suspended.

CASE NO. INS990019
APRIL 29, 1999

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

JUDGMENT ORDER

A Rule to Show Cause was issued initiating this case on January 28, 1999. For the reasons stated therein, the Commission conducted a show cause hearing on April 22, 1999, in which the Bureau of Insurance appeared represented by counsel and the Defendant was represented by counsel;

Pursuant to § 38.2-220 of the Code of Virginia, the Commission, having heard the evidence presented in this case, as well as the arguments of counsel, finds that the Defendant should be permanently ENJOINED from transacting the business of insurance;

THEREFORE, IT IS ORDERED THAT:

1) Effective April 22, 1999, the Defendant is PERMANENTLY ENJOINED from transacting the business of insurance in the Commonwealth of Virginia;

2) During the twelve months next from April 22, 1999, the Bureau of Insurance shall periodically investigate the Defendant to determine its continued compliance with the Commission's orders, including, but not limited to, this Injunction and report immediately to the Commission any violation thereof. Periodic investigation of the Defendant shall mean active investigation of the Defendant's affairs in the community of its principal place of business shall occur no more frequently than once per month unless there is reasonable cause to believe the Defendant has violated any Order of this Commission;

3) The Bureau of Insurance shall contact each insurer with whom the Defendant has had recent contact and advise it that the Defendant is not licensed to transact the business of insurance, requesting those insurers to take such measures as they deem necessary for the protection of insured persons; and

4) The papers herein be placed in the file for ended causes with leave granted the Bureau of Insurance to immediately reinstate this case upon motion alleging a violation of the Injunction entered.

CASE NO. INS990020
MARCH 8, 1999

APPLICATION OF
CENTRAL UNITED LIFE INSURANCE COMPANY

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

ORDER APPROVING APPLICATION

ON A FORMER DAY came Central United Life Insurance Company, a Texas-domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia ("Central"), by its President, and filed with the Commission an application requesting approval of an assumption reinsurance agreement pursuant to § 38.2-136 C of the Code of Virginia, whereby Central would assume all of the insurance business of Commonwealth National Life Insurance Company ("Commonwealth National"), a Mississippi-domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia until January 29, 1999, the effective date of the withdrawal of such license pursuant to the request of Commonwealth National;

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

CASE NO. INS990021
APRIL 15, 1999

PETITION OF
DAVID AND CAROL DZIERSKI

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

ORDER

On October 14, 1994, the Circuit Court of the City of Richmond, Virginia, entered an order appointing the Virginia State Corporation Commission ("Commission") the Receiver of the HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation ("HOW Companies" or "HOW"). The receivership order granted the Commission authority to proceed with the rehabilitation or liquidation of the HOW Companies and established a Receivership Appeal Procedure ("RAP") to govern any appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly authorized representatives.

On January 19, 1999, David and Carol Dzierski ("Petitioners") filed a Petition for Review ("Petition") with the Commission challenging the Deputy Receiver's Determination of Appeal in Claim No. 4059372. The Determination of Appeal denied Petitioners' claim for coverage under their home warranty insurance policy for a cracked slab at their residence located at 13910 Round Oak Court, Houston, Texas 77059.

By Order dated January 29, 1999, the Commission docketed the Petition, assigned the matter to a Hearing Examiner, and directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition on or before February 12, 1999. On February 12, 1999, the Deputy Receiver filed a Motion to Dismiss and Answer to Petition for Review, and a Memorandum in Support of the Motion to Dismiss. The Deputy Receiver contends, *inter alia*, that: (i) Petitioners' claim is time-barred pursuant to the requirements of the Receivership Appeal Procedure, and (ii) Petitioners' claim does not constitute a major structural defect under the terms of the policy coverage.

Petitioners filed their Response to the Motion to Dismiss on March 8, 1999. Therein, Petitioners claim, among other things, that the foundation of their home is damaged as a result of settlement and poor workmanship. Petitioners failed to address the issue of the timeliness of their appeal.

After reviewing the filings submitted in this case, the Hearing Examiner made the following findings and recommendations:

(i) The terms of the Receivership Appeal Procedure govern the Petitioners' rights of appeal;

(ii) Petitioners were required to file their appeal with the Commission on or before July 8, 1998;

(iii) Petitioners filed their Petition for Review of the Deputy Receiver's Determination of Appeal with the Commission on January 19, 1999;

(iv) Petitioners failure to timely file their appeal with the Commission waives any further right to appeal the Deputy Receiver's decision, and the Deputy Receiver's Determination of Appeal becomes final;

(v) Since Petitioners' Petition for Review must be dismissed as untimely under the terms of the Receivership Appeal Procedure, it is unnecessary to determine whether their claim constitutes a major structural defect; and

(vi) The Commission should enter an order dismissing the Petition of Appeal of David and Carol Dzierski and affirming the Deputy Receiver's Determination of Appeal issued on June 8, 1998, in Claim No. 4059372.

Accordingly, IT IS ORDERED that:

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

(2) The Petition of David and Carol Dzierski for review of the Deputy Receiver's Determination of Appeal issued in Claim No. 4059372 on June 8, 1998, be, and it is hereby, DENIED;

(3) The Deputy Receiver's Determination of Appeal issued in Claim No. 4059372 on June 8, 1998, be, and it is hereby, AFFIRMED; and

(4) The case is dismissed and the papers herein are passed to the file for ended causes.

CASE NO. INS990022
JANUARY 29, 1999

COMMONWEALTH OF VIRGINIA
At the relation of
STATE CORPORATION COMMISSION
v.
JOHN K. TAYLOR,
HOME CONSULTING PLUS, INC. D/B/A HOUSING MADE SIMPLE
and
NATIONS HOME INSPECTIONS, INC.,
Respondents

PERMANENT INJUNCTION

ON CONSENT of John K. Taylor, personally and as President of Home Consulting Plus, Inc. d/b/a Housing Made Simple ("HMS") and Nations Home Inspections, Inc. ("NMI"), and for good cause shown,

IT IS ORDERED that John K. Taylor, personally and as President of HMS and NMI, Home Consulting Plus, Inc. d/b/a Housing Made Simple, Nations Home Inspections, Inc., any other officer, director, employee, agent thereof and any other individual or entity affiliated or associated therewith be, and they are hereby, until further order of the Commission, PERMANENTLY ENJOINED from (i) transacting the business of a home protection company without first procuring from the Bureau of Insurance a license to do so pursuant to either Chapter 26 Title 38.2 of the Code of Virginia or other appropriate statutory authority; (ii) violating any provision of Chapter 26 of Title 38.2 of the Code of Virginia; and (iii) issuing any new "home protection insurance contracts" to any new participants who are residents of the Commonwealth of Virginia.

CASE NO. INS990032
MARCH 4, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ERIC R. CLAY,
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 §§ 38.2-502 and 38.2-1809 of the Code of Virginia by making, issuing, circulating, causing or knowingly allowing to be made, issued or circulated, any estimate, illustration, circular, statement, sales presentation, omission, or comparison that misrepresented the benefits, advantages, conditions, or terms of an insurance policy, and by failing to make records available promptly upon request for examination by the Commission;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia 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 29, 1999, 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 §§ 38.2-502 and 38.2-1809 of the Code of Virginia by making, issuing, circulating, causing or knowingly allowing to be made, issued or circulated, any estimate, illustration, circular, statement, sales presentation, omission, or comparison that misrepresented the benefits, advantages, conditions, or terms of an insurance policy, and by failing to make records available promptly upon request for examination by the Commission;

THEREFORE, IT IS ORDERED THAT:

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

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

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

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

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

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

CASE NO. INS990034
MARCH 5, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
WCAMC SERVICE GROUP SELF-INSURANCE ASSOCIATION,
Defendant

CONSENT ORDER

WHEREAS, by letter filed herein, the WCAMC Service Group Self-Insurance Association (the "Association") consented to the issuance of an order in which the Association agreed, effective March 1, 1999, and continuing until further order of the Commission, not to accept any new members and not to renew the coverage of any existing members, provided, however, that the Association may continue to pay claims incurred prior to March 1, 1999;

THEREFORE, IT IS ORDERED THAT:

(1) Until further order of the Commission, the Association shall not accept any new members and that the Association shall not renew the coverage of any existing members; and

(2) The Association may continue to pay claims incurred prior to March 1, 1999.

CASE NO. INS990054
FEBRUARY 19, 1999

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

CONSENT ORDER

Reliance Insurance Company of Illinois, an Illinois-domiciled insurer operating in the Commonwealth of Virginia, has voluntarily agreed, until further order of the Commission, to cease and desist from:

(i) transacting the business of a legal services plan without first procuring from the Bureau of Insurance, State Corporation Commission, a license so to do pursuant to Chapter 44 of Title 38.2 of the Code of Virginia;

(ii) violating any provision of Chapter 44 of Title 38.2 of the Code of Virginia or any other related provision of such Title;

(iii) issuing any new "legal services plan contracts" to any new participants who are residents of the Commonwealth of Virginia; and

(iv) renewing any "legal services plan contracts" to any participants who are residents of the Commonwealth of Virginia.

THEREFORE, IT IS ORDERED THAT:

(i) Defendant shall not transact the business of a legal services plan without first procuring from the Bureau of Insurance, State Corporation Commission, a license so to do pursuant to Chapter 44 of Title 38.2 of the Code of Virginia;

(ii) Defendant shall not violate any provision of Chapter 44 of Title 38.2 of the Code of Virginia or any other related provision of such Title;

(iii) Defendant shall not issue any new "legal services plan contracts" to any new participants who are residents of the Commonwealth of Virginia; and

(iv) Defendant shall not renew any "legal services plan contracts" to any participants who are residents of the Commonwealth of Virginia.

CASE NO. INS990064
APRIL 14, 1999

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-317 and 38.2-1906 of the Code of Virginia, as well as the Cease and Desist Order entered by the Commission in Case Nos. INS950159, INS960122, and INS960282, by failing to notify the Commission prior to the effective date of a filing of its intent not to accept the filing made on its behalf by Insurance Services Office, Inc., and by making or issuing an insurance contract or policy not in accordance with the rate and supplementary rate information filings in effect for the Defendant;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and 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 Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of eight thousand dollars ($8,000), has waived its right to a hearing, and has agreed to the entry by the Commission of a cease and desist order; and

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

IT IS ORDERED THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of §§ 38.2-317 or 38.2-1906 of the Code of Virginia; and

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

CASE NO. INS990069
MARCH 4, 1999

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-1318, 38.2-1812, 38.2-1822, 38.2-1905, 38.2-1906 B, 38.2-2014, 38.2-2202, 38.2-2208, 38.2-2212, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-40 A, 14 VAC 5-400-60 B, and 14 VAC 5-400-70 D;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia 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 Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of nineteen thousand five hundred dollars ($19,500), 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 § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of §§ 38.2-1318, 38.2-1812, 38.2-1822, 38.2-1905, 38.2-1906 B, 38.2-2014, 38.2-2202, 38.2-2208, 38.2-2212, or 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-40 A, 14 VAC 5-400-60 B, or 14 VAC 5-400-70 D; and

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

CASE NO. INS990070
MARCH 9, 1999

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendants, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated the Code of Virginia to wit: Atlanta Casualty Company violated §§ 38.2-305 A, 38.2-610 A, 38.2-1833, 38.2-1905, 38.2-1906 B, 38.2-2208, 38.2-2210, 38.2-2212, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-40 A, 14 VAC 5-400-60 B, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D; and American Premier Insurance Company violated §§ 38.2-305 A, 38.2-610 A, 38.2-1833, 38.2-1905, 38.2-1906 B, 38.2-2208, 38.2-2212, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-40 A, 14 VAC 5-400-60 B, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia 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, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein Defendants have tendered to the Commonwealth of Virginia the sum of twenty thousand dollars ($20,000), have waived their right to a hearing, and have agreed to the entry by the Commission of a cease and desist order; and

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

IT IS ORDERED THAT:

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

(2) Atlanta Casualty Company cease and desist from any conduct which constitutes a violation of §§ 38.2-305 A, 38.2-610 A, 38.2-1833, 38.2-1905, 38.2-1906 B, 38.2-2208, 38.2-2210, 38.2-2212, or 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-40 A, 14 VAC 5-400-60 B, 14 VAC 5-400-70 D, or 14 VAC 5-400-80 D;

(3) American Premier Insurance Company cease and desist from any conduct which constitutes a violation of §§ 38.2-305 A, 38.2-610 A, 38.2-1833, 38.2-1905, 38.2-1906 B, 38.2-2208, 38.2-2212, or 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-40 A, 14 VAC 5-400-60 B, 14 VAC 5-400-70 D, or 14 VAC 5-400-80 D; and

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

CASE NO. INS990074
MARCH 22, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
PRUDENTIAL HEALTHCARE, SOUTHEAST DIVISION,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia, in certain instances, violated Subsection 1 of § 38.2-502, Subsection 6 of § 38.2-606, Subsection 7 of § 38.2-606, and Subsection 8 of § 38.2-606, and §§ 38.2-316 B, 38.2-316 C, 38.2-503, 38.2-510 A 2, 38.2-

510 A 5, 38.2-510 A 10, 38.2-510 A 14, 38.2-511, 38.2-1318 C, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A 1, 38.2-1834 C, 38.2-3407.4 A, 38.2-3407.11 B, 38.2-3431 D, 38.2-4301 B 9, 38.2-4301 C, 38.2-4304 B, 38.2-4306 A, 38.2-4306 B 1, 38.2-4306.1, 38.2-4308 A, 38.2-4312, and 38.2-4313 of the Code of Virginia, as well as 14 VAC 5-90-50 A, 14 VAC 5-90-60 A 1, 14 VAC 5-90-60 A 2, 14 VAC 5-90-60 B 3, 14 VAC 5-90-100 A, 14-VAC 5-90-110, 14 VAC 5-90-130 A, 14 VAC 5-90-170 A, 14 VAC 5-210-50 C, 14 VAC 5-210-70 B 2, 14 VAC 5-210-70 C 3, 14 VAC 5-210-70 H 1, 14 VAC 5-210-100 B 17, 14 VAC 5-210-110 A, and 14 VAC 5-210-110 B;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-4316 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and 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 one hundred thousand dollars ($100,000), 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 § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of Subsection 1 of § 38.2-502, Subsection 6 of § 38.2-606, Subsection 7 of § 38.2-606, and Subsection 8 of § 38.2-606, and §§ 38.2-316 B, 38.2-316 C, 38.2-503, 38.2-510 A 2, 38.2-510 A 5, 38.2-510 A 10, 38.2-510 A 14, 38.2-511, 38.2-1318 C, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A 1, 38.2-1834 C, 38.2-3407.4 A, 38.2-3407.11 B, 38.2-3431 D, 38.2-4301 B 9, 38.2-4301 C, 38.2-4304 B, 38.2-4306 A, 38.2-4306 B 1, 38.2-4306.1, 38.2-4308 A, 38.2-4312, and 38.2-4313 of the Code of Virginia, as well as 14 VAC 5-90-50 A, 14 VAC 5-90-60 A 1, 14 VAC 5-90-60 A 2, 14 VAC 5-90-60 B 3, 14 VAC 5-90-100 A, 14-VAC 5-90-110, 14 VAC 5-90-130 A, 14 VAC 5-90-170 A, 14 VAC 5-210-50 C, 14 VAC 5-210-70 B 2, 14 VAC 5-210-70 C 3, 14 VAC 5-210-70 H 1, 14 VAC 5-210-100 B 17, 14 VAC 5-210-110 A, and 14 VAC 5-210-110 B; and

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

CASE NO. INS990082
APRIL 28, 1999

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-317 and 38.2-1906 of the Code of Virginia, as well as the Cease and Desist Orders entered by the Commission in Case Nos. INS950181, INS960129, INS960280, and INS980043, by delivering or issuing for delivery an insurance policy or endorsement without having filed such policy or endorsement with the Commission at least thirty days prior to its effective date, and by making or issuing an insurance contract or policy not in accordance with the rate and supplementary rate information filings in effect for the Defendant;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and 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 Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of eight thousand dollars ($8,000), has waived its right to a hearing, and has agreed to the entry by the Commission of a cease and desist order; and

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

IT IS ORDERED THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of §§ 38.2-317 or 38.2-1906 of the Code of Virginia; and

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

CASE NO. INS990083
MARCH 22, 1999

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 performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated Subsection 1 of § 38.2-502, Subsection 7 of § 38.2-606, and Subsection 2 of § 38.2-3732, and §§ 38.2-218, 38.2-503, 38.2-511, 38.2-610, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A, 38.2-1834 C, 38.2-3115, 38.2-3407.1, 38.2-3729, 38.2-3731, and 38.2-3734 of the Code of Virginia, as well as 14 VAC 5-40-40 B 1, 14 VAC 5-40-40 E 1, 14 VAC 5-40-40 F 3, 14 VAC 5-40-60 B, 14 VAC 5-90-60 B 1, 14 VAC 5-90-130 A, 14 VAC 5-90-170 A, 14 VAC 5-400-50 A, and 14 VAC 5-400-60 A;

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

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of twenty-seven thousand dollars ($27,000), waived its right to a hearing, and 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 § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of Subsection 1 of § 38.2-502, Subsection 7 of § 38.2-606, and Subsection 2 of § 38.2-3732, and §§ 38.2-218, 38.2-503, 38.2-511, 38.2-610, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A, 38.2-1834 C, 38.2-3115, 38.2-3407.1, 38.2-3729, 38.2-3731, and 38.2-3734 of the Code of Virginia, as well as 14 VAC 5-40-40 B 1, 14 VAC 5-40-40 E 1, 14 VAC 5-40-40 F 3, 14 VAC 5-40-60 B, 14 VAC 5-90-60 B 1, 14 VAC 5-90-130 A, 14 VAC 5-90-170 A, 14 VAC 5-400-50 A, and 14 VAC 5-400-60 A; and

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

CASE NO. INS990088
MARCH 12, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
SAI MED HEALTH PLAN MULTIPLE EMPLOYER HEALTH AND WELFARE BENEFIT PLAN,
Defendant

CONSENT ORDER

WHEREAS, by affidavit filed herein, the SAI MED Health Plan Multiple Employer Health and Welfare Benefit Plan (the "Benefit Plan") consented to the issuance of an order in which the Benefit Plan agreed, until further order of the Commission, not to accept any new participants who are residents of the Commonwealth of Virginia, provided however, that the Benefit Plan may provide coverage to new employees of existing employer groups, and newborn children and newly acquired dependents of Benefit Plan participants;

THEREFORE IT IS ORDERED THAT:

(1) Until further order of the Commission, the Benefit Plan shall not accept any new participants who are residents of the Commonwealth of Virginia; and

(2) The Benefit Plan may continue to provide coverage to new employees of existing employer groups, and newborn children and newly acquired dependents of Benefit Plan participants.

CASE NO. INS990089
MARCH 12, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
SAI MED HEALTH PLAN, L.L.C.,
Defendant

CONSENT ORDER

WHEREAS, by affidavit filed herein, the SAI MED Health Plan, L.L.C. ("SAI MED") consented to the issuance of an order in which SAI MED agreed, until further order of the Commission, not to accept any new participants who are residents of the Commonwealth of Virginia, provided however, that SAI MED may provide coverage to new employees of existing employer groups, and newborn children and newly acquired dependents of SAI MED participants;

THEREFORE IT IS ORDERED THAT:

(1) Until further order of the Commission, SAI MED shall not accept any new participants who are residents of the Commonwealth of Virginia; and

(2) SAI MED may continue to provide coverage to new employees of existing employer groups, and newborn children and newly acquired dependents of SAI MED participants.

CASE NO. INS990096
JUNE 22, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
PENNSYLVANIA MANUFACTURERS' ASSOCIATION 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 § 38.2-1906 of the Code of Virginia, as well as the Cease and Desist Orders entered by the Commission in Case Nos. INS870370, INS880142, INS890488, and INS960292, by making or issuing an insurance contract or policy not in accordance with the rate and supplementary rate information filings that are in effect for the Defendant;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and 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 Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of six thousand dollars ($6,000), waived its right to a hearing, and 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 § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of § 38.2-1906 of the Code of Virginia; and

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

CASE NO. INS990097
APRIL 28, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
GENERAL INSURANCE COMPANY OF TRIESTE & VENICE,
Defendant

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-304, 38.2-305 A, 38.2-305 B, 38.2-510 A 3, 38.2-510 A 10, 38.2-512, 38.2-610, 38.2-1318, 38.2-1905 A, 38.2-1906 B, 38.2-2014, 38.2-2202 A, 38.2-2202 B, 38.2-2208, 38.2-2212, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-50 D, 14 VAC 5-400-60 B, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and 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 Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of forty-five thousand dollars ($45,000), 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 § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

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

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

CASE NO. INS990098
MAY 7, 1999

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-510 A 6, 38.2-610, 38.2-1318, 38.2-1833, 38.2-1906 B, 38.2-2014, 38.2-2208, 38.2-2212, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-390-40 D;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and 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 Virginia law, 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; 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 § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

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

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

CASE NO. INS990099
JUNE 2, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CONTINENTAL CASUALTY COMPANY,
TRANSCONTINENTAL INSURANCE COMPANY,
TRANSPORTATION INSURANCE COMPANY,
and
VALLEY FORGE INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendants, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated the Code of Virginia to wit: Continental Casualty Company violated §§ 38.2-231, 38.2-304, 38.2-317, 38.2-1833, 38.2-1904, 38.2-1906 B, 38.2-2014, and 38.2-2220 of the Code of Virginia; Transcontinental Insurance Company violated §§ 38.2-231, 38.2-304, 38.2-317, 38.2-1833, 38.2-1904, 38.2-1906 B, 38.2-2014, and 38.2-2220 of the Code of Virginia; Transportation Insurance Company violated §§ 38.2-231, 38.2-304, 38.2-317, 38.2-1822, 38.2-1833, 38.2-1906 B, 38.2-2014, and 38.2-2220 of the Code of Virginia; and Valley Forge Insurance Company violated §§ 38.2-231, 38.2-304, 38.2-317, 38.2-1906 B, 38.2-2014, and 38.2-2220 of the Code of Virginia;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and 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, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein Defendants have tendered to the Commonwealth of Virginia the sum of fifty-two thousand dollars ($52,000), waived their right to a hearing, and 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 § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

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

(2) Continental Casualty Company cease and desist from any conduct which constitutes a violation of §§ 38.2-231, 38.2-304, 38.2-317, 38.2-1833, 38.2-1904, 38.2-1906 B, 38.2-2014, or 38.2-2220 of the Code of Virginia;

(3) Transcontinental Insurance Company cease and desist from any conduct which constitutes a violation of §§ 38.2-231, 38.2-304, 38.2-317, 38.2-1833, 38.2-1904, 38.2-1906 B, 38.2-2014, or 38.2-2220 of the Code of Virginia;

(4) Transportation Insurance Company cease and desist from any conduct which constitutes a violation of §§ 38.2-231, 38.2-304, 38.2-317, 38.2-1822, 38.2-1833, 38.2-1906 B, 38.2-2014, or 38.2-2220 of the Code of Virginia;

(5) Valley Forge Insurance Company cease and desist from any conduct which constitutes a violation of §§ 38.2-231, 38.2-304, 38.2-317, 38.2-1906 B, 38.2-2014, or 38.2-2220 of the Code of Virginia; and

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

CASE NO. INS990104
APRIL 7, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
BRIAN K. HAWKINS,
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 §§ 38.2-503, 38.2-1809, 38.2-1822, and 38.2-1826 of the Code of Virginia by knowingly making, publishing, disseminating, circulating or placing before the public an advertisement, announcement, or statement containing any assertion, representation, or statement relating to the business of insurance which is untrue, deceptive or misleading, by failing to make records relative to insurance transactions available promptly upon request for examination by the Commission, by failing to notify the Bureau of Insurance,

in writing, of the Defendant's use of an assumed or fictitious name under which his business is being conducted, and by failing to report within thirty days to the Commission any change in Defendant's residence;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and 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 25, 1999, 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 §§ 38.2-503, 38.2-1809, 38.2-1822, and 38.2-1826 of the Code of Virginia by knowingly making, publishing, disseminating, circulating, or placing before the public an advertisement, announcement, or statement containing any assertion, representation, or statement relating to the business of insurance which is untrue, deceptive or misleading, by failing to make records relative to insurance transactions available promptly upon request for examination by the Commission, by failing to notify the Bureau of Insurance, in writing, of the Defendant's use of an assumed or fictitious name under which his business is being conducted, and by failing to report within thirty days to the Commission any change in Defendant's residence;

THEREFORE, IT IS ORDERED THAT:

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

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

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

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

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

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

CASE NO. INS990106
APRIL 8, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MONIQUE LINETTE,
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 § 38.2-1838 of the Code of Virginia by acting as an insurance consultant for a partnership, limited liability company or corporation without being licensed as an insurance consultant;

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

IT FURTHER APPEARING that Defendant has been notified of Defendant's right to a hearing before the Commission in this matter by certified letter dated March 10, 1999, 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;

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 § 38.2-1838 of the Code of Virginia by acting as an insurance consultant for a partnership, limited liability company or corporation without being licensed as an insurance consultant;

THEREFORE, IT IS ORDERED THAT:

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

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

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

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

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

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

CASE NO. INS990107
JULY 23, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ARMEE C. HARDY,
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 §§ 38.2-1809, 38.2-1813, 38.2-1822, and 38.2-1838 of the Code of Virginia by failing to retain all of her records relative to insurance transactions for the three previous calendar years, failing to hold funds in a fiduciary capacity, failing to account for all funds received, failing in the ordinary course of business to pay funds to the insured or his assignee, insurer, insurance premium finance company or agent entitled to the payment, acting as an agent without first obtaining a license in a manner and in a form prescribed by the Commission, and holding herself out to be an insurance advisor, consultant, planner or counselor without first obtaining a license from the Commission;

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

IT FURTHER APPEARING that Defendant has been notified of Defendant's right to a hearing before the Commission in this matter by certified letter dated May 27, 1999, 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 §§ 38.2-1809, 38.2-1813, 38.2-1822, and 38.2-1838 of the Code of Virginia by failing to retain all of her records relative to insurance transactions for the three previous calendar years, failing to hold funds in a fiduciary capacity, failing to account for all funds received, failing in the ordinary course of business to pay funds to the insured or his assignee, insurer, insurance premium finance company or agent entitled to the payment, acting as an agent without first obtaining a license in a manner and in a form prescribed by the Commission, and holding herself out to be an insurance advisor, consultant, planner or counselor without first obtaining a license from the Commission;

THEREFORE, IT IS ORDERED THAT:

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

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

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

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

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

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

CASE NO. INS990118
APRIL 28, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
UNYOUNG PARK,
Defendant

ORDER REVOKING LICENSE

IT APPEARING from an investigation by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as an insurance agent, in a certain instance, violated § 38.2-1813 of the Code of Virginia by failing to hold funds in a fiduciary capacity;

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

IT FURTHER APPEARING that Defendant has been notified of Defendant's right to a hearing before the Commission in this matter by certified letter dated March 31, 1999, 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 § 38.2-1813 of the Code of Virginia by failing to hold funds in a fiduciary capacity;

THEREFORE, IT IS ORDERED THAT:

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

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

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

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

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

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

CASE NO. INS990119
SEPTEMBER 22, 1999

PETITION OF
ENRICO AND JANICE SICO

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

FINAL ORDER

On October 14, 1994, the Circuit Court of the City of Richmond, Virginia, entered an order appointing the State Corporation Commission ("Commission") the Receiver of the HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation ("HOW Companies" or "HOW"). The receivership order granted the Commission authority to proceed with the rehabilitation or liquidation of the HOW Companies and established a "Receivership Appeal Procedure" to govern any appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly authorized representatives.

By final order in Case No. INS970092 dated January 26, 1998, the Commission affirmed the Deputy Receiver's Determination of Appeal in Claim No. 3216694 issued on February 17, 1997, approving an appeal by Enrico and Janice Sico ("Petitioners" or "Sicos") regarding the strengthening of the foundation walls where horizontal cracks appeared in Petitioners' home located at 6 Hampton Court, Westfield, New Jersey.

By Notice of Claim Determination dated September 4, 1998, the Deputy Receiver calculated $4,950 ($5,200 less $250 deductible) as the cost of repairs to strengthen the walls of Petitioners' home.

On October 5, 1998, Petitioners filed a Notice of Appeal with the Deputy Receiver challenging the cost of repairs as outlined in the Notice of Claim Determination dated September 4, 1998.

In a Determination of Appeal dated January 11, 1999, the Deputy Receiver determined that the cost of repairs to the walls of Petitioners' home was $5,781.23 ($6,031.23 less the $250 deductible). Petitioners appealed the January 11, 1999, determination to this Commission.

The Sicos' Petition for Review was received by the HOW Companies on February 11, 1999. By order dated May 4, 1999, the Commission docketed the Petition, assigned the matter to a Hearing Examiner, and directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition on or before May 21, 1999.

On May 20, 1999, the Deputy Receiver filed a Motion to Dismiss and Answer to Petition for Review, and a Memorandum in Support of Motion to Dismiss. Therein, the Deputy Receiver contended, among other things, that Petitioners' claim is time-barred by the express provisions of the HOW Receivership Appeal Procedure. Petitioners' response to the Deputy Receiver's motion did not address the timeliness issue.

After reviewing the filings in the case, the Hearing Examiner made the following findings and recommendations:

(1) The Deputy Receiver's Determination of Appeal was dated January 11, 1999;

(2) Under the terms of sections C.1. and C.2. of the Receivership Appeal Procedure, the Sicos' Petition for Review had to be filed with the Commission on or before February 10, 1999;

(3) The HOW Companies received the Sicos' Petition for Review on February 11, 1999;

(4) The Sicos' Petition for Review was not filed until February 11, 1999, one day after the filing deadline;

(5) Under the terms of the Receivership Appeal Procedure, the Petitioners' failure to timely file a Petition waived any further right to appeal, and the Deputy Receiver's Determination of Appeal became final;

(6) The Deputy Receiver's Motion to Dismiss should be granted; and

(7) The Commission should enter an order dismissing the Petition of Appeal and affirming the Deputy Receiver's Determination of Appeal dated January 11, 1999, in Claim No. 3216694.

Upon consideration of the filings in this case and the report of the Hearing Examiner, the Commission is of the opinion that the Hearing Examiner's findings and recommendations should be adopted. Accordingly,

IT IS ORDERED THAT:

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

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

(3) The Determination of Appeal on Claim No. 3216694, issued on January 11, 1999, be, and it is hereby, AFFIRMED; and

(4) The case is dismissed with prejudice, and the papers herein are passed to the file for ended causes.

CASE NO. INS990122
SEPTEMBER 17, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
RED SEA GROUP, LTD.,
Defendant

JUDGMENT ORDER

WHEREAS, by Rule to Show Cause issued May 18, 1999, for the reasons stated therein, the Commission's Hearing Examiner conducted a show cause hearing on behalf of the Commission on July 8, 1999, where the Bureau of Insurance appeared represented by counsel and the Defendant failed to appear;

WHEREAS, on August 2, 1999, the Hearing Examiner's Report, which contained findings of fact, conclusions of law, and recommendations to the Commission, was filed with the Clerk of the Commission;

WHEREAS, in his Report filed August 2, 1999, the Hearing Examiner found that the Defendant violated § 38.2-1024 of the Code of Virginia by transacting the business of insurance in the Commonwealth of Virginia without first obtaining an insurance company license from the Commission;

WHEREAS, the Hearing Examiner has recommended that the Commission enter an order: (i) penalizing the Defendant the sum of twenty thousand dollars ($20,000), five thousand dollars ($5,000) for each violation of the Code of Virginia; (ii) permanently enjoining the Defendant from transacting the business of insurance in the Commonwealth of Virginia; and (iii) passing the papers herein to the file for ended causes; and

THE COMMISSION, having considered the record herein, the findings of fact, conclusions of law, and recommendations of its Hearing Examiner, adopts the Hearing Examiner's findings of fact and conclusions of law as its own, and further, the Commission is of the opinion that the Defendant should be permanently enjoined from transacting the business of insurance in the Commonwealth of Virginia and that the Defendant should be penalized in the amount of twenty thousand dollars ($20,000);

THEREFORE, IT IS ORDERED THAT:

(1) Pursuant to § 38.2-218 of the Code of Virginia, Defendant be, and it is hereby, penalized in the amount of twenty thousand dollars ($20,000), five thousand dollars ($5,000) for each of Defendant's four violations of § 38.2-1024 of the Code of Virginia, which amount Defendant shall pay to the Clerk of the Commission within sixty (60) days from the date of this order;

(2) Pursuant to § 38.2-220 of the Code of Virginia, Defendant be, and it is hereby, PERMANENTLY ENJOINED from transacting the business of insurance in the Commonwealth of Virginia; and

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

CASE NO. INS990124
MAY 13, 1999

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

IMPAIRMENT ORDER

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

WHEREAS, the December 31, 1998 Annual Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates capital of $2,500,000 and surplus of $2,500,000;

IT IS ORDERED THAT, on or before August 12, 1999, 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. INS990124
AUGUST 16, 1999

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

ORDER TO TAKE NOTICE

WHEREAS, § 38.2-1040 of the Code of Virginia 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 May 13, 1999, Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer on or before August 12, 1999; and

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to August 26, 1999, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before August 26, 1999, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, a request for a hearing before the Commission with respect to the proposed suspension of Defendant's license.

CASE NO. INS990124
AUGUST 31, 1999

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

FINAL ORDER

WHEREAS, by order entered herein May 13, 1999, Defendant, 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, was ordered to eliminate the impairment in its surplus, 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, for the reasons stated in an order entered herein August 16, 1999, Defendant was ordered to take notice that the Commission would enter an order subsequent to August 26, 1999, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before August 26, 1999, 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;

WHEREAS, by affidavit of Defendant's Executive Vice President and Chief Financial Officer dated August 24, 1999, and filed with the Commission on August 25, 1999, the Commission was advised that Defendant restored its surplus to policyholders to at least $3,000,000 on August 24, 1999; and

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

THEREFORE, IT IS ORDERED THAT:

(1) The Impairment Order and the Order to Take Notice entered herein be, and they are hereby, VACATED;

(2) This case be, and it is hereby, dismissed; and

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

CASE NO. INS990129
MAY 14, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
GRAPHIC ARTS BENEFIT CORPORATION,
Defendant

ORDER TO TAKE NOTICE

WHEREAS, § 38.2-1040 of the Code of Virginia 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, § 38.2-4214 of the Code of Virginia provides, inter alia, that health services plans are subject to the provisions of § 38.2-1040 of the Code of Virginia;

WHEREAS, Graphic Arts Benefit Corporation ("Defendant") is a foreign corporation domiciled in the State of Maryland and licensed by the Commission to transact the business of a health services plan in the Commonwealth of Virginia;

WHEREAS, § 38.2-4208 D of the Code of Virginia provides, inter alia, that the minimum level for the contingency reserves of a health services plan shall not exceed forty-five days of the anticipated operating expenses and incurred claims expense; and

WHEREAS, the 1998 Annual Statement of Defendant, filed with Commission's Bureau of Insurance, indicates that Defendant's contingency reserve is $984,024, which amount is $309,276 less than Defendant's required contingency reserve;

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to May 25, 1999, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before May 25, 1999, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, a request for a hearing before the Commission with respect to the proposed suspension of Defendant's license.

CASE NO. INS990129
OCTOBER 5, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
GRAPHIC ARTS BENEFIT CORPORATION,
Defendant

FINAL ORDER

WHEREAS, for the reasons stated in an order entered herein May 14, 1999, Defendant, a foreign corporation domiciled in the State of Maryland and licensed by the Commission to transact the business of a health services plan in the Commonwealth of Virginia, was ordered to take notice that the Commission would enter an order subsequent to May 25, 1999, suspending the license of Defendant to transact the business of a health services plan unless on or before May 25, 1999, 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;

WHEREAS, Defendant filed a timely request for a hearing;

WHEREAS, an informal hearing before the Commissioner of Insurance was held on July 13, 1999, wherein Defendant presented information and documentation regarding its efforts toward restoring its contingency reserves to the required level as set forth in § 38.2-4208 D of the Code of Virginia;

WHEREAS, Defendant, at the direction of the Commissioner of Insurance, has filed with the Bureau of Insurance monthly financial reports that document Defendant's progress toward meeting such required level;

WHEREAS, on October 1, 1999, Defendant filed with the Bureau of Insurance a Consent to Moratorium dated September 27, 1999, executed by Defendant's President on behalf of Defendant, wherein Defendant agreed to limit its health services plan business in the Commonwealth of Virginia as set forth in such Consent; and

WHEREAS, the Bureau of Insurance has recommended that the Order to Take Notice entered by the Commission be vacated;

THEREFORE, IT IS ORDERED THAT:

(1) The Order to Take Notice entered herein be, and it is hereby, VACATED;

(2) This case be, and it is hereby, dismissed; and

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

CASE NO. INS990132
MAY 14, 1999

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

ORDER OF INSOLVENCY AND SUSPENSION OF LICENSE

ON MOTION OF THE BUREAU OF INSURANCE, and for good cause shown, there being no objection on the part of the respondent Settlers Life Insurance Company, a domestic insurer duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia and represented by counsel in this proceeding,

THE COMMISSION is of the opinion and finds that the respondent is insolvent and that any further transaction of its business in its present financial condition is hazardous to, and is not in the best interests of, its policyholders, creditors or the public.

THEREFORE, IT IS ORDERED, until further order of the Commission, that (i) the license of respondent Settlers Life Insurance Company to transact the business of insurance in the Commonwealth of Virginia, be and it is hereby, SUSPENDED; (ii) respondent Settlers Life Insurance Company shall issue no new policies or contracts of insurance in the Commonwealth of Virginia; and (iii) respondent shall continue to service its existing business.

CASE NO. INS990132
SEPTEMBER 17, 1999

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

ORDER GRANTING MOTION FOR PROTECTIVE ORDER, GRANTING JOINT APPLICATION FOR APPROVAL OF LETTER OF INTENT AND GRANTING APPLICATION FOR ORDER PARTIALLY LIFTING SUSPENSION OF LICENSE

ON A FORMER DAY came Alfred W. Gross, Commissioner of Insurance, Bureau of Insurance, State Corporation Commission, in his capacity as court-appointed Deputy Receiver of Settlers Life Insurance Company ("Settlers"), in Receivership, by his counsel, and National Guardian Life Insurance Company ("NGL"), a Wisconsin-domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia, by its counsel, and filed with the Clerk of the Commission (i) a Letter of Intent and attachments by and between Settlers and NGL concerning the proposed acquisition of Settlers by NGL, under seal; (ii) a Motion For Protective Order; (iii) a Joint Application for Approval of Letter of Intent; and (iv) an Application For Order Partially Lifting Suspension of License.

AND THE COMMISSION, having considered the pleadings filed in this matter, and for good cause shown, is of the opinion and ORDERS:

(1) That the Motion For Protective Order should be, and it is hereby, GRANTED;

(2) That the Letter of Intent together with its attachments filed under seal with the Clerk of the Commission shall continue to be so held by the Clerk until any further order of the Commission;

(3) That the Joint Application For Approval of Letter of Intent should be, and it is hereby, GRANTED;

(4) That the Application For Order Partially Lifting Suspension of License should be, and it is hereby, GRANTED, until further order of the Commission; and

(5) That, until further order of the Commission, the order entered in this matter May 14, 1999, be, and it is hereby, amended to the extent that the suspension of the license of Settlers Life Insurance Company be, and it is hereby, partially lifted, but only with respect to new business written in the Commonwealth of Virginia subject to the provisions of the Letter of Intent and its attachments, until further order of the Commission; provided, further, that agents of Settlers Life Insurance licensed to transact the business of insurance in the Commonwealth of Virginia may solicit, negotiate and effect policies of insurance, but only with respect to new business written in the Commonwealth of Virginia subject to the Letter of Intent and its attachments.

CASE NO. INS990132
DECEMBER 15, 1999

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

FINAL ORDER APPROVING PURCHASE AGREEMENT AND RELATED TRANSACTIONS, APPROVING A CHANGE OF CONTROL, LIFTING SUSPENSION OF LICENSE, TERMINATING RECEIVERSHIP, AND DISCHARGING THE RECEIVER, THE DEPUTY RECEIVER, AND THE SPECIAL DEPUTY RECEIVER

THIS MATTER CAME ON BEFORE THE COMMISSION ON THE JOINT APPLICATION ("Joint Application") of Alfred W. Gross, Commissioner of Insurance, Bureau of Insurance, State Corporation Commission, in his capacity as Deputy Receiver ("Deputy Receiver") of Settlers Life Insurance Company ("SLIC"), the Respondent in this action; The Settlers Companies, Inc., a Virginia corporation which is the sole shareholder of SLIC; and National Guardian Life Insurance Company ("NGL"), a Wisconsin mutual insurance company licensed to transact the business of insurance in Virginia (collectively, the "Appellants").

The relief sought in the Joint Application is (1) the approval of the Deputy Receiver's execution of a Purchase Agreement dated December 1, 1999, and transactions contemplated therein, and in various schedules, exhibits, and appendices thereto (together, the "Purchase Agreement"), copies of which were attached to the Joint Application as Exhibit A; (2) the approval of NGL's Form A, Application for Approval of Acquisition of Control of Domestic Insurer ("Form A"), previously filed with the Commission, a copy of which was filed as Exhibit B to the Joint Application; (3) the entry of an order authorizing and directing the Deputy Receiver and his Special Deputy Receiver, Melvin J. Dillon, to carry out the terms and provisions of the Purchase Agreement without any further requirements for filing with, or approval by, the State Corporation Commission of the Commonwealth of Virginia, or its Bureau of Insurance; (4) the entry of an order vacating the suspension of the license of SLIC to transact the business of insurance in Virginia, and fully reinstating SLIC's authority to issue new policies and contracts of insurance and otherwise conduct an insurance business in the Commonwealth of Virginia; (5) ratifying and approving the actions and expenditures of the receiver, acting through the Deputy Receiver, Special Deputy Receiver, and their agents, attorneys, accountants, and employees; and (6) the entry of an order terminating these receivership proceedings and discharging the Receiver, Deputy Receiver, Special Deputy Receiver, and their agents, employees, attorneys, and accountants, effective upon the consummation of the transactions contemplated by the Purchase Agreement.

AND THE COMMISSION, having reviewed the record herein, is of the opinion and finds:

(1) That SLIC will be restored to solvency and compliance with the requirements of Virginia law as a result of the transactions contemplated by the Purchase Agreement. No creditor, policyholder, or claimant against the assets of SLIC in receivership will have their rights adversely affected by the granting of the relief sought by the Applicants;

(2) That the Deputy Receiver, NGL, and the sole shareholder of SLIC, are all of the parties with an interest which will be affected by these proceedings, and they have joined in the request for the relief contained in the Joint Application;

(3) That the transactions contemplated by the Purchase Agreement are such that upon their completion, and upon the acquisition of the control of SLIC by NGL, pursuant to the Form A attached as Exhibit B to the Joint Application, the purposes of this receivership proceeding will have been accomplished and SLIC can safely and properly resume possession of its property and the conduct of its business;

(4) That the Form A Application for Approval of Acquisition of Control of Domestic Insurer previously filed herein and attached to the Joint Application as Exhibit B should be approved pursuant to the provisions of Virginia Code § 38.2-1326;

(5) That the Deputy Receiver, the Special Deputy Receiver, and their agents, employees, accountants, and attorneys have accomplished the purposes of these receivership proceedings and their actions and expenditures have been proper, reasonable, necessary, and in the best interests of the estate of SLIC and of its policyholders, creditors, and in the interests of the public at large. All expenses of the receivership have been paid, or provision has been made for their payment, out of the assets of SLIC; and

(6) That this receivership proceeding should be terminated and the Receiver, Deputy Receiver, and Special Deputy Receiver discharged.

NOW, THEREFORE, IT IS ORDERED, ADJUDGED AND DECREED, AS A FINAL ORDER:

(1) That the Joint Application, and the transactions contemplated therein, should be, and they are hereby, APPROVED.

(2) That execution by the Deputy Receiver of the Purchase Agreement dated December 1, 1999, and the transactions contemplated in the Purchase Agreement, copies of which were attached to the Joint Application as Exhibit A, are hereby APPROVED.

(3) That NGL's Form A with attachments previously filed with the Commission, a copy of which was filed without attachments as Exhibit B to the Joint Application, is hereby APPROVED pursuant to Virginia Code § 38.2-1326.

(4) That the Deputy Receiver and his Special Deputy Receiver, Melvin J. Dillon, are hereby ORDERED to carry out the terms and provisions of the Purchase Agreement without any further requirements for filing with, or approval by, the State Corporation Commission of the Commonwealth of Virginia, or its Bureau of Insurance.

(5) That the suspension of the license of SLIC to transact the business of insurance in Virginia is hereby VACATED and SLIC's authority to issue new policies and contracts of insurance and otherwise conduct an insurance business in the Commonwealth of Virginia is hereby REINSTATED.

(6) That the actions and expenditures of the Receiver, acting through the Deputy Receiver, Special Deputy Receiver, and their agents, attorneys, accountants, and employees are hereby RATIFIED AND APPROVED.

(7) That these receivership proceedings are hereby TERMINATED and the Receiver, Deputy Receiver, Special Deputy Receiver, and their agents, employees, attorneys, and accountants, effective upon the consummation of the transactions contemplated by the Purchase Agreement, are hereby DISCHARGED from their duties.

CASE NO. INS990138
MAY 21, 1999

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

ORDER TO TAKE NOTICE

WHEREAS, § 38.2-1040 of the Code of Virginia 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 in the Chancery Court of the First Judicial District of Hinds County, Mississippi, on May 10, 1999, the Defendant was found to be in a hazardous condition, and the Insurance Commissioner of the State of Mississippi was appointed the rehabilitator of Defendant for purposes of conservation, management, and rehabilitation; and

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to June 1, 1999, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before June 1, 1999, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, a request for a hearing before the Commission with respect to the proposed suspension of Defendant's license.

CASE NO. INS990138
JUNE 7, 1999

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

ORDER SUSPENDING LICENSE

WHEREAS, § 38.2-1040 of the Code of Virginia 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, for the reasons stated in an order entered herein May 21, 1999, Defendant was ordered to take notice that the Commission would enter an order subsequent to June 1, 1999, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before June 1, 1999, Defendant filed with the Clerk of the Commission a request for a hearing before the Commission to contest the proposed suspension of Defendant's license; and

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

THEREFORE, IT IS ORDERED THAT:

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

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

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

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

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

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

CASE NO. INS990138
DECEMBER 22, 1999

APPLICATION OF
FIRST NATIONAL LIFE INSURANCE COMPANY OF AMERICA, IN LIQUIDATION

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

ORDER APPROVING APPLICATION

WHEREAS, on December 2, 1999, First National Life Insurance Company of America, In Liquidation, ("FNLIC"), by its Assistant Deputy Liquidator, on behalf of its Liquidator, the Insurance Commissioner of the State of Mississippi, filed with the Commission an application requesting approval of an assumption reinsurance agreement pursuant to § 38.2-136 C of the Code of Virginia, whereby Madison National Life Insurance Company, a Wisconsin-domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia, would assume the life insurance policies and annuity contracts issued by FNLIC;

WHEREAS, the Bureau of Insurance, having reviewed the application to ensure that Virginia policyholders and annuitants will not lose any rights or claims afforded under their original contracts pursuant to Chapter 17 of Title 38.2 of the Code of Virginia, has recommended that the application be approved; 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 First National Life Insurance Company of America, In Liquidation, for approval of an assumption reinsurance agreement pursuant to § 38.2-136 C of the Code of Virginia be, and it is hereby, APPROVED.

CASE NO. INS990139
MAY 21, 1999

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

ORDER TO TAKE NOTICE

WHEREAS, § 38.2-1040 of the Code of Virginia 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 in the Chancery Court of the Twentieth Judicial District, Davidson County, Tennessee, on May 11, 1999, the Defendant was found to be in such condition that the further transaction of its business without rehabilitation would be hazardous financially to Defendant's policyholders, creditors, and the public, and the Insurance Commissioner of the State of Tennessee was appointed the rehabilitator of Defendant for purposes of conservation, management, and rehabilitation; and

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to June 1, 1999, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before June 1, 1999, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, a request for a hearing before the Commission with respect to the proposed suspension of Defendant's license.

CASE NO. INS990139
JUNE 7, 1999

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

ORDER SUSPENDING LICENSE

WHEREAS, § 38.2-1040 of the Code of Virginia 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, for the reasons stated in an order entered herein May 21, 1999, Defendant was ordered to take notice that the Commission would enter an order subsequent to June 1, 1999, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before June 1, 1999, Defendant filed with the Clerk of the Commission a request for a hearing before the Commission to contest the proposed suspension of Defendant's license; and

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

THEREFORE, IT IS ORDERED THAT:

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

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

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

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

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

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

CASE NO. INS990140
MAY 27, 1999

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

ORDER TO TAKE NOTICE

WHEREAS, § 38.2-1040 of the Code of Virginia 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 in the Circuit Court of Cole County, Missouri, on May 12, 1999, the Defendant was found to be in a potentially hazardous condition, and the Director of the Department of Insurance of the State of Missouri was appointed the rehabilitator of Defendant for purposes of conservation, management, and rehabilitation; and

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to June 2, 1999, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before June 2, 1999, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, a request for a hearing before the Commission with respect to the proposed suspension of Defendant's license.

CASE NO. INS990140
JUNE 14, 1999

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

ORDER SUSPENDING LICENSE

WHEREAS, § 38.2-1040 of the Code of Virginia 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, for the reasons stated in an order entered herein May 27, 1999, Defendant was ordered to take notice that the Commission would enter an order subsequent to June 2, 1999, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before June 2, 1999, Defendant filed with the Clerk of the Commission a request for a hearing before the Commission to contest the proposed suspension of Defendant's license; and

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

THEREFORE, IT IS ORDERED THAT:

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

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

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

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

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

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

CASE NO. INS990140
DECEMBER 22, 1999

APPLICATION OF
INTERNATIONAL FINANCIAL SERVICES LIFE INSURANCE COMPANY, IN LIQUIDATION

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

ORDER APPROVING APPLICATION

WHEREAS, on December 2, 1999, International Financial Services Life Insurance Company, In Liquidation, ("IFSLIC"), by its Receivership Supervisor, filed with the Commission an application requesting approval of an assumption reinsurance agreement pursuant to § 38.2-136 C of the Code of Virginia, whereby Madison National Life Insurance Company, a Wisconsin-domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia, would assume the life insurance policies and annuity contracts issued by IFSLIC;

WHEREAS, the Bureau of Insurance, having reviewed the application to ensure that Virginia policyholders and annuitants will not lose any rights or claims afforded under their original contracts pursuant to Chapter 17 of Title 38.2 of the Code of Virginia, has recommended that the application be approved; 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 International Financial Services Life Insurance Company, In Liquidation, for approval of an assumption reinsurance agreement pursuant to § 38.2-136 C of the Code of Virginia be, and it is hereby, APPROVED.

CASE NO. INS990143
JUNE 8, 1999

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

IMPAIRMENT ORDER

WHEREAS, Commercial Compensation 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, § 38.2-1036 of the Code of Virginia 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, dated March 31, 1999, and filed with the Commission's Bureau of Insurance, indicates capital of $5,000,000, and surplus of $1,805,146;

IT IS ORDERED THAT, on or before August 6, 1999, 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. INS990143
AUGUST 5, 1999

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

FINAL ORDER

WHEREAS, by order entered herein June 8, 1999, Defendant, 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, was ordered to eliminate the impairment in its surplus, restore the same to at least $3,000,000, and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer;

WHEREAS, by affidavit of Defendant's Vice President of Finance and Treasurer dated July 19, 1999, and filed with the Commission on August 3, 1999, the Commission was advised that Defendant restored its surplus to policyholders to at least $3,000,000 on July 9, 1999; and

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

THEREFORE, IT IS ORDERED THAT:

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

(2) This case be, and it is hereby, dismissed; and

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

CASE NO. INS990144
JUNE 8, 1999

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

IMPAIRMENT ORDER

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

WHEREAS, § 38.2-1036 of the Code of Virginia 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, dated March 31, 1999, and filed with the Commission's Bureau of Insurance, indicates capital of $2,613,450, and surplus of $2,517,084;

IT IS ORDERED THAT, on or before August 6, 1999, 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. INS990144
JULY 2, 1999

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

FINAL ORDER

WHEREAS, by order entered herein June 8, 1999, Defendant, a foreign corporation domiciled in the State of Texas and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, was ordered to eliminate the impairment in its surplus, restore the same to at least $3,000,000, and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer;

WHEREAS, by affidavit of Defendant's Senior Vice President and General Counsel dated June 17, 1999, and filed with the Commission on June 29, 1999, the Commission was advised that Defendant has restored its surplus to policyholders to at least $3,000,000; and

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

THEREFORE, IT IS ORDERED THAT:

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

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

CASE NO. INS990146
JULY 2, 1999

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-1812 and 38.2-1822 of the Code of Virginia by paying a commission for services as an agent to a person who was not properly licensed and appointed, and by permitting a person to act as an agent of the Defendant without first obtaining a license in a manner and in a form prescribed by the Commission;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and 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 Virginia law, 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), waived its right to a hearing, and 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 § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

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

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

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

CASE NO. INS990147
JUNE 7, 1999

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

IMPAIRMENT ORDER

WHEREAS, Provident Indemnity Life Insurance Company, a foreign corporation domiciled in the State 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, § 38.2-1036 of the Code of Virginia 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, dated March 31, 1999, and filed with the Commission's Bureau of Insurance, indicates capital of $1,500,000 and surplus of $2,762,675;

IT IS ORDERED THAT, on or before September 7, 1999, 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. INS990147
SEPTEMBER 10, 1999

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

ORDER TO TAKE NOTICE

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

WHEREAS, by order entered herein June 7, 1999, Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer on or before September 7, 1999; and

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to September 21, 1999, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before September 21, 1999, Defendant files with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, a request for a hearing before the Commission with respect to the proposed suspension of Defendant's license.

CASE NO. INS990154
AUGUST 2, 1999

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated § 38.2-610 of the Code of Virginia by failing to give to applicants for insurance written notice of an adverse underwriting decision in the form approved by the Commission;

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

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of fifteen thousand dollars ($15,000) and 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 § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

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

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

CASE NO. INS990155
JUNE 25, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
LAWYERS TITLE INSURANCE CORPORATION,
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 § 38.2-1331 of the Code of Virginia by failing to obtain the Commission's written approval prior to making investments in affiliated companies;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and 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), waived its right to a hearing, and 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 § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

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

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

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

CASE NO. INS990156
JULY 20, 1999

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-316 A, 38.2-316 C, 38.2-503, 38.2-510 A 5, 38.2-510 A 14, 38.2-1834 C, 38.2-3407.4 A, 38.2-3407.11, 38.2-4301 C, 38.2-4306 A, 38.2-4306 B 1, 38.2-4306.1 B, 38.2-4308, and 38.2-4312 A of the Code of Virginia, as well as 14 VAC 5-90-130 A, 14 VAC 5-210-50 C 2, 14 VAC 5-210-70 H, and 14 VAC 5-210-110 B;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-4316 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and 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 fourteen thousand dollars ($14,000), waived its right to a hearing, and 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 § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of §§ 38.2-316 A, 38.2-316 C, 38.2-503, 38.2-510 A 5, 38.2-510 A 14, 38.2-1834 C, 38.2-3407.4 A, 38.2-3407.11, 38.2-4301 C, 38.2-4306 A, 38.2-4306 B 1, 38.2-4306.1 B, 38.2-4308, and 38.2-4312 A of the Code of Virginia, as well as 14 VAC 5-90-130 A, 14 VAC 5-210-50 C 2, 14 VAC 5-210-70 H, and 14 VAC 5-210-110 B; and

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

CASE NO. INS990158
JUNE 24, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
COMMUNITY HEALTHCARE INSURANCE RECIPROCAL,
Defendant

ORDER SUSPENDING LICENSE

WHEREAS, by letter filed with the Commission, 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 THAT:

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

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

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

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

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

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

CASE NO. INS990160
NOVEMBER 10, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
JOHN THOMAS KING,
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 §§ 38.2-512 and 38.2-1822 of the Code of Virginia by making a false or fraudulent statement or representation on or relative to an application or any document or communication relating to the business of insurance for the purpose of obtaining a fee, commission, money, or other benefit from any insurer, agent, broker, premium finance company, or individual and knowingly permitting a person to act as an agent of an insurer licensed to transact the business of insurance in this Commonwealth without first obtaining a license in a manner and in a form prescribed by the Commission;

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

IT FURTHER APPEARING that Defendant has been notified of Defendant's right to a hearing before the Commission in this matter by certified letter dated October 20, 1999, 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, has failed to request a hearing;

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 §§ 38.2-512 and 38.2-1822 of the Code of Virginia by making a false or fraudulent statement or representation on or relative to an application or any document or communication relating to the business of insurance for the purpose of obtaining a fee, commission, money, or other benefit from any insurer, agent, broker, premium finance company, or individual and knowingly permitting a person to act as an agent of an insurer licensed to transact the business of insurance in this Commonwealth without first obtaining a license in a manner and in a form prescribed by the Commission;

THEREFORE, IT IS ORDERED THAT:

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

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

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

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

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

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

CASE NO. INS990161
JULY 20, 1999

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia, in certain instances, violated Subsection 1 of § 38.2-502 and §§ 38.2-503 and 38.2-4312 of the Code of Virginia, as well as 14 VAC 5-90-40, 14 VAC 5-90-50 A, 14 VAC 5-90-60 A 1, 14 VAC 5-90-60 B 1, 14 VAC 5-90-80 B, 14 VAC 5-90-90 C, 14 VAC 5-90-100 A, and 14 VAC 5-90-130 A;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-4316 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and 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 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 § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

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

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

CASE NO. INS990165
NOVEMBER 22, 1999

APPLICATION OF
NATIONAL COUNCIL ON COMPENSATION INSURANCE, INC.

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

FINAL ORDER

THE APPLICATION in this proceeding was heard by the Commission on November 16, 1999. The National Council on Compensation Insurance, Inc. ("NCCI"), the Commission's Bureau of Insurance ("BOI"), the Division of Consumer Counsel of the Office of the Attorney General of Virginia ("OAG"), and protestants Washington Construction Employers Association and the Iron Workers Employers Association appeared before the Commission by their counsel.

NOW, ON THIS DAY, having considered the record herein, including the closing arguments of counsel, the Commission is of the opinion, finds, and ORDERS:

(1) That the offset of 0.4% proposed by NCCI for the premium credits expected to result from the Virginia Contractors Classifications Program ("VCCPAP") be, and it is hereby disapproved; and, in lieu thereof, an offset of 0.2% shall be employed;

(2) That, except as set forth in paragraph (1) above, the recommendations of the Bureau of Insurance, as agreed to in and on the record by NCCI, be, and they are hereby, APPROVED in lieu of the original recommendations made by NCCI in its application filed in this proceeding on June 30, 1999, which are hereby DISAPPROVED to the extent the same differ from the Bureau's recommendations;

(3) That the Commission encourages the working group, consisting of representative of NCCI, BOI, OAG, and any other interested parties, which is studying the possibility of presenting an agreed upon econometric trending model to the Commission to continue working toward such goal as well as, in addition thereto, studying (i) the "swing limits" or "caps" presently approved and in use by NCCI, as recommended by BOI actuarial witness Ebert; (ii) the effect, if any, on workers' compensation insurance voluntary loss costs and assigned risk rates attributable to the recent creation of the Insurance Fraud Division of the Virginia Department of State Police; and (iii) any other matters relevant to such loss costs and rates;

(4) That NCCI and any other person participating in future voluntary loss costs and assigned risk rate applications before the Commission, when proposing methodologies or data sources that are different from the methodologies or data sources upon which then current voluntary loss costs and/or assigned risk rates and/or rating values are based, shall be required to disclose the voluntary loss cost, or assigned risk rate or rating values effect of the change employing both the methodology it proposes to replace as well as the newly proposed methodology;

(5) That, in accordance with the adjustments ordered herein, NCCI shall revise its voluntary loss costs and assigned risk rates as follows: (i) a decrease in industrial class voluntary loss costs; (ii) a decrease of 0.4% in "F" class voluntary loss costs; (iii) an increase of 29.8% in underground coal mines voluntary loss costs; (iv) an increase of 30.0% in surface coal mines voluntary loss costs; (v) an increase of 1.1% in industrial class assigned risk rates; (vi) an increase of 28.0% in underground coal mines assigned risk rates; and (vii) an increase of 25.6% in surface coal mines assigned risk rates;

(6) That, except as otherwise ordered herein, the proposed revisions to voluntary loss costs, assigned risk rates, minimum premiums, rating values, rules, regulations and procedures for writing workers' compensation voluntary loss costs and assigned risk rates that have been filed by NCCI in this proceeding on behalf of its members and subscribers shall be, and they are hereby, APPROVED for use with respect to new and renewal business issued to be effective on and after April 1, 2000; and

(7) That NCCI, BOI, OAG, and the protestants in this proceeding make their best efforts to recommend jointly to the Commission, on or before April 15, 2000, a proposed schedule for any year 2000 voluntary loss cost/assigned risk rate revision proceeding before the Commission. Such proposed schedule shall address: (i) the "pre-filing" of any discovery requests by BOI, OAG, and other protestants; (ii) the date on which NCCI proposes to file with the Commission any voluntary loss cost/rate revision application and its direct testimony; (iii) the date on which NCCI proposes to respond to such prefiled discovery requests; (iv) the dates for the pre-filing of the direct testimony of BOI, OAG, and any protestants and the rebuttal testimony of NCCI; and (v) the date of any proposed hearing before the Commission.

CASE NO. INS990165
NOVEMBER 24, 1999

APPLICATION OF
NATIONAL COUNCIL ON COMPENSATION INSURANCE, INC.

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

VACATING ORDER

IT IS ORDERED that the order entered herein November 22, 1999, be, and the same is hereby, VACATED.

CASE NO. INS990165
NOVEMBER 24, 1999

APPLICATION OF
NATIONAL COUNCIL ON COMPENSATION INSURANCE, INC.

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

FINAL ORDER

THE APPLICATION in this proceeding was heard by the Commission on November 16, 1999. The National Council on Compensation Insurance, Inc. ("NCCI"), the Commission's Bureau of Insurance ("BOI"), the Division of Consumer Counsel of the Office of the Attorney General of Virginia ("OAG"), and protestants Washington Construction Employers Associations and the Iron Workers Employers Association appeared before the Commission by their counsel.

NOW, ON THIS DAY, having considered the record herein, including the closing arguments of counsel, the Commission is of the opinion, finds, and ORDERS:

(1) That the offset of 0.4% proposed by NCCI for the premium credits expected to result from the Virginia Contractors Classifications Program ("VCCPAP") be, and it is hereby disapproved; and, in lieu thereof, an offset of 0.2% shall be employed;

(2) That, except as set forth in paragraph (1) above, the recommendations of the Bureau of Insurance, as agreed to in and on the record by NCCI, be, and they are hereby, APPROVED in lieu of the original recommendations made by NCCI in its application filed in this proceeding on June 30, 1999, which are hereby DISAPPROVED to the extent the same differ from the Bureau's recommendations;

(3) That the Commission encourages the working group, consisting of representatives of NCCI, BOI, OAG, and any other interested parties, which is studying the possibility of presenting an agreed upon econometric trending model to the Commission to continue working toward such goal as well as, in addition thereto, studying (i) the "swing limits" or "caps" presently approved and in use by NCCI, as recommended by BOI actuarial witness Ebert; (ii) the effect, if any, on workers' compensation insurance voluntary loss costs and assigned risk rates attributable to the recent creation of the Insurance Fraud Division of the Virginia Department of State Police; and (iii) any other matters relevant to such loss costs and rates;

(4) That NCCI and any other person participating in future voluntary loss costs and assigned risk rate applications before the Commission, when proposing methodologies or data sources that are different from the methodologies or data sources upon which then current voluntary loss costs and/or assigned risk rates and/or rating values are based, shall be required to disclose the voluntary loss cost, or assigned risk rate or rating values effect of the change employing both the methodology it proposes to replace as well as the newly proposed methodology;

(5) That, in accordance with the adjustments ordered herein, NCCI shall revise its voluntary loss costs and assigned risk rates as follows: (i) an increase of 1.1% in industrial class voluntary loss costs; (ii) a decrease of 0.4% in "F" class voluntary loss costs; (iii) an increase of 29.8% in underground coal mines voluntary loss costs; (iv) an increase of 30.0% in surface coal mines voluntary loss costs; (v) an increase of 1.1% in industrial class assigned risk rates; (vi) an increase of 15.3% in "F" class assigned risk rates; (vii) an increase of 28.0% in underground coal mines assigned risk rates; and (viii) an increase of 25.6% in surface coal mines assigned risk rates;

(6) That, except as otherwise ordered herein, the proposed revisions to voluntary loss costs, assigned risk rates, minimum premiums, rating values, rules, regulations and procedures for writing workers' compensation voluntary loss costs and assigned risk rates that have been filed by NCCI in this proceeding on behalf of its members and subscribers shall be, and they are hereby, APPROVED for use with respect to new and renewal business issued to be effective on and after April 1, 2000; and

(7) That NCCI, BOI, OAG, and the protestants in this proceeding make their best efforts to recommend jointly to the Commission, on or before April 15, 2000, a proposed schedule for any year 2000 voluntary loss cost/assigned risk rate revision proceeding before the Commission. Such proposed schedule shall address: (i) the "pre-filing" of any discovery requests by BOI, OAG, and other protestants; (ii) the date on which NCCI proposes to file with the Commission any voluntary loss cost/rate revision application and its direct testimony; (iii) the date on which NCCI proposes to respond to such prefiled discovery requests; (iv) the dates for the pre-filing of the direct testimony of BOI, OAG, and any protestants and the rebuttal testimony of NCCI; and (v) the date of any proposed hearing before the Commission.

CASE NO. INS990166
OCTOBER 4, 1999

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 performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-305 A, 38.2-305 B, 38.2-509 A 1, 38.2-510 A 10, 38.2-512 A, 38.2-610, 38.2-1905 A, 38.2-1906 D, 38.2-2014, 38.2-2220, and 38.2-2230 of the Code of Virginia, as well as 14 VAC 5-400-40 A, 14 VAC 5-400-70 A, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and 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 Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of twenty-two thousand five hundred dollars ($22,500), waived its right to a hearing, and 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 § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of §§ 38.2-305 A, 38.2-305 B, 38.2-509 A 1, 38.2-510 A 10, 38.2-512 A, 38.2-610, 38.2-1905 A, 38.2-1906 D, 38.2-2014, 38.2-2220, or 38.2-2230 of the Code of Virginia, as well as 14 VAC 5-400-40 A, 14 VAC 5-400-70 A, 14 VAC 5-400-70 D, or 14 VAC 5-400-80 D; and

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

CASE NO. INS990167
AUGUST 16, 1999

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-231, 38.2-305 A, 38.2-305 B, 38.2-510 A 3, 38.2-1904, 38.2-1906 D, 38.2-2014, 38.2-2202, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-390-40, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and 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 Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of forty-two thousand five hundred dollars ($42,500), waived its right to a hearing, and 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 § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of §§ 38.2-231, 38.2-305 A, 38.2-305 B, 38.2-510 A 3, 38.2-1904, 38.2-1906 D, 38.2-2014, 38.2-2202, or 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-390-40, 14 VAC 5-400-70 D, or 14 VAC 5-400-80 D; and

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

CASE NO. INS990178
NOVEMBER 17, 1999

PETITION OF
HARRY MAISTROS

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

FINAL ORDER

On October 14, 1994, the Circuit Court of the City of Richmond, Virginia, entered an order appointing the State Corporation Commission ("Commission") the Receiver of the HOW Insurance Company, Home Warranty Corporation and Home Owners Warranty Corporation ("HOW Companies" or "HOW"). The Receivership Order granted the Commission the authority to proceed with the rehabilitation or liquidation of the HOW Companies and established a Receivership Appeal Procedure to govern appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly authorized representatives.

On July 14, 1999, Harry Maistros ("Petitioner") filed a Petition for Review ("Petition") with the Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 3407448, denying the Petitioner's claim for coverage under his homeowners warranty insurance policy regarding roofing problems which directed water behind the gutter and into the rear wall of the house thereby causing moisture accumulation in the first floor bathroom of Petitioner's residence located at 645 Stoney Spring Drive, Baltimore, Maryland.

By Order dated July 28, 1999, the Commission docketed the Petition, assigned the matter to a Hearing Examiner, and directed the Deputy Receiver to file an Answer or other responsive pleading to the Petition on or before August 27, 1999.

On August 27, 1999, the Deputy Receiver filed a Motion to Dismiss and Answer to Petition for Review and a Memorandum in Support of the Motion to Dismiss. In his Motion to Dismiss, the Deputy Receiver contended, among other things, that the Petitioner fails to assert a claim on which relief under the HOW Program may be granted and should be dismissed since the claim was submitted to the HOW Companies three months after the expiration of all HOW Program coverage and applicable grace period.

Pursuant to Hearing Examiner's Ruling of August 30, 1999, the Petitioner filed a response to the Deputy Receiver's Motion to Dismiss on September 13, 1999. Therein, Petitioner claimed, among other things, that the negligence of the builder, rather than the HOW Program claim submission deadline is controlling in this matter.

After reviewing the filings submitted by the parties, the Hearing Examiner, in a Report dated October 18, 1999, made the following findings and recommendations:

(1) Petitioner's home was enrolled in the HOW Program on October 18, 1988;

(2) All HOW Program coverage and the thirty-day grace period for filing claims for defects in the home expired on November 17, 1998;

(3) Petitioner's claim was filed with the HOW Companies on February 19, 1999, three months after the expiration of the thirty (30) day grace period for filing claims;

(4) The Deputy Receiver's Motion to Dismiss should be granted; and

(5) The Commission should enter an order dismissing the Petition and affirming the Deputy Receiver's Determination of Appeal dated June 21, 1999, in Case No. 3407448.

Upon consideration of the filings herein and the Report of the Hearing Examiner, the Commission is of the opinion that the Hearing Examiner's findings and recommendations should be adopted. Accordingly,

IT IS ORDERED THAT:

(1) The Deputy Receiver's Motion to Dismiss filed with the Commission on August 27, 1999, be, and the same hereby is, GRANTED;

(2) The Deputy Receiver's Determination of Appeal in Claim No. 3407448, dated June 21, 1999, be, and the same hereby is, AFFIRMED;

(3) The Petition of Harry Maistros for review of the Deputy Receiver's Determination of Appeal be, and the same hereby is, DENIED; and

(4) The case is dismissed and the papers herein are passed to the file for ended causes.

CASE NO. INS990179
AUGUST 31, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
JIMMY W. SAWYERS,
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 §§ 38.2-1813 and 38.2-1826 of the Code of Virginia by failing to account for and pay in the ordinary course of business premiums collected on behalf of a certain insurer and by failing to notify the Commission of a change of residence address within 30 days of the date of the change;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1831 of the Code of Virginia 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 7, 1999, 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 §§ 38.2-1813 and 38.2-1826 of the Code of Virginia by failing to account for and pay in the ordinary course of business premiums collected on behalf of a certain insurer and by failing to notify the Commission of a change of residence address within 30 days of the date of the change;

THEREFORE, IT IS ORDERED THAT:

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

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

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

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

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

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

CASE NO. INS990180
JULY 28, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, in re: In the matter of adopting an amended regulation applicable to settlement agents

ORDER TO TAKE NOTICE

WHEREAS, § 12.1-13 of the Code of Virginia 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 § 6.1-2.25 of the Code of Virginia provides that the Commission may issue rules, regulations and orders consistent with and necessary to carry out the provisions of the Consumer Real Estate Settlement Protection Act (§ 6.1-2.19 et seq. of the Code of Virginia);

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

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

THEREFORE, IT IS ORDERED THAT:

(1) All interested persons TAKE NOTICE that the Commission shall enter an order subsequent to August 23, 1999, adopting the revised regulation proposed by the Bureau of Insurance unless on or before August 23, 1999, any person objecting to the adoption of such revised regulation files a request for a hearing, and in such request specifies in detail their objection to the adoption of the proposed revised regulation, with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218;

(2) An attested copy hereof, together with a copy of the proposed revised regulation, be sent by the Clerk of the Commission to the Virginia State Bar, the Virginia Real Estate Board, and the Bureau of Insurance in care of Deputy Commissioner Mary M. Bannister who shall forthwith give further notice of the proposed adoption of the revised regulation by mailing a copy of this order, together with a complete draft of the proposed revised regulation to all title insurance companies, title insurance agents, and title insurance agencies licensed in the Commonwealth of Virginia; and

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

NOTE: A copy of Attachment A entitled "Rules Governing Settlement Agents" 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. INS990180
AUGUST 31, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: in re: In the matter of adopting an amended regulation applicable to settlement agents

ORDER TO TAKE NOTICE

WHEREAS, § 12.1-13 of the Code of Virginia 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 § 6.1-2.25 of the Code of Virginia provides that the Commission may issue rules, regulations, and orders consistent with and necessary to carry out the provisions of the Consumer Real Estate Settlement Protection Act (§ 6.1-2.19 et seq. of the Code of Virginia);

WHEREAS, the Bureau of Insurance submitted to the Commission a proposed revised regulation entitled "Rules Governing Settlement Agents";

WHEREAS, the Commission, by Order dated July 28, 1999, ordered all interested persons to take notice that the Commission would enter an order subsequent to August 23, 1999, adopting the revised regulation proposed by the Bureau of Insurance unless on or before August 23, 1999, any person objecting to the adoption of such revised regulation filed a request for a hearing, and in such request specified in detail their objection to the adoption of the proposed revised regulation, with the Clerk of the Commission;

WHEREAS, on August 23, 1999, the Virginia Land Title Association ("VLTA"), by counsel, submitted "Comments and Request for Hearing or Amendment" to the aforesaid proposed revised regulation;

WHEREAS, the Bureau concurs with the proposed revisions to the aforesaid proposed revised regulation and recommends that the Commission adopt the proposed revised regulation with the amendments proposed by the VLTA; and

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

THEREFORE, IT IS ORDERED THAT:

(1) All interested persons TAKE NOTICE that the Commission shall enter an order subsequent to October 8, 1999, adopting the revised regulation proposed by the Bureau of Insurance, as amended, unless on or before October 8, 1999, any person objecting to the adoption of such revised regulation files a request for a hearing, and in such request specifies in detail their objection to the adoption of the proposed revised regulation, as amended, with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218;

(2) An attested copy hereof, together with a copy of the proposed revised regulation, as amended, be sent by the Clerk of the Commission to the Virginia State Bar, the Virginia Real Estate Board, and the Bureau of Insurance in care of Deputy Commissioner Mary M. Bannister who shall forthwith give further notice of the proposed revised regulation, as amended, by mailing a copy of this order, together with a complete draft of the proposed revised regulation, as amended, to all title insurance companies, title insurance agents, and title insurance agencies licensed in the Commonwealth of Virginia; and

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

NOTE: A copy of Attachment A entitled "Rules Governing Settlement Agents" 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. INS990180
OCTOBER 15, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: in re: In the matter of adopting an amended regulation applicable to settlement agents

ORDER ADOPTING REGULATION

WHEREAS, by order entered herein August 31, 1999, all interested persons were ordered to take notice that the Commission would enter an order subsequent to October 8, 1999, adopting a revised regulation proposed by the Bureau of Insurance ("Bureau") unless on or before October 8, 1999, any person objecting to the adoption of the revised regulation filed a request for a hearing with the Clerk of the Commission; and

WHEREAS, Royce Lee Givens, Esquire ("Givens"), submitted comments on the aforesaid proposed revised regulation on September 10, 1999;

WHEREAS, the Bureau, by counsel, submitted a response to the comments submitted by Givens on September 27, 1999;

WHEREAS, the Commission has considered the comments of Givens and the Bureau;

WHEREAS, as of the date of this order, no request for a hearing has been filed with the Clerk of the Commission;

THEREFORE, IT IS ORDERED THAT:

(1) The regulation entitled "Rules Governing Settlement Agents," as revised therein, and which is attached hereto and made a part hereof should be, and it is hereby, ADOPTED to be effective as of the date hereof;

(2) An attested copy hereof, together with a copy of the revised regulation, be sent by the Clerk of the Commission to the Virginia State Bar, the Virginia Real Estate Board, and the Bureau of Insurance in care of Deputy Commissioner Mary M. Bannister who shall forthwith give further notice of the revised regulation by mailing a copy of this order, together with a complete copy of the revised regulation to all title insurance companies, title insurance agents, and title insurance agencies licensed in the Commonwealth of Virginia; and

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

NOTE: A copy of Attachment A entitled "Chapter 395, Rules Governing Settlement Agents" 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. INS990181
AUGUST 2, 1999

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

ORDER SUSPENDING LICENSE

WHEREAS, § 38.2-1040 of the Code of Virginia 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, Consumers Life Insurance Company, 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 ("Defendant"), is required to maintain minimum capital of $1,000,000 and minimum surplus of $3,000,000;

WHEREAS, § 38.2-1036 of the Code of Virginia provides, inter alia, that if the Commission finds an impairment of the required surplus of any foreign insurer, the Commission may suspend the license of such foreign insurer;

WHEREAS, the Quarterly Statement of Defendant dated March 31, 1999, and filed with the Commission's Bureau of Insurance, indicates capital of $2,500,000 and surplus of $2,335,473; and

WHEREAS, by letter of Defendant's Senior Vice President and Chief Financial Officer dated July 6, 1999, and filed with the Commission on July 30, 1999, 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 THAT:

(1) Pursuant to §§ 38.2-1036 and 38.2-1040 of the Code of Virginia, the license of Defendant to transact the business of insurance in the Commonwealth of Virginia be, and it is hereby, SUSPENDED;

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

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

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

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

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

CASE NO. INS990201
SEPTEMBER 22, 1999

STATE CORPORATION COMMISSION
v.
AMERICAN HOME ASSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-310 A and 38.2-1905 C of the Code of Virginia by charging a fee for insurance or for the procurement of insurance that is not included in the premium or stated in the policy and assigning points under a safe-driver insurance policy to a vehicle other than the vehicle customarily driven by the operator responsible for incurring points;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and 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 Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of eight thousand dollars ($8,000), waived its right to a hearing, and 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 § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of §§ 38.2-310 A or 38.2-1905 C of the Code of Virginia; and

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

CASE NO. INS990202
AUGUST 24, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Revisions to the Rules Governing Annual Audited Financial Reports

ORDER TO TAKE NOTICE

WHEREAS, § 12.1-13 of the Code of Virginia 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 § 38.2-223 of the Code of Virginia 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 rules and regulations issued by the Commission pursuant to § 38.2-223 of the Code of Virginia are set forth in Title 14 of the Virginia Administrative Code;

WHEREAS, the Bureau of Insurance has submitted to the Commission proposed revisions to Chapter 270 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Annual Audited Financial Reports," which amend the rules at 14 VAC 5-270-30, 14 VAC 5-270-40, 14 VAC 5-270-60 through 14 VAC 5-270-80, and 14 VAC 5-270-160; and

WHEREAS, the Commission is of the opinion that the proposed revisions should be adopted with an effective date of January 1, 2000;

THEREFORE, IT IS ORDERED THAT:

(1) All interested persons TAKE NOTICE that the Commission shall enter an order subsequent to October 22, 1999, adopting the revisions proposed by the Bureau of Insurance unless on or before October 22, 1999, any person objecting to the proposed revisions files a request for a hearing to oppose the adoption of the proposed revisions, with an effective date of January 1, 2000, with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218;

(2) All interested persons TAKE NOTICE that on or before October 22, 1999, any person desiring to comment in support of, or in opposition to, the proposed revisions shall file such comments in writing with the Clerk of the Commission at the above address;

(3) The proposed revisions to the "Rules Governing Annual Audited Financial Reports," which amend 14 VAC 5-270-30, 14 VAC 5-270-40, 14 VAC 5-270-60 through 14 VAC 5-270-80, and 14 VAC 5-270-160, be attached hereto and made a part hereof;

(4) All filings made under paragraphs (1) or (2) above shall contain a reference to Case No. INS990202;

(5) An attested copy hereof, together with a copy of the proposed revisions, be sent by the Clerk of the Commission to the Bureau of Insurance in care of Deputy Commissioner Douglas C. Stolte, who forthwith shall give further notice of the proposed adoption of the revisions to the rules by mailing a copy of this order, together with a draft of the proposed revisions, to all insurers, burial societies, fraternal benefit societies, health services plans, health maintenance organizations, legal services plans, and dental or optometric services plans licensed by the Commission; and

(6) The Bureau of Insurance shall file with the Clerk of the Commission an affidavit of compliance with the notice requirements of paragraph (5) above.

NOTE: A copy of Attachment A entitled "Rules Governing Annual Audited Financial Reports" 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. INS990202
NOVEMBER 2, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Revisions to the Rules Governing Annual Audited Financial Reports

ORDER ADOPTING REGULATION

WHEREAS, by order entered herein August 24, 1999, all interested persons were ordered to take notice that the Commission would enter an order subsequent to October 22, 1999, adopting revisions proposed by the Bureau of Insurance to the Commission's Rules Governing Annual Audited Financial Reports unless on or before October 22, 1999, any person objecting to the adoption of the proposed revisions filed a request for a hearing with the Clerk of the Commission; 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 THAT:

(1) The revisions to Chapter 270 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Annual Audited Financial Reports," which amend 14 VAC 5-270-30, 14 VAC 5-270-40, 14 VAC 5-270-60 through 14 VAC 5-270-80 and 14 VAC 5-270-160, and which are attached hereto and made a part hereof, should be, and they are hereby, ADOPTED to be effective January 1, 2000;

(2) AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to the Bureau of Insurance in care of Deputy Commissioner Douglas C. Stolte, who forthwith shall give further notice of the adoption of the revisions to the rules by mailing a copy of this Order, including a copy of the attached revised rules, to all insurers, burial societies, fraternal benefit societies, health services plans, health maintenance organizations, legal services plans, and dental or optometric services plans licensed by the Commission; and

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

NOTE: A copy of Attachment A entitled "Rules Governing Annual Audited Financial Reports" 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. INS990205
AUGUST 24, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Rules Establishing Minimum Valuation and Reserve Standards for Life Insurance Policies (14 VAC 5-319-10 et seq.)

ORDER TO TAKE NOTICE

WHEREAS, § 12.1-13 of the Code of Virginia 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 § 38.2-223 of the Code of Virginia 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 rules and regulations issued by the Commission pursuant to § 38.2-223 of the Code of Virginia are set forth in Title 14 of the Virginia Administrative Code;

WHEREAS, the Bureau of Insurance has submitted to the Commission a proposed regulation concerning minimum valuation and reserve standards for life insurance policies, which are to be published in Chapter 319 of Title 14 of the Virginia Administrative Code as rules at 14 VAC 5-319-10 through 14 VAC 5-319-80; and

WHEREAS, the Commission is of the opinion that the proposed regulation should be adopted with an effective date of January 1, 2000;

THEREFORE, IT IS ORDERED THAT:

(1) All interested persons TAKE NOTICE that the Commission shall enter an order subsequent to October 22, 1999, adopting the regulation proposed by the Bureau of Insurance unless on or before October 22, 1999, any person objecting to the proposed regulation files a request for a hearing to oppose the adoption of the proposed regulation, with an effective date of January 1, 2000, with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218;

(2) All interested persons TAKE NOTICE that on or before October 22, 1999, any person desiring to comment in support of, or in opposition to, the proposed regulation shall file such comments in writing with the Clerk of the Commission at the above address;

(3) The proposed regulation be attached hereto and made a part hereof as rules to be designated 14 VAC 5-319-10 through 14 VAC 5-319-80;

(4) All filings made under paragraphs (1) or (2) above shall contain a reference to Case No. INS990205;

(5) 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 Douglas C. Stolte, who forthwith shall give further notice of the proposed adoption of the regulation by mailing a copy of this order, together with a draft of the proposed regulation, to all insurers licensed by the Commission to write life insurance in the Commonwealth of Virginia and all burial societies and fraternal benefit societies licensed by the Commission under Chapters 40 and 41, respectively, of Title 38.2 of the Code of Virginia; and

(6) The Bureau of Insurance shall file with the Clerk of the Commission an affidavit of compliance with the notice requirements of paragraph (5) above.

NOTE: A copy of Attachment A entitled "Chapter 319. Life Insurance Reserves" 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. INS990205
NOVEMBER 2, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Rules Establishing Minimum Valuation and Reserve Standards for Life Insurance Policies (14 VAC 5-319-10 et seq.)

ORDER ADOPTING REGULATION

WHEREAS, by order entered herein August 24, 1999, all interested persons were ordered to take notice that the Commission would enter an order subsequent to October 22, 1999, adopting a regulation proposed by the Bureau of Insurance to the Commission concerning minimum valuation and reserve standards for life insurance policies, unless on or before October 22, 1999, any person objecting to the adoption of the proposed regulation filed a request for a hearing with the Clerk of the Commission; 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 THAT:

(1) The regulation entitled "Rules Establishing Minimum Valuation and Reserve Standards for Life Insurance Policies," which is to be published in Chapter 319 of Title 14 of the Virginia Administrative Code as rules at 14 VAC 5-319-10 through 14 VAC 5-319-80, and which is attached hereto and made a part hereof, should be, and it is hereby, ADOPTED to be effective January 1, 2000;

(2) AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to the Bureau of Insurance in care of Deputy Commissioner Douglas C. Stolte, who forthwith shall give further notice of the adoption of the regulation by mailing a copy of this Order, including a copy of the attached regulation to all insurers licensed by the Commission to write life insurance in the Commonwealth of Virginia and all burial societies and fraternal benefit societies licensed by the Commission under Chapters 40 and 41, respectively, of Title 38.2 of the Code of Virginia; and

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

NOTE: A copy of Attachment A entitled "Chapter 319. Life Insurance Reserves" 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. INS990205
NOVEMBER 4, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Rules Establishing Minimum Valuation and Reserve Standards for Life Insurance Policies (14 VAC 5-319-10 et seq.)

CORRECTING ORDER

By Order Adopting Regulation entered herein November 2, 1999, the regulation entitled "Rules Establishing Minimum Valuation and Reserve Standards for Life Insurance Policies," which is to be published in Chapter 319 of Title 14 of the Virginia Administrative Code as rules at 14 VAC 5-319-10 through 14 VAC 5-319-80, a copy of which was attached thereto and made a part thereof, was adopted to be effective January 1, 2000.

In line 3 of 14 VAC 5-319-40 B 3 b, set forth on page 12 of the regulation attached to that order, there is a reference to "subdivision B 3 of this section." The correct reference, however, should be to subdivisions B 2 and B 3.

In line 2 of 14 VAC 5-319-40 B 2 f, set forth on page 12 of the regulation attached to that order, there is a reference to "subdivision B 3 of this section." The correct reference, however, should be to subdivisions B 2 and B 3.

THEREFORE, IT IS ORDERED THAT:

(1) The subdivision reference stated in line 3 of 14 VAC 5-319-40 B 3 b, set forth on page 12 of the regulation attached to the Commission's Order Adopting Regulation entered November 2, 1999, shall be corrected to read "subdivisions B 2 and B 3."

(2) The subdivision reference stated in line 2 of 14 VAC 5-319-40 B 2 f, set forth on page 12 of the regulation attached to the Commission's Order Adopting Regulation entered November 2, 1999, shall be corrected to read "subdivisions B 2 and B 3."

(3) All other provisions of the Order Adopting Regulation entered November 2, 1999, shall remain in full force and effect.

(4) AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to the Bureau of Insurance in care of Deputy Commissioner Douglas C. Stolte, who forthwith shall give further notice of the correction of the subdivision references by mailing a copy of this Order to all insurers licensed by the Commission to write life insurance in the Commonwealth of Virginia and all burial societies and fraternal benefit societies licensed by the Commission under Chapter 40 and 41, respectively, of Title 38.2 of the Code of Virginia.

(5) The Bureau of Insurance shall file with the Clerk of the Commission an affidavit of compliance with the notice requirements of paragraph (4) above.

CASE NO. INS990209
DECEMBER 6, 1999

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated subsection 1 of § 38.2-502, subsection 7 of § 38.2-606, and §§ 38.2-316 A, 38.2-316 B, 38.2-316 C, 38.2-503, 38.2-510 A 5, 38.2-510 A 14, 38.2-511, 38.2-1318 C, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A 1, 38.2-1834 C, 38.2-3407.4, 38.2-3431 D, 38.2-4301 C, 38.2-4306 A 2, 38.2-4306 B 1, 38.2-4306.1, 38.2-4308, 38.2-4311 B, 38.2-4312 A, and 38.2-4313 of the Code of Virginia, as well as 14 VAC 5-90-50 A, 14 VAC 5-90-60 B 1, 14 VAC 5-90-170 A, 14 VAC 5-210-50 C 2, 14 VAC 5-210-60 H, 14 VAC 5-210-70 C, 14 VAC 5-210-70 H 1, 14 VAC 5-210-90 B 1 b, 14 VAC 5-210-110 A, 14 VAC 5-210-110 B, and 14 VAC 5-234-40;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and 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 Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of seventy thousand dollars ($70,000), waived its right to a hearing, and 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 § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of subsection 1 of § 38.2-502, subsection 7 of § 38.2-606, and §§ 38.2-316 A, 38.2-316 B, 38.2-510 A 5, 38.2-510 A 14, 38.2-511, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A 1, 38.2-4306 B 1, 38.2-4306.1, or 38.2-4313 of the Code of Virginia, as well as 14 VAC 5-90-50 A, 14 VAC 5-90-60 B 1, 14 VAC 5-90-170 A, 14 VAC 5-210-70 C, 14 VAC 5-210-110 A, or 14 VAC 5-210-110 B; and

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

CASE NO. INS990210
NOVEMBER 19, 1999

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination conducted by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia, is alleged, in certain instances as set forth in the market conduct examination report prepared by the Bureau, to have violated subsection 1 of § 38.2-502 and §§ 38.2-316 A, 38.2-316 B, 38.2-316 C, 38.2-503, 38.2-511, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A 1, 38.2-3407.4 A, 38.2-4301 A, 38.2-4301 C, and 38.2-4306 B 1 of the Code of Virginia, as well as 14 VAC 5-90-50 B, 14 VAC 5-90-60 A 1, 14 VAC 5-90-60 A 2, 14 VAC 5-90-90 A, 14 VAC 5-90-90 C, 14 VAC 5-90-110, 14 VAC 5-210-70 C 3, 14 VAC 5-210-70 D, and 14 VAC 5-210-110 B;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-4316 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and 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 Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of nine thousand dollars ($9,000), waived its right to a hearing, and 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 § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of § 38.2-4301 A or § 38.2-4306 B 1 of the Code of Virginia; and

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

CASE NO. INS990211
DECEMBER 1, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AETNA U.S. HEALTHCARE (FORMERLY NYLCARE HEALTH PLANS OF THE MID-ATLANTIC, INC.),
Defendant

SETTLEMENT ORDER

IT APPEARING from a target market conduct examination performed by the Bureau of Insurance that NYLCare Health Plans of the Mid-Atlantic, Inc., then duly licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia, in certain instances, violated § 38.2-4306.1 of the Code of Virginia, as well as 14 VAC 5-90-170 A, by failing to pay interest on a judgment against a health maintenance organization in an action to recover claim proceeds from the date of presentation to the health maintenance organization of the proof of loss to the date judgment was entered, and by failing to maintain at its home or principal office a complete file containing every printed, published or prepared advertisement of its individual policies and typical printed, published or prepared advertisements of its blanket, franchise, and group policies disseminated in the Commonwealth of Virginia or any other state pursuant to the requirements of such section;

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

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of twenty-seven thousand dollars ($27,000), waived its right to a hearing, and 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 § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of § 38.2-4306.1 of the Code of Virginia or 14 VAC 5-90-170 A; and

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

CASE NO. INS990212
OCTOBER 15, 1999

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated § 38.2-1906 of the Code of Virginia, as well as the Cease and Desist Order entered by the Commission in Case Nos. INS960126, INS970087, and INS980062, by making or issuing an insurance contract or policy not in accordance with the rate and supplementary rate information filings that are in effect for the Defendant;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and 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 Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of five thousand dollars ($5,000), waived its right to a hearing, and 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 § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of § 38.2-1906 of the Code of Virginia; and

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

CASE NO. INS990213
OCTOBER 15, 1999

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated § 38.2-1906 of the Code of Virginia, as well as the Cease and Desist Orders entered by the Commission in Case Nos. INS960123, INS970088, and INS980063, by making or issuing an insurance contract or policy not in accordance with the rate and supplementary rate information filings that are in effect for the Defendant;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and 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 Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of five thousand dollars ($5,000), waived its right to a hearing, and 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 § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of § 38.2-1906 of the Code of Virginia; and

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

CASE NO. INS990218
SEPTEMBER 3, 1999

APPLICATION OF
PACIFIC LIFE INSURANCE COMPANY

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

ORDER APPROVING APPLICATION

WHEREAS, by application filed with the Commission on June 25, 1999, Pacific Life Insurance Company, a California-domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia ("Pacific Life"), requested approval of an assumption reinsurance agreement pursuant to § 38.2-136 C of the Code of Virginia, whereby Pacific Life would assume all of the payout annuity obligations of Confederation Life Insurance

Company (U. S.) in Rehabilitation ("Confederation Life"), a Canadian-domiciled insurer with Michigan as its port of entry state, licensed to transact the business of insurance in the Commonwealth of Virginia until the revocation of such license pursuant to a Revocation Order entered herein on June 4, 1996;

WHEREAS, the Michigan Commissioner of Insurance, the domiciliary regulator and the Liquidator of Confederation Life, has approved the assumption reinsurance agreement, as evidenced by the Order Authorizing and Approving Assumption Reinsurance Agreement with Pacific Life Insurance Company for Payout Annuity Policies entered in the Circuit Court for the County of Ingham, Michigan, on April 8, 1999, and filed as part of the application;

WHEREAS, the California Commissioner of Insurance, the domiciliary regulator of Pacific Life, has approved the assumption reinsurance agreement, as evidenced by a letter dated July 9, 1999, and filed with the Commission on July 14, 1999;

WHEREAS, Confederation Life has waived its right to a hearing pursuant to § 38.2-136 C of the Code of Virginia, as evidenced by the letter of Gordon F. Grigor, Vice President of Confederation Life, dated June 23, 1999, and filed as part of the application;

WHEREAS, the Bureau of Insurance, having reviewed the application to ensure that Virginia annuitants will not lose any rights or claims afforded under their original contracts pursuant to Chapter 17 of Title 38.2 of the Code of Virginia, has recommended that the application be approved; 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 Pacific Life Insurance Company for approval of an assumption reinsurance agreement pursuant to § 38.2-136 C of the Code of Virginia be, and it is hereby, APPROVED.

CASE NO. INS990223
OCTOBER 26, 1999

APPLICATION OF
MBL LIFE ASSURANCE CORPORATION

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

ORDER GRANTING APPROVAL OF APPLICATION

ON A FORMER DAY came MBL Life Assurance Corporation ("MBLLAC"), a foreign insurer licensed by the Bureau of Insurance to transact the business of insurance in the Commonwealth of Virginia, by its counsel, and, pursuant to Virginia Code § 38.2-136 C, filed with the Clerk of the Commission an application for Commission approval of an assumption reinsurance agreement by and between MBLLAC and Reassure America Life Insurance Company ("RALIC"), a foreign insurer licensed by the Bureau of Insurance to transact the business of insurance in the Commonwealth of Virginia, pursuant to which the MBLLAC policies of insurance set forth in Exhibit I of the application would be reinsured and assumed by RALIC;

AND THE COMMISSION, having considered the application and related papers filed herein together with the recommendation of the Bureau of Insurance that the application be approved and the law applicable hereto, is of the opinion that the assumption reinsurance agreement by and between MBLLAC and RALIC by which RALIC shall assume and reinsure those MBLLAC policies set forth in Exhibit I of MBLLAC's application herein should be, and it is hereby, APPROVED.

CASE NO. INS990228
DECEMBER 1, 1999

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to operate a legal services plan in the Commonwealth of Virginia, in certain instances, violated Subsection 1 of § 38.2-502 and §§ 38.2-316 B, 38.2-316 C, 38.2-503, and 38.2-511 of the Code of Virginia by misrepresenting the benefits, advantages, conditions or terms of an insurance policy, by failing to file certain forms with the Commission prior to using the forms, by using certain forms in the Commonwealth of Virginia prior to receiving written approval by the Commission of such forms, by using a marketing communication that was untrue, deceptive or misleading, and by failing to maintain a complete record of all the complaints that it has received since the date of its last examination by the Commission;

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

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of seven thousand dollars ($7,000), waived its right to a hearing, and 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 § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of Subsection 1 of § 38.2-502 and §§ 38.2-316 B, 38.2-316 C, 38.2-503, and 38.2-511 of the Code of Virginia; and

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

CASE NO. INS990229
OCTOBER 14, 1999

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-316 A, 38.2-316 B, 38.2-316 C, 38.2-503, 38.2-511, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A, 38.2-3407.1, 38.2-3432.3 G, 38.2-3511, and 38.2-3527 of the Code of Virginia, as well as 14 VAC 5-90-50 A, 14 VAC 5-90-60 A 1, 14 VAC 5-90-60 A 2, 14 VAC 5-90-90 A, 14 VAC 5-90-90 C, 14 VAC 5-90-130 A, 14 VAC 5-90-170 A, and 14 VAC 5-170-160 D;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and 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 Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of forty-five thousand dollars ($45,000), waived its right to a hearing, and 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 § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of §§ 38.2-316 A, 38.2-316 B, 38.2-316 C, 38.2-503, 38.2-511, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A, 38.2-3407.1, 38.2-3432.3 G, 38.2-3511, or 38.2-3527 of the Code of Virginia, as well as 14 VAC 5-90-50 A, 14 VAC 5-90-60 A 1, 14 VAC 5-90-60 A 2, 14 VAC 5-90-90 A, 14 VAC 5-90-90 C, 14 VAC 5-90-130 A, 14 VAC 5-90-170 A, or 14 VAC 5-170-160 D; and

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

CASE NO. INS990246
NOVEMBER 1, 1999

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-305 A, 38.2-510 A 3, 38.2-510 A 10, 38.2-510 C, 38.2-610, 38.2-1812, 38.2-1822, 38.2-1833, 38.2-1905, 38.2-1906 D, 38.2-2014, 38.2-2201 B, 38.2-2202 B, 38.2-2206 A, 38.2-2208, 38.2-2212, 38.2-2220, 38.2-2223, and 38.2-2230 of the Code of Virginia, as well as 14 VAC 5-390-40 D, 14 VAC 5-400-40 A, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and 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 Virginia law, 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), waived its right to a hearing, and 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 § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of §§ 38.2-305 A, 38.2-510 A 3, 38.2-510 A 10, 38.2-510 C, 38.2-610, 38.2-1812, 38.2-1822, 38.2-1833, 38.2-1905, 38.2-1906 D, 38.2-2014, 38.2-2201 B, 38.2-2202 B, 38.2-2206 A, 38.2-2208, 38.2-2212, 38.2-2220, 38.2-2223, or 38.2-2230 of the Code of Virginia, as well as 14 VAC 5-390-40 D, 14 VAC 5-400-40 A, 14 VAC 5-400-70 D, or 14 VAC 5-400-80 D; and

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

CASE NO. INS990247
NOVEMBER 1, 1999

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendants, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated the Code of Virginia to wit: Integon Indemnity Corporation violated §§ 38.2-305 A, 38.2-305 B, 38.2-509 A, 38.2-510 A 10, 38.2-510 C, 38.2-512 A, 38.2-610 A, 38.2-1318, 38.2-1812, 38.2-1906 D, 38.2-2208, 38.2-2212, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-390-40 D, 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D; Integon General Insurance Corporation violated §§ 38.2-305 A, 38.2-305 B, 38.2-509 A, 38.2-510 A 10, 38.2-510 C, 38.2-512 A, 38.2-610 A, 38.2-1833, 38.2-1905, 38.2-1906 D, 38.2-2208, 38.2-2212, 38.2-2220, and 38.2-2230 of the Code of Virginia, as well as 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D; Integon National Insurance Company violated §§ 38.2-305 A, 38.2-305 B, 38.2-509 A, 38.2-510 A 10, 38.2-510 C, 38.2-512 A, 38.2-610 A, 38.2-1318, 38.2-1833, 38.2-1906 D, 38.2-2208, 38.2-2212, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D; and New South Insurance Company violated §§ 38.2-305 A, 38.2-305 B, 38.2-509 A, 38.2-510 A 10, 38.2-512 A, 38.2-610 A, 38.2-1318, 38.2-1906 D, 38.2-2208, 38.2-2214, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and 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, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein Defendants have tendered to the Commonwealth of Virginia the sum of thirty-two thousand dollars ($32,000), waived their right to a hearing, and 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 § 12.1-15 of the Code of Virginia.

IT IS ORDERED THAT:

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

(2) Integon Indemnity Corporation cease and desist from any conduct which constitutes a violation of §§ 38.2-305 A, 38.2-305 B, 38.2-509 A, 38.2-510 A 10, 38.2-510 C, 38.2-512 A, 38.2-610 A, 38.2-1318, 38.2-1812, 38.2-1906 D, 38.2-2208, 38.2-2212, or 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-390-40 D, 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-70 D, or 14 VAC 5-400-80 D;

(3) Integon General Insurance Corporation cease and desist from any conduct which constitutes a violation of §§ 38.2-305 A, 38.2-305 B, 38.2-509 A, 38.2-510 A 10, 38.2-510 C, 38.2-512 A, 38.2-610 A, 38.2-1833, 38.2-1905, 38.2-1906 D, 38.2-2208, 38.2-2212, 38.2-2220, or 38.2-2230 of the Code of Virginia, as well as 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-70 D, or 14 VAC 5-400-80 D;

(4) Integon National Insurance Company cease and desist from any conduct which constitutes a violation of §§ 38.2-305 A, 38.2-305 B, 38.2-509 A, 38.2-510 A 10, 38.2-510 C, 38.2-512 A, 38.2-610 A, 38.2-1318, 38.2-1833, 38.2-1906 D, 38.2-2208, 38.2-2212, or 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-70 D, or 14 VAC 5-400-80 D;

(5) New South Insurance Company cease and desist from any conduct which constitutes a violation of §§ 38.2-305 A, 38.2-305 B, 38.2-509 A, 38.2-510 A 10, 38.2-512 A, 38.2-610 A, 38.2-1318, 38.2-1906 D, 38.2-2208, 38.2-2214, or 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-70 D, or 14 VAC 5-400-80 D; and

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

CASE NO. INS990252
NOVEMBER 2, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Rules Governing Independent External Review of Final Adverse Utilization Review Decisions (14 VAC 5-215-10 et seq.)

ORDER TO TAKE NOTICE

WHEREAS, § 12.1-13 of the Code of Virginia 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 § 38.2-223 of the Code of Virginia 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, § 38.2-5905 of the Code of Virginia provides that the Commission shall promulgate regulations effectuating the purpose of Chapter 59 of Title 38.2 of the Code of Virginia;

WHEREAS, the rules and regulations issued by the Commission pursuant to § 38.2-223 of the Code of Virginia are set forth in Title 14 of the Virginia Administrative Code;

WHEREAS, the Bureau of Insurance has submitted to the Commission a proposed regulation entitled "Rules Governing Independent External Review of Final Adverse Utilization Review Decisions," which is to be published in Chapter 215 of Title 14 of the Virginia Administrative Code as rules at 14 VAC 5-215-10 through 14 VAC 5-215-130;

WHEREAS, the Bureau of Insurance has recommended to the Commission that the proposed regulation be adopted with an effective date of February 15, 2000; 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 THAT:

(1) The proposed regulation be attached hereto and made a part hereof as rules to be designated 14 VAC 5-215-10 through 14 VAC 5-215-130;

(2) All interested persons TAKE NOTICE that the Commission shall conduct a hearing in the Commission's Courtroom, 2nd Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia 23219 at 10:00 a.m. on December 16, 1999, to consider the adoption of the attached regulation proposed by the Bureau of Insurance with an effective date of February 15, 2000;

(3) On or before December 2, 1999, any person desiring to comment in support of, or in opposition to, the proposed regulation shall file such comments in writing with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218;

(4) On or before December 2, 1999, any person intending to appear and be heard at the hearing on the proposed regulation shall file written notice of his intention to do so with the Clerk of the Commission at the address above;

(5) All filings made under paragraphs (3) or (4) shall contain a reference to Case No. INS990252;

(6) 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 forthwith shall give further notice of the proposed adoption of the regulation by mailing a copy of this Order, together with a draft of the proposed regulation, to all insurers licensed by the Commission to write accident and sickness insurance in the Commonwealth of Virginia and all health services plans, health maintenance organizations, and dental or optometric services plans licensed by the Commission under Chapters 42, 43, and 45, respectively, of Title 38.2 of the Code of Virginia; and

(7) The Bureau of Insurance shall file with the Clerk of the Commission an affidavit of compliance with the notice requirements of paragraph (6) above.

NOTE: A copy of Attachment A entitled "Chapter 215. Rules Governing Independent External Review of Final Adverse Utilization Review Decisions" 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. INS990265
DECEMBER 6, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
HARTFORD 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 § 38.2-3419.1 of the Code of Virginia, as well as 14 VAC 5-190-50 by failing to file timely with the Commission an annual MB-1 Report of Cost and Utilization Data Relating to Mandated Benefits and Mandated Providers;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and 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 Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of five thousand dollars ($5,000), waived its right to a hearing, and 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 § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of § 38.2-3419.1 of the Code of Virginia, as well as 14 VAC 5-190-50; and

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

CASE NO. INS990266
DECEMBER 8, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
HARTFORD FIRE 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 § 38.2-3419.1 of the Code of Virginia as well as 14 VAC 5-190-50 by failing to file timely with the Commission an annual MB-1 Report of Cost and Utilization Data Relating to Mandated Benefits and Mandated Providers;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and 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 Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of five thousand dollars ($5,000), waived its right to a hearing, and 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 § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of § 38.2-3419.1 of the Code of Virginia as well as 14 VAC 5-190-50; and

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

CASE NO. INS990269
DECEMBER 6, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
HARTFORD LIFE AND ACCIDENT 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 § 38.2-3419.1 of the Code of Virginia, as well as 14 VAC 5-190-50 by failing to file timely with the Commission an annual MB-1 Report of Cost and Utilization Data Relating to Mandated Benefits and Mandated Providers;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and 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 Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of five thousand dollars ($5,000), waived its right to a hearing, and 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 § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of § 38.2-3419.1 of the Code of Virginia, as well as 14 VAC 5-190-50; and

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

CASE NO. INS990270
DECEMBER 6, 1999

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in a certain instance, violated § 38.2-3419.1 of the Code of Virginia, as well as 14 VAC 5-190-50 by failing to file timely with the Commission an annual MB-1 Report of Cost and Utilization Data Relating to Mandated Benefits and Mandated Providers;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and 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 Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of five thousand dollars ($5,000), waived its right to a hearing, and 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 § 12.1-15 of the Code of Virginia,

IT IS ORDERED THAT:

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

(2) Defendant cease and desist from any conduct which constitutes a violation of § 38.2-3419.1 of the Code of Virginia, as well as 14 VAC 5-190-50; and

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

CASE NO. INS990305
DECEMBER 30, 1999

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

IMPAIRMENT ORDER

WHEREAS, Commercial Compensation 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, § 38.2-1036 of the Code of Virginia 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, dated September 30, 1999, and filed with the Commission's Bureau of Insurance, indicates capital of $5,000,000, and surplus of minus $1,977,473;

IT IS ORDERED THAT, on or before March 28, 2000, 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. INS990306
DECEMBER 30, 1999

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

ORDER SUSPENDING LICENSE

WHEREAS, Innovation Health, Inc. ("Innovation"), duly licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia, has notified the Bureau of Insurance of its intent to discontinue offering all health plan coverage in both large and small group markets in the Commonwealth of Virginia as of December 31, 1999;

WHEREAS, Innovation has agreed with the Bureau of Insurance that it should suspend its operations in the Commonwealth of Virginia after December 31, 1999; and

WHEREAS, Innovation has consented to the suspension of its license to transact the business of a health maintenance organization in the Commonwealth of Virginia, as of December 31, 1999, pursuant to § 38.2-4316 of the Code of Virginia;

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to Innovation's consent and § 38.2-4316 of the Code of Virginia, the license of Innovation to transact the business of a health maintenance organization in the Commonwealth of Virginia be, and it is hereby, suspended, effective December 31, 1999;

(2) Innovation shall not issue any new evidences of coverage in the Commonwealth of Virginia until further order of the Commission nor engage in any advertising or solicitation;

(3) The appointments of Innovation's agents to act on behalf of Innovation in the Commonwealth of Virginia be, and they are hereby, suspended, effective December 31, 1999, subject to the terms of this Order;

(4) Innovation and its agents shall transact no new business on behalf of Innovation in the Commonwealth of Virginia until further order of the Commission;

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

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

DIVISION OF PUBLIC SERVICE TAXATION

CASE NO. PST980001
NOVEMBER 24, 1999

APPLICATION OF
TELCO COMMUNICATIONS GROUP, INC.
and
TELCO HOLDINGS, INC.

For review and correction of a certification made pursuant to § 58.1-400.1 C of the Code of Virginia – Tax year 1997

For review and correction of special regulatory Revenue tax assessment and refund of tax – Tax year 1997

ORDER

On November 16, 1999, Telco Communications Group, Inc. and Telco Holdings, Inc. (collectively "Telco") filed a Motion for Leave to Withdraw Petition. A Report of the Hearing Examiner was entered on November 23, 1999, recommending that Telco's Motion be granted.

NOW THE COMMISSION, upon consideration of the Motion and the findings of the Hearing Examiner, is of the opinion that the Motion should be granted and the petition withdrawn. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The Motion for Leave to Withdraw Petition requested by Telco is hereby granted; and

(2) There being nothing further to come before the Commission in this matter, Case No. PST980001 is hereby dismissed, and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PST980018
FEBRUARY 2, 1998

APPLICATION OF
AMSC SUBSIDIARY CORPORATION

For review and correction of assessment of the value of property - Tax Year 1998

DISMISSAL ORDER

On January 27, 1999, AMSC Subsidiary Corporation, by counsel, filed with the clerk of the Commission a letter withdrawing the application for review and correction and requesting entry of an order terminating this proceeding.

Upon consideration of the request, IT IS ORDERED THAT this application be dismissed.

CASE NO. PST990003
NOVEMBER 15, 1999

APPLICATION OF
DOMINION COACH COMPANY d/b/a VIRGINIA OVERLAND BUS LINES

For correction of special regulatory revenue tax assessment and refund for tax year 1999

ORDER GRANTING APPLICATION

Before the Commission is the Application of Dominion Coach Company d/b/a Virginia Overland Bus Lines ("Dominion Coach") for correction of its tax year 1999 assessment of special regulatory revenue tax and for refund of special tax paid. According to Dominion Coach, it erroneously reported revenue subject to special tax and paid special tax in the amount of $377.42. Dominion Coach requests that the Commission invalidate the assessment and refund the payment.

Commission records show that Dominion Coach reported $343,111 in gross receipts subject to special tax. The Commission proceeded to assess $377.42 in special tax for tax year 1999, and issued a bill payable by June 1, 1999. Dominion paid the tax on June 4, 1999, and the Commission assessed a

penalty of $37.74 for the late payment as provided by § 58.1-2611 of the Code of Virginia. Dominion paid this penalty on June 17, 1999. The Commission's Public Service Taxation Division received Dominion Coach's application on October 7, 1999.

The Commission finds that, as required by § 58.1-2030 of the Code of Virginia, Dominion Coach properly applied for correction of an assessment of tax and refund of tax paid within one (1) year of payment. The Commission further finds that assessment and refund of special tax and a related penalty does not affect other agencies or jurisdictions. Accordingly, we will act on this application without requiring further notice.

The Public Service Taxation Division has advised the Commission that it determined during a recent audit that Dominion Coach erroneously reported taxable gross receipts for tax year 1999. The Public Service Taxation Division determined that, for tax year 1999, Dominion Coach was an urban-suburban bus line as defined in § 58.1-2660 6 of the Code of Virginia, and it is exempt from payment of special tax.

Upon consideration of the application, Commission records, and the results of the Public Service Taxation Division's audit, the Commission will grant the application. We find that the assessment of special tax was void, and we will direct a refund of the special tax paid and the penalty for late payment. Accordingly, IT IS ORDERED THAT:

(1) As provided by § 58.1-2030 of the Code of Virginia, Dominion Coach's Application for correction of special tax assessment and for a refund shall be docketed as Case No. PST990003 and all associated papers shall be filed therein.

(2) Dominion Coach's Application is granted.

(3) The Commission's special tax assessment of $377.42 for tax year 1999 is declared null and void.

(4) A refund of $377.42 in special tax paid for tax year 1999 shall be paid to Dominion Coach.

(5) The penalty for late payment is abated.

(6) A refund of $37.74 in penalty paid for tax year 1999 shall be paid to Dominion Coach.

(7) The refunds ordered in (4) and (6) above shall be paid without interest.

(8) The Commission's Public Service Taxation Division and Office of Comptroller/Administrative Services shall prepare the appropriate documents and provide necessary information to the Comptroller of the Commonwealth for payment of the refunds ordered in (4) and (6). Refunds shall be made to Dominion Coach Company, Federal Tax Identification No. E-541248493, and shall be sent to Rick Gray, Project Manager, Serco Management Services, Inc., 994 Scott Street, Norfolk, Virginia 23502-3147.

(9) This case be dismissed from the Commission's docket.

DIVISION OF PUBLIC UTILITY ACCOUNTING

CASE NO. PUA960076
MAY 27, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
VIRGINIA DEPARTMENT OF TRANSPORTATION, DAVID H. GEHR, COMMISSIONER,
Complainant
v.
TOLL ROAD INVESTORS PARTNERSHIP II, L.P.,
Defendant

DISMISSAL ORDER

The Commonwealth of Virginia, Virginia Department of Transportation, David H. Gehr, Commissioner (hereinafter Department of Transportation) commenced this proceeding on November 22, 1996, when it petitioned the Commission to direct Toll Road Investors Partnership II, L.P. (hereinafter Toll Road Investors) to reimburse the Department of Transportation for expenses related to construction of the Toll Road Investors' Dulles Greenway. The Department of Transportation and Toll Road Investors subsequently entered into agreements providing for partial payments of the expenses and extensions of the date payments were due.

On May 5, 1999, Toll Road Investors filed with the Clerk of the Commission its certification of final payment of its indebtedness to the Department of Transportation. The Department of Transportation filed on May 18, 1999, acknowledgement of the payment. The Department of Transportation agreed that final payment had been received.

There being nothing further for the Commission to address in this case, IT IS ORDERED THAT Case No. PUA960076 be dismissed from the Commission's docket.

CASE NO. PUA980017
MAY 5, 1999

JOINT PETITION OF
C & P ISLE OF WIGHT WATER COMPANY
and
D.L.G. ENTERPRISES, INC.

For approval of acquisition of the water supply facility serving the subdivision known as Queen Anne's Court

ORDER GRANTING APPROVAL

On April 23, 1998, C & P Isle of Wight Water Company ("C & P", the "Company", the "Petitioner") filed a joint petition with D.L.G. Enterprises, Inc., ("Seller"), (the Petitioner and Seller collectively referred to as the "Joint Petitioners"), under the Utility Transfers Act requesting approval for C & P to acquire from Seller the water supply facility serving the subdivision known as Queen Anne's Court. Queen Anne's Court Water System (the "Water System") has sixty (60) customers and is located within the County of Isle of Wight, Virginia.

The Company states, in its petition, that the Water System was acquired by D.L.G. Enterprises, Inc., on December 29, 1994. The Water System is currently operated by D.L.G. Utility Corporation. The Company states that D.L.G. Utility Corporation is authorized to furnish water service to the Queen Anne's Court subdivision under the Utility Facilities Act by a Certificate of Public Convenience and Necessity.

As described in the petition, C & P seeks to acquire the entire working water systems. As described in data responses, this includes the property upon which the wells are located, all necessary equipment and hardware associated with the wells and the distribution of water (structures, wells, mains, pump equipment, and meters), and the customer list. According to information contained in the Memorandum of Understanding, submitted with the petition, the purchase price for the Water System is $24,500.00. A purchase deposit of $5,000.00 was issued to Seller on March 27, 1998, with the balance due at closing. As indicated by the Company, the purchase price was negotiated between C & P and Seller. The Company states that there were no affiliations between C & P and Seller which would have influenced the negotiated purchase price.

In its petition, the Company states that the principals, Ted W. Christian and David D. Pugh, possess considerable knowledge and expertise in the field of supplying water and the installations and repair of wells and water systems. The Company represents that, due to their expertise, C & P will be in a position to operate and manage the Water System. The Company further represents that it will be able to continue to provide adequate service to the public at just and reasonable rates and that the service which the public receives will not be impaired or jeopardized by the proposed acquisition.

By Commission Order Severing Queen Anne's Court Subdivision and Prescribing Notice dated September 25, 1998, any person who desired to comment or request a hearing on the application for certificate was given an opportunity to do so on or before November 13, 1998. There were no comments or requests for hearing.

THE COMMISSION, upon consideration of the petition and representation of the Joint Petitioners and having been advised by its Staff, is of the opinion and finds that the above-described transfer of utility assets will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-89 and 56-90 of the Code of Virginia, C & P Isle of Wight Water Company is hereby granted approval to acquire the water facility used to provide service to the subdivision of Queen Anne's Court from D.L.G. Enterprises, Inc., under the terms and conditions and at the price of $24,500.00 as described herein.

2) The approval granted herein shall in no way be deemed to include the recovery of any costs or charges in connection with the approval granted herein for ratemaking purposes.

3) The Joint Petitioners shall file a Report of Action with the Commission on or before July 6, 1999. Such report shall contain the date of transfer, the sales price, and all accounting entries reflecting the transfer.

4) This matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA980018
JANUARY 13, 1999

APPLICATION OF
DELMARVA POWER AND LIGHT COMPANY

For approval of affiliate transaction

ORDER GRANTING APPROVAL

On June 10, 1998, Delmarva Power and Light Company ("Delmarva," "Company," "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act requesting Commission approval to provide services to its affiliate, Enerval LLC ("Enerval," "Affiliate"). By amendments dated September 25, 1998, and October 29, 1998, Delmarva indicated that the approval for the majority of the services included in the original application would not be needed since the new Conectiv service company, Conectiv Resource Partners, Inc., would provide them to Enerval.

As indicated in the application, Delmarva is a Delaware and Virginia corporation providing electric service in Virginia, Delaware, and Maryland. Delmarva also provides natural gas service to customers in Delaware, and it is a first tier subsidiary of Conectiv, a registered holding company. Enerval is a Delaware limited liability company, currently owned in equal shares by Atlantic Energy Enterprises, Inc. ("AEE") and Energy Masters International, Inc. ("EMI"). Enerval engages in the business of marketing natural gas, electricity, and other fuels to end use customers primarily in the states of Massachusetts, New Jersey, New York, and Pennsylvania. Enerval may also engage in business in other states. It was formed in 1995.

Like Delmarva, AEE is a first tier subsidiary of Conectiv. AEE originally was formed by Atlantic Energy Company in 1995 to serve as a holding company for its non-utility investments. EMI is an affiliate of Northern States Power, a Minnesota based energy company. On April 16, 1998, AEE entered into a Purchase and Sale Agreement with EMI to purchase the fifty per cent ownership interest in Enerval not already owned by Enerval.

As amended October 29, 1998, Delmarva Power and Light Company requests approval of an affiliate transaction with Enerval LLC ("Enerval," "Affiliate") whereby Delmarva will sell to Enerval, and Enerval will purchase from Delmarva, natural gas for resale to customers of Affiliate. Such transactions would be at competitive market prices. Enerval also will purchase natural gas from other suppliers. Company has represented to the Commission Staff that Delmarva does not plan on making any natural gas sales in Virginia.

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 as long as natural gas sales are made outside of Virginia and at competitive market prices. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Delmarva is granted approval to make sales of natural gas to Enerval at competitive market prices provided such sales are made only outside of the Commonwealth of Virginia.

2) Commission approval shall be required for any changes in the terms and conditions of the sale of natural gas to Enerval from those approved herein.

3) The approval granted herein shall have no ratemaking implications.

4) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

5) The Commission, pursuant to § 56-79 of the Code of Virginia, 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 the Commission.

6) Delmarva Power & Light Company shall continue to file an annual Report of Affiliate Transactions Undertaken with Other Regulated Affiliates with the Director of Public Utility Accounting of the Commission by no later than May 1 of each year, for the preceding calendar

year. Such report shall include the following information: 1) affiliate's name; 2) description of transactions; 3) total dollar value (cost) of transactions identified by department and/or functional category; 4) component cost of each category of transactions where services are provided to an regulated affiliate; 5) comparable market values of each category of transactions where services are provided to a regulated affiliate; 6) comparable market values where services are received from a regulated affiliate; 7) allocation bases/factors for allocated costs; and 8) explanation of any variances by department/functional group greater than 10% of the prior year's amount.

7) Delmarva Power & Light Company shall file an Annual Report of Affiliated Transactions Undertaken with Non-Regulated Affiliates, either on a direct basis or through Conectiv Resource Partners, Inc., with the Director of Public Utility Accounting of the Commission by no later than May 1 of each year, for the preceding year. Such report shall include the following information: 1) non-regulated affiliate's name; 2) description of transactions; 3) total dollar value (cost) of transactions identified by department and/or functional category; 4) component costs of each category of transactions where services are provided to a non-regulated affiliate; 5) profit component of each category of transactions where services are provided to a non-regulated affiliate; 6) comparable market values of each category of transactions where services are provided to a non-regulated affiliate; 7) comparable market values where services are received from a non-regulated affiliate; and 8) explanation of any variances by department/functional group greater than 10% of the prior year's amount.

8) Such reports shall include all agreements with affiliates regardless of the amount involved and shall supersede all other affiliate reporting requirements previously ordered.

9) The Director of Public Utility Accounting of the Commission may grant an extension for filing such annual reports where deemed appropriate.

10) If Annual Informational and/or General Rate Case Filings are not based on a calendar year, then Delmarva Power & Light Company shall include the affiliate information contained in the Annual Report of Affiliate Transactions in such filings.

11) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA980031
MARCH 31, 1999

JOINT PETITION OF
BELL ATLANTIC CORPORATION
and
GTE CORPORATION

For approval of agreement and plan of merger

FINAL ORDER

On October 2, 1998, Bell Atlantic Corporation ("Bell Atlantic") and GTE Corporation ("GTE") (collectively, "Petitioners") filed a joint petition requesting approval, pursuant to § 56-88.1 et seq. of the Code of Virginia, of a transaction that would result in GTE becoming a wholly-owned subsidiary of Bell Atlantic. Bell Atlantic and GTE are the parent companies of Bell-Atlantic Virginia, Inc. ("BA-VA"), and GTE South, Inc. ("GTE South") (collectively, "Companies"), both of which are authorized to provide, and are providing, local exchange and intraLATA toll service in Virginia. Neither Bell Atlantic nor any of its affiliates, including BA-VA, are currently affiliated with GTE or GTE South.

BA-VA, a wholly–owned subsidiary of Bell Atlantic, provides both local and intraLATA toll services throughout much of Virginia, including Richmond, Hampton Roads, Roanoke and the Virginia portions of the Washington, D.C. metropolitan area. It has approximately 3.4 million access lines in service in Virginia. Petitioner Bell Atlantic provides service in 13 states and the District of Columbia to more than 40 million access lines.

GTE South is a wholly-owned subsidiary of GTE and an incumbent local exchange carrier authorized to provide local exchange and intraLATA toll services throughout portions of Virginia. GTE South currently has approximately 557,000 access lines in service in Virginia. An affiliated company, GTE Communications Corporation ("GTECC", formerly known as GTE Card Services, Inc., d/b/a GTE Long Distance), also provides, or is authorized to provide, long distance, operator, and pre-paid calling card services on a resold basis in Virginia and other states. Petitioner GTE provides service in 28 states to 22 million access lines. Petitioners stated that the combined company would have, based on 1997 pro forma financial analysis, revenues of $53 billion and assets of approximately $96 billion.

Bell Atlantic and GTE have executed an "Agreement and Plan of Merger" ("Agreement") wherein GTE will become a wholly-owned subsidiary of Bell Atlantic. As a result, ultimate control of GTE South will transfer to Bell Atlantic. Control of BA-VA will remain the same since it will continue to be a wholly-owned subsidiary of Bell Atlantic.

Petitioners state that, while the merger will change the identity of the corporation ultimately owning GTE South, it will not involve any immediate change in the manner in which either GTE South or BA-VA provides services to customers. BA-VA and GTE South will continue to provide service as separate legal entities and plan to continue to operate under their respective alternative regulatory plans, approved in Case No. PUC930036.

Petitioners' application represents that the merger will not jeopardize the provision of adequate service to the public at just and reasonable rates or adversely affect the Commission's authority over such rates and service. Bell Atlantic and GTE state that the merger will have no adverse effect on competition in Virginia. They say the combination of Bell Atlantic and GTE will position the companies and their affiliates to provide a complete array of facilities-based voice, data, and Internet service in competition with other providers more quickly than would otherwise be possible.

Petitioners state that the operations of GTECC, a reseller of long distance service in Virginia, will continue until the time the merger is consummated. They advise that if Bell Atlantic has not obtained permission under Section 271 of the Telecommunications Act of 1996 to provide

interLATA long distance service in Virginia by that time, the combined company will request any necessary transitional relief from the Federal Communications Commission (the "FCC"). Such relief will be required to continue this service, since Bell Atlantic and its affiliates are, by law, prohibited from providing interLATA services.

Petitioners state they wish to merge because together they can better serve existing and new customers than either company could alone in the rapidly changing competitive marketplace. In addition, each company wants to be a fully integrated telecommunications service provider able to offer residential and business customers local and long distance voice, data, video, and wireless services. Petitioners indicate that their merger will create more facilities-based competition in the long distance market.

Petitioners state that the combined company will be able, nationally, to reduce overall expenses by more than $2 billion within three years of closing the merger through such means as greater purchasing power, the elimination of redundant systems, and reduced corporate overheads. These savings are said to help contain cost pressures across the combined company, freeing resources for investing in new services, enhancing service quality and competing more effectively against other companies that have recently merged. The petition does not quantify the amount of such savings attributable to the Virginia jurisdiction, nor propose the distribution of any savings among customers.

Bell Atlantic and GTE claim other benefits of the merger, including that the increased financial strength and stability of the combined company, will enable it to better preserve and advance universal service in Virginia.

Petitioners represent that the merger, which will eliminate any potential competition between GTE South and BA-VA in each other's territory, will have no adverse effect on competition in the local exchange market. They say that, even without competition between BA-VA and GTE South, dozens of competitors remain in the local exchange market. They claim that the loss of one potential competitor in this instance is not competitively significant and that the advantages the merger offers both companies will outweigh any loss of potential competition from one against the other.

By law, the Commission has 60 days in which to review a merger application such as the instant case, a period that may be extended by no more than an additional 120 days. On October 23, 1998, the Commission issued an order that extended the period of review, directed Petitioners to publish notice of the petition, and provided an opportunity for public comments and requests for hearing. The dates for providing notice, comments, and requests for hearing were amended by Commission order entered on November 20, 1998.

Numerous public comments were filed regarding the merger. Most of the comments favored the merger. Many who wrote in support of the merger were GTE South customers who apparently believed (or hoped) that the merger would result in their receiving BA-VA rates and service. Other comments opposed the merger for various reasons. During the hearing, the Commission heard from a number of public witnesses, including local officials, who urged our approval of the petition, hoping that it would enhance economic development in their areas of the state. Other public witnesses requested we reject the merger on grounds that the companies had not been fair in dealing with potential competitors.

On January 7, 1999, MCI WorldCom, Inc. ("MCIW"), Sprint Communications Company, LP ("Sprint"), AT&T Communications of Virginia, Inc.("AT&T"), and Starpower Communications, LLC ("Starpower"), filed comments on the joint petition. Sprint, AT&T and MCIW each requested that we deny the petition. MCIW stated that should we choose to grant the petition, we should impose conditions upon our approval. Each of these parties asked for public hearings.

In its comments, Starpower requested that the Commission deny the petition or that it institute an investigation into the proposed merger and assign the proceeding to a hearing examiner for purposes of hearing.

On February 12, 1999, the Staff of the State Corporation Commission filed a motion requesting the Commission to require the Petitioners to supplement their application, to find the application to be incomplete until supplemented, and to suspend the procedural schedule until such supplementation be made. Staff also requested the Commission to direct the Petitioners to state in response to its motion whether § 56-90 permits the Commission to approve a merger conditionally. The Staff requested that the Commission require Petitioners to supplement the application to detail their plans for obtaining the necessary FCC approval for continuing the cross LATA local calling plan ("LCP") routes currently in service in GTE South's territory. The motion argued that without such approval, GTE South's services in Virginia would be impaired or jeopardized because following the merger it would be affiliated with Bell Atlantic and prohibited from providing interLATA services.

Pursuant to a February 19, 1999, order of the Commission, the Petitioners, AT&T, Sprint and MCIW filed responses to the Staff's Motion. The Petitioners requested that the Commission approve their merger subject to the condition that the ability of GTE customers to be able to make interLATA local calls pursuant to the LCP be preserved, and otherwise to deny the Staff's motion.

AT&T joined the Staff in recommending that the proceeding be suspended until the FCC can act on Bell Atlantic and GTE's request for interLATA relief for GTE South's LCP. AT&T also requested that the Commission not consider undocumented plans for expanded local calling between adjacent exchanges that had earlier been publicly announced by BA-VA and GTE South, or if such plans were to be considered, that Petitioners be required to amend their petition to include details of such plans and provide an opportunity for hearing on the amended petition.

Sprint requested that the Commission dismiss the petition as filed and not start the statutory deadline until Petitioners file a completed petition which addresses the local calling plan, provides evidence to carry their burden of proof, and complies with the Commission guidelines for filing merger applications.[1]

As directed by Commission order, the Staff filed the report of its investigation of the application on February 26, 1999. The report contended that the Petitioners had not met their burden of proof to show that the proposed merger would not impair or jeopardize service to customers of their Virginia subsidiaries, BA-VA and GTE South; therefore, the merger should not be approved as filed. The report described the Staff's efforts to secure information from the Petitioners that would enable it to evaluate whether the proposed merger would jeopardize or impair adequate service at just and reasonable rates. The report indicated that most of Petitioners' responses to the Staff's inquiries were vague and non-specific. Further, the Staff reported that although the

[1] At the conclusion of the hearing, the Commission took the Staff's motion, and all other pending motions, under advisement. This Order renders those motions moot.

Petitioners indicated that their combination was expected to result in $2 billion in expense savings and $.5 billion in capital expense savings, Petitioners were unable or unwilling to disclose the extent to which these savings would be realized in Virginia, or how such cost cutting might affect the adequacy of service provided by BA-VA and GTE South in the Commonwealth. The report advised, however, that information similar to that which was sought by the Staff was presented by another GTE affiliate to the Illinois Commerce Commission.

As did its motion, the Staff report advised that GTE South currently provides optional local calling plans in certain areas that allow for local calling across LATA boundaries. Additionally, as noted earlier, an affiliate of GTE South provides interLATA long distance service in Virginia. Bell Atlantic is, by law, presently prohibited from providing any interLATA services, and thus it is questionable whether GTE South could, following a merger, continue to provide these services.

The report outlined the Staff's concerns about the impact of the merger on the state of competition in Virginia. The Staff disagreed with Petitioners' claim that their combination would be ". . . not competitively significant." The report stated that incumbent local exchange companies maintain a 99.1% market share in Virginia, based upon the number of access lines, and that each such company, including BA-VA and GTE South, retains effectively complete market power. The Staff concluded that the merger would be anti-competitive in Virginia. The elimination of key potential competitors in the combination of Virginia's largest and next largest incumbent carriers ". . . poses a significant threat to the competitive market, the market that will be expected to constrain rates in the future, keeping rates just and reasonable." The report stated that control of about 90% of all access lines in Virginia would fall to Bell Atlantic.

The report noted the Staff's serious concerns about the disparate quality of service currently being provided by BA-VA and GTE South, and the Petitioners announced intentions to combine the "best practices" of each company with regard to service quality provision. The Staff's concern is that the Petitioners had not yet decided which practices were "best," and so the Staff could not be assured that the quality of service would not be adversely affected. A "best" practice from a corporate viewpoint might not be "best" for customers. In any event, Petitioners could not, or did not, disclose their criteria for determining what practices were "best" and would be implemented upon a merger. Thus, the Staff could not find assurance that general service quality would not be impaired.

Although the report concluded that Petitioners had not met their burden of proof, the Staff stated that, if the Commission chose to proceed with the petition without having the Petitioners correct the deficiencies outlined in its report, approval should be subject to a number of conditions designed to address those deficiencies and assure that ". . . quality service at just and reasonable rates not be impaired or jeopardized[.]"

Pursuant to Commission order, responses to the Staff Report were filed on March 8, 1999, by counsel for Petitioners, AT&T, Sprint, and MCIW.

The Petitioners requested the Commission approve the merger and reject all but one of the conditions set forth in the Staff Report. In their legal argument, Petitioners concluded that the remaining conditions recommended by the Staff ". . . fail the relevant statutory standard under Section 56-90 of Virginia's Utility Transfers Act[.]" Petitioners further argued that in the absence of any adverse impact on rates or service that would result from a merger, the Commission must approve the merger without conditions. The Petitioners did support imposition of the condition that the interLATA local calling routes of GTE South be maintained.

Petitioners argued that the appropriate standard for our review of their petition is whether the merger will have an adverse impact only on the rates and services of GTE South, since it is the company whose control is being transferred. According to Petitioners, no conditions whatsoever could legally be imposed on BA-VA, as it is neither acquiring nor disposing of control of any utility assets.

Petitioners contended that the Companies' alternative regulatory plans govern their rates for service and would not be affected by the merger. Under the GTE South plan, earnings are periodically reviewed and refunds of excessive earnings may be ordered.[2] BA-VA's plan, however, caps the price of the company's basic and discretionary services, subject to adjustment as permitted by the plan. BA-VA's earnings are not subject to refund as are those of GTE South. BA-VA suggested that its plan could only be changed in accordance with § 56-235.5 D of the Code, and may not be effectively modified in the context of this Transfers Act case, as it maintains the Staff's recommended conditions would do.

In contrast to the Petitioners' response to the Staff's report, AT&T contended that the proposed merger would have anti-competitive effects in Virginia and that the Staff had correctly concluded that such effects would be in violation of Va. Code § 56-90. AT&T supported the Staff's conclusion that the Petitioners had failed to meet their burden of proof. AT&T contended that additional "market-opening actions" are needed in any proposal to approve this merger, but recommended denial of the Joint Petition because the record would not support its approval, even with conditions. Despite this assertion, AT&T proposed several conditions for our consideration.

MCIW found the Staff's conclusion that the merger will be anti-competitive to be correct but its recommended conditions inadequate to address the problem. MCIW suggested other conditions would foster competition and should be adopted by the Commission as a "second-best alternative" to rejection of the anticompetitive merger.

Like AT&T and MCIW, Sprint recommended the Commission either dismiss or suspend the petition, rather than adopt the Staff-recommended alternative of conditional approval. Sprint agreed with the Staff that the merger would potentially impair or jeopardize adequate service to Virginia customers at just and reasonable rates. Like MCIW, Sprint did not believe the Staff's conditions were an adequate alternative and that the application is legally deficient because it is incomplete. Sprint argued the Petitioners have not met their burden of proof to demonstrate that the merger will not jeopardize service. At a minimum, Sprint said, the Commission should suspend the proceeding until a complete application is filed. Finally, Sprint contested the lawful authority of the Commission to approve a petition with conditions.

On March 4, 1999, the Commission entered an order directing any party that wished to present evidence in the proceeding to file a notice of its desire to do so on or before March 12, 1999. Such notice was to be accompanied with an explanation of the necessity for receipt of testimony in lieu of argument of counsel on the pending issues. The order indicated the Commission's concern that the question before it was whether the petition satisfied the legal requirement for approval under the Code of Virginia.

[2] We note that the GTE South plan permits only refunds and not adjustment of rates for basic services unless the Company files a request for a rate adjustment.

On March 12, 1999, both Sprint and AT&T filed notices of intent to present witnesses. Sprint proposed to call Dr. John Woodbury as its witness, while AT&T indicated a desire to call G. Blaine Darrah III as its witness. Both witnesses were expected to discuss potential adverse economic consequences to Virginia telephone customers upon the approval of the petition.

The Petitioners filed a joint notice stating that the issues were legal in nature and did not intend to present any direct testimony but would reserve the right to put on witnesses, if necessary, to rebut any other testimony that might be received. This joint notice also requested that should any other party be allowed to present evidence that such testimony should be pre-filed and that Petitioners should be allowed to rebut the testimony orally during the hearing. The Commission entered an order on March 15, 1999, directing pre-filing of testimony and Sprint and AT&T submitted their witness' testimonies on March 19, 1999.[3]

The matter came for hearing on March 24, 1999. The Commission heard testimony from a dozen public witnesses and from Dr. Woodbury and Mr. Darrah. The Petitioners called no witnesses. The Petition and the Staff Report were received without cross examination. The Commission heard argument of counsel.

NOW THE COMMISSION, having considered the Petition, the pleadings, the record, the Staff's report and the comments and responses thereto, the Protestant's evidence and argument elicited at hearing, together with the applicable statutes and rules, is of the opinion and finds that the Petition should be disapproved and dismissed without prejudice to Petitioners to refile, as directed below. We are unable to find in the record evidence or information sufficient to enable us to meet the statutory standard of Code § 56-90 that we ". . . be satisfied that adequate service to the public at just and reasonable rates will not be impaired or jeopardized by granting the prayer of the petition[.]" We make no finding that rates or services will be impaired by the merger but simply reiterate that the state of the record prevents our conclusion that adequate service at just and reasonable rates will not be impaired or jeopardized.[4]

We received many letters from citizens and public officials concerning this application, most of which advocated approval of the merger. The authors of these letters, and many of the public witnesses at the hearing, appeared to believe that the merger would bring reduced rates or enhanced services to their areas of the state. We appreciate their hopes and desires. We cannot, however, base our decision only on these presentations. Moreover, while reductions in rates and improvements in service would be beneficial, they are not necessarily required prerequisites to our approval. Rather, our role is to be protective of rates and service quality that should already be in place. Before the Commission can approve a petition for merger it must be "satisfied that adequate service to the public at just and reasonable rates will not be impaired or jeopardized by granting the prayer of the petition[.]"

As we have stated, the record before us does not provide a basis to support the required finding. Petitioners filed an application, unsupported by testimony or economic studies or analysis, which simply declared that its approval would not impair rates or services. Petitioners did not at any time during the proceedings supplement their bare application with testimony or analysis. Their responses to our Staff's inquiries were reported to be unsatisfactory, leading our Staff to conclude that the burden of proof had not been met. In the face of the Staff report, Petitioners still did not come forth to supply evidence or information that would justify our approval of their petition. Petitioners simply have not provided evidence or information sufficient to show how they will assure the continuation of adequate service to the public at just and reasonable rates if they are allowed to combine. The "record," such as it is in support of the petition, consists almost entirely of argument of counsel.

We expect Petitioners to refile their application and will direct the Petitioners, when they do so, to include as a part of their filing the information set out below, which we find necessary for our consideration of the petition. Of course, Petitioners should also submit any other information necessary to support their application:

(1) Petitioners must provide information to the Commission that sets out expected costs and savings attributable to the merger, for both BA-VA and GTE South.[5] Section 56-90 of the Code requires the Commission to be satisfied before ". . . granting the prayer of the petition . . ." that ". . . adequate service to the public at just and reasonable rates will not be impaired or jeopardized[.]" We find that, since both BA-VA and GTE South provide service in Virginia, we must be satisfied that neither BA-VA's, nor GTE South's, ability to provide such service at just and reasonable rates will be impaired or jeopardized. Therefore, we direct the Petitioners to provide the information set out in this paragraph with respect to both BA-VA and GTE South.[6]

(2) We direct Petitioners to provide evidence or information that the current level of service provided to customers in Virginia by BA-VA and by GTE South will be maintained and how the Companies intend to enhance their level of service, if there are any such plans.

---

[3] The day prior to the hearing, AT&T filed a motion that asked that we require Petitioners to identify their witnesses, as Petitioners had refused to agree to do so on the grounds, stated one day earlier, that it had not yet determined who such witnesses might be. We did not rule on this motion prior to the hearing; therefore, Petitioners, could and may have had witnesses available in the courtroom during the hearing standing ready to rebut the testimony of Dr. Woodbury and Mr. Darrah. But, Petitioners did not call any witnesses to rebut this testimony or support their application.

[4] In so stating, however, we reject the Petitioners' theories that their filing shifted the burden of proof to the Staff or others and that their alternative regulatory plans *alone,* or in concert with the Commission's other statutory authority, provide assurance that "adequate service to the public at just and reasonable rates will not be impaired or jeopardized[.]" Irrespective of the plan of regulation of any company, any approval of a transfer of utility assets or control of a telephone company requires evidence or information that meets the standard set out in Code § 56-90. The record here does not meet that standard, though Petitioners were on notice as to whether they had carried their burden of proof and had opportunity to submit evidence right up to, and including the day of, the hearing and did not avail themselves of it.

[5] The Petitioners' filing shall include an analysis that details total projected merger costs and savings at a corporate level, by year, through the time period in which projected net merger-related savings are fully realized. All assumptions used in the Petitioners' costs and savings projections shall be fully explained. The annual projected costs and savings shall be allocated to a Virginia jurisdictional level, and include a separation of competitive and intrastate tariffed services for both BA-VA and GTE South. Detailed support and explanations of all allocations shall also be filed. According to the Staff report, similar information has been presented in at least one other state.

[6] Contrary to Petitioners' contention, the statute does not limit us, in deciding whether to grant the prayer of the petition, to consideration of the effect such action would have only on GTE South. Rather, the statute requires that we consider the effects on both BA-VA and GTE South.

(3) We observe that many citizens appear to have mistakenly believed that the merger would meld the operations of the two companies, perhaps immediately causing their service to become enhanced, or their rates to be reduced, or both. During the hearing, counsel for BA-VA admitted that the Companies could have better explained their intentions to the public. We direct the Petitioners to provide to us and to endeavor to provide to the public a more complete answer to questions such as how long they intend to continue to operate separately; what they believe will happen to rates and services should the merger be approved; and whether any service improvements are planned. The Code requires, and the Companies' customers in Virginia deserve, no less than disclosure of the Petitioners' plans to provide adequate service at just and reasonable rates.

(4) Petitioners must provide to the Commission copies of their filed requests for regulatory approvals from the Federal Communications Commission to permit the continuation of the interLATA local calling routes currently offered by GTE South to its customers in Virginia and to permit the continuation of the interLATA interexchange service currently offered by GTE Communications Corporation, d/b/a GTE Long Distance to its customers in Virginia.

(5) The FCC recently found internet traffic to be interstate in nature. We direct Petitioners to address the impact, if any, of this FCC pronouncement on their proposed merger and the services now offered in Virginia by BA-VA and GTE South.

(6) Finally, Petitioners shall address the effect their proposed merger will have on telecommunications competition in Virginia and how any effect on competition will affect their ability to provide adequate service at just and reasonable rates.

We find that the information and analysis designated above is necessary as part of Petitioners' filing for us to meet our statutory duty, applicable to the transfer of any telephone company or any utility assets, to find that "adequate service to the public at just and reasonable rates will not be impaired or jeopardized by granting the prayer of the petition[.]"

The law requires us to make the above finding, and no other. Transfers of utility assets or control may have powerful potential effects on economic development, regional competitiveness, the plans of others to enter the market, and many other items. These are important effects to be sure, but our consideration of them is at best secondary, and may well be extraneous, to the duty commanded by the Code—to be satisfied that Virginia citizens and businesses will receive quality service at just and reasonable rates. We cannot make that finding on this record.

If the petition is refiled, as we believe will occur, we will endeavor to act expeditiously upon it. We advise the Petitioners, however, that our ability to so act will substantially depend upon their filing complete and accurate information, as directed herein, and their full and cooperative response to interested parties and to our Staff in its efforts to fulfill the investigative obligations placed upon it by such filing.

Accordingly, IT IS ORDERED THAT:

(1) The Petition is disapproved, without prejudice to the Petitioners to refile.

(2) Petitioners shall, upon refiling their application, include the information and analysis set out above.

(3) There being nothing further to come before the Commission, this matter is dismissed and the papers transferred to the file for ended causes.

CASE NO. PUA980033
JUNE 4, 1999

APPLICATION OF
BLUE SPRINGS, INC.

For approval of transfer of assets from Stickley Waterworks, Inc.

ORDER GRANTING APPROVAL

Blue Springs, Inc., ("Blue Springs", the "Company") has filed an application with the Commission under the Utility Transfers Act requesting approval to transfer assets from Stickley Waterworks, Inc., ("Stickley") to Blue Springs.

Stickley Waterworks, Inc., operates a water system that currently provides water to the Rose Hill Community and surrounding areas in Lee County, Virginia (hereinafter referred to as the "Production and Delivery System"). Stickley also owns real estate containing a spring that is the source of water produced and delivered by the Production and Delivery System. Stickley requests approval to sell the Production and Delivery System. Stickley also requests approval to lease the spring and as much of the surrounding area of real estate as is reasonably necessary for the continuation, expansion, diversification, improvement, maintenance, and operation of the Production and Delivery System, as well as that which may be reasonably necessary for expanded uses for the water produced by the spring.

As represented in the agreement, as of January 1, 1998, Stickley Waterworks, Inc., transferred to Blue Springs, Inc., the right of possession and use of the Production and Delivery System. The Company further represents that the Production and Delivery System includes all installed water lines, meters, equipment, machinery, and materials currently used for storage and distribution of water. The Production and Delivery System also includes any equipment or materials used in the maintenance, expansion or repair of the Production and Delivery System. Blue Springs, Inc., purchased from Stickley, the Production and Delivery System and leased as much of the land as was reasonable and necessary for the operation of the Production and Delivery System, including the exclusive use of all water from the spring and future uses, including the production of bottled water.

As agreed by Blue Springs and Stickley in the agreement, Blue Springs, Inc., shall pay Stickley Waterworks, Inc., twenty per cent (20%) of monthly gross receipts from the sale of water from the spring, or a rate of $1.20 per 1,000 gallons of water sold, once meters are installed. Additionally, in

the event Blue Springs, Inc., produces bottled water, or sells water to be bottled for resale, Stickley and Blue Springs agree to negotiate a reasonable rate per gallon or a reasonable sales percentage rate to be paid to Stickley.

THE COMMISSION, upon consideration of the application and representations of the Company and having been advised by its Staff, is of the opinion and finds that the above-described transfer of utility assets will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Blue Springs, Inc., is hereby granted approval for the transfer of assets from Stickley Waterworks, Inc., to Blue Springs, Inc., under the terms and conditions as described herein.

2) The approval granted herein shall in no way be deemed to include the recovery of any costs or charges in connection with the approval granted herein for ratemaking purposes, including payments made to Stickley Waterworks, Inc., for the sale of water.

3) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA980035
JANUARY 19, 1999

APPLICATION OF
ROANOKE GAS COMPANY
and
COMMONWEALTH PUBLIC SERVICE CORPORATION

For approval of transactions under Chapters 4 and 5 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On October 21, 1999, Roanoke Gas Company ("Roanoke" and Commonwealth Public Service Corporation ("Commonwealth"), collectively referred to as "the Applicants," filed an application with the Commission under the Public Utilities Affiliates Act and the Utility Transfers Act. In the application, the Applicants request approval to enter into certain transactions with their affiliates in order to effect their merger, the reorganization of their corporate structure, and the creation of a holding company.

Roanoke Gas Company is a Virginia public service company that provides retail distribution and sale of natural gas to approximately 48,600 customers in Roanoke, Virginia, and surrounding areas in Virginia. Bluefield Gas Company ("Bluefield") is a West Virginia public service company and is a wholly owned subsidiary of Roanoke. Bluefield provides natural gas service to approximately 4,100 customers in and around Bluefield, West Virginia. Bluefield owns all of the issued and outstanding stock of Commonwealth Public Service Corporation, a Virginia public service company that provides natural gas service to approximately 925 customers in Bluefield, Virginia, and surrounding areas in Virginia.

As described in the application, Roanoke owns 100% of the outstanding common stock of Diversified Energy Company ("Diversified"), a Virginia corporation that is not a public utility. Diversified is headquartered in Roanoke, Virginia, and sells propane and propane related products. Diversified serves approximately 10,500 active propane accounts in southwestern Virginia and southern West Virginia.

Roanoke currently provides managerial and other services, labor, and goods to Bluefield and Diversified under agreements approved by the Commission in Case No. PUA860077 and approved by the West Virginia Commission.

RGC Resources, Inc. ("Resources"), a Virginia corporation, was incorporated on July 31, 1998, for the purpose of accomplishing the proposed merger and reorganization. Resources owns all of the outstanding common stock of RGC Acquisition Corp. ("Acquisition"), a Virginia corporation formed on August 12, 1998, also for the purpose of accomplishing the proposed merger and reorganization. Neither Resources nor Acquisition owns any utility assets or engages in any business.

In the application filed by Roanoke and Commonwealth, authority is requested for certain transactions under Chapters 4 and 5 of the Code of Virginia in order to effect a merger with its affiliates and to reorganize the corporate structure and create a holding company. Authority also is requested to enter into certain affiliate agreements for the provision of certain services.

Merger and Restructuring

As stated in the application, Roanoke and Commonwealth, together with Bluefield, Diversified, Resources, and Acquisition, intend to accomplish the proposed merger and reorganization by entering into an Agreement and Plan of Merger and Reorganization whereby (1) Roanoke will be merged into Acquisition, with Roanoke as the surviving corporation; (2) the common stock of Acquisition owned by Resources will be converted into the new common stock of Roanoke; (3) the outstanding shares of Roanoke common stock will be converted into the right to receive, on a one-for-one basis, shares of Resources common stock on the merger effective date; (4) Bluefield, by means of a non-cash dividend, will transfer to Roanoke all of the outstanding common stock of Commonwealth; (5) Roanoke, by means of a non-cash dividend, will transfer to Resources all of the outstanding common stock of Bluefield and Diversified; and (6) Commonwealth will be merged into Roanoke Gas Company. Following the proposed merger and reorganization, Roanoke, Bluefield, and Diversified will each be wholly owned subsidiaries of Resources, and all of the outstanding common stock of Resources will be owned by the former Roanoke Gas Company shareholders.

According to information contained in the application, Roanoke and Resources have applied to the Securities and Exchange Commission (the "SEC") for necessary approvals under Section 10 of the Public Utility Holding Company Act of 1935 ("PUHCA"). Pursuant to 17 C.F.R. § 250.2 under

PUHCA, Resources intends, upon consummation of the merger and reorganization, to file a claim of exemption as a holding company under Section 3(a)(1) of PUHCA, on the basis that Resources and every public utility subsidiary thereof from which Resources derives, directly or indirectly, any material part of its income are predominantly intrastate in character and carry on their business in Virginia, the state in which Resources and every such material subsidiary are organized. The attached exhibit shows the proposed merger and reorganization with the present structure, proposed reorganization, and final configuration.

Affiliate Agreement between RGC Resources, Inc., and Roanoke Gas Company

The Affiliate Agreement between RGC Resources, Inc., and Roanoke Gas Company ("the Resources-Roanoke Agreement") will cover executive, administrative, accounting, public relations, information systems, data processing services, and other services provided by Roanoke to Resources. Expenses of Resources incurred by it on behalf of Roanoke will be assigned to Roanoke and recorded in accounting records of Roanoke. Expenses of Roanoke incurred by it on behalf of Resources will be assigned to Resources and recorded in Resources' accounting records. Roanoke will pay dividends to Resources based on the dividend policy and capital structure targets set by the Board of Directors of Roanoke. Either party may terminate the agreement with a sixty-day notice to the other party.

Affiliate Agreement between Roanoke Gas Company and Bluefield Gas Company

The Affiliate Agreement between Roanoke Gas Company and Bluefield Gas Company ("the Roanoke-Bluefield Agreement") will cover executive, administrative, accounting, public relations, information systems, data processing services, and other operational services provided by Roanoke to Bluefield and administrative and operational services provided by Bluefield to Roanoke. Expenses incurred by Roanoke on behalf of Bluefield that are identifiable as directly assignable to Bluefield will be directly assigned to Bluefield in the accounting records of Roanoke and Bluefield. Expenses incurred by Bluefield on behalf of Roanoke that are identifiable as directly assignable to Roanoke will be directly assigned to Roanoke. Expenses incurred by Roanoke on behalf of Bluefield that are not identifiable as directly assigned will be allocated to Bluefield according to the schedule of cost allocations filed with the application. Expenses incurred by Bluefield on behalf of Roanoke that are not identifiable as directly assigned will be allocated to Roanoke according to the same schedule of cost allocations previously mentioned. Either party may terminate the agreement with a sixty-day notice to the other party.

Affiliate Agreement between Roanoke Gas Company and Diversified Energy Company

The Affiliate Agreement between Roanoke Gas Company and Diversified Energy Company ("the Roanoke-Diversified Agreement") will cover executive, administrative, accounting, public relations, information systems, data processing services, and other operational services provided by Roanoke to Diversified; and administrative and operational services provided by Diversified to Roanoke. Expenses incurred by Roanoke on behalf of Diversified that are identifiable as directly assignable to Diversified will be directly assigned to Diversified in the accounting records of Roanoke and Diversified. Expenses incurred by Diversified on behalf of Roanoke that are identifiable as directly assignable to Roanoke will be directly assigned to Roanoke in the accounting records of Roanoke and Diversified. Expenses incurred by Roanoke on behalf of Diversified that are not identifiable as directly assigned will be allocated to Diversified in accordance with the schedule of allocations filed with the application. Expenses incurred by Diversified on behalf of Roanoke that are not identifiable as directly assigned will be allocated to Roanoke in accordance with the same allocations schedule previously mentioned. Either party may terminate the agreement with a sixty-day notice.

In support of the restructuring, the Applicants state that the proposed restructuring will be in the public interest because it will create a structure that can more effectively address the increased competition in the energy industry, refocus various utility activities, facilitate selective diversification into non-utility businesses, afford further separation between the utility and non-utility businesses, and provide for flexibility for financing. The two primary reasons given in the application for restructuring are to better position Roanoke to deal effectively with the competitive environment developing within the energy industry and to best deploy shareholders' capital both inside and outside of the utility industry. The application further states that the objectives can most effectively be accomplished through the restructuring. The restructuring provides the necessary flexibility required to meet competitive challenges and to diversify while further insulating the utility business from the risks of the non-utility businesses by segregating the non-utility businesses into separate corporations that will be direct subsidiaries of the holding company and not of Roanoke.

It is further stated in the application that because non-utility businesses of the holding company will be conducted through separate subsidiaries, any liabilities incurred by those subsidiaries will not constitute liabilities of the utility subsidiaries. As stated in the application, the corporate separation also insures that all costs of a particular non-utility subsidiary will be charged to that subsidiary and not allocated to any utility subsidiary.

As indicated in the Transaction Summary filed with the application, Roanoke and Commonwealth represent that adequate service to the public at just and reasonable rates will not be impaired or jeopardized by the proposed merger and reorganization. Customers of Roanoke and Commonwealth will see no change as a result of the proposed transfer of control. The rates of Commonwealth will be combined with the rates of Roanoke during the next Roanoke Gas Company rate case. Commonwealth and Roanoke further represent that the direct benefits to customers of the proposed merger and restructuring will be the result of economies of scale through the elimination of separate rate filings, separate Actual Cost Adjustment ("ACA") and Purchased Gas Adjustment ("PGA") filings, separate Annual Information Filings, and improved gas purchasing power for the combined companies. As further stated in the Transaction Summary, there will be no immediate impact on rates and service, capital structure (except for the simple merger of Roanoke and Commonwealth) or access to capital and financial markets. It is further stated that in future rate cases, the restructuring will afford continuing use of economies of scale and increased financial flexibility that should result in lower rates and better service. Likewise, there should be no immediate impacts on employee levels, facilities and other interests of the Commonwealth of Virginia. However, as indicated by the Applicants, in the long-term, the public interest will be served by permitting a strengthened public utility to serve customers and by separating non-utility businesses and permitting them increased flexibility.

Concerning the public interest aspect of the affiliate agreements, it is stated in the application that all of the affiliate agreements discussed above allow for economies of scale in the operation through shared management and centralized facilities; therefore, they are in the public interest both in the aggregate and individually. Given the nature of the services provided within the scope of the proposed affiliate agreements, each affiliate will be providing and purchasing services from its affiliate at cost. No profit other than return on assets used will be included in cost. No services will be provided that are not already being provided under previously existing affiliate agreements. In the Transaction Summary filed with the application, it is represented that the regulated company as a result of the proposed affiliate agreements will subsidize no unregulated affiliate.

THE COMMISSION, upon consideration of the application and representation of the Applicants and having been advised by its Staff, is of the opinion and finds that the proposed merger and reorganization of the corporate structure of Roanoke and its affiliates and the creation of the holding company, RGC Resources, Inc., would neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates by Roanoke and Commonwealth and therefore should be approved.

The Commission is of the further opinion and finds that the affiliate agreements proposed by the Applicants are in the public interest and should be approved. However, the agreements contain a category of "other" services. The Commission finds that its approval should be only for specific categories of services described in each of the agreements and should not include categories described as "other." In addition, the Commission notes that, in the Resources-Roanoke Agreement, there is no provision as to how charges to Resources will be allocated to the benefiting subsidiaries, such as Roanoke. Therefore, within sixty days after the date of this order, Roanoke should file an application for approval of a proposed procedure for allocating such charges.

Furthermore, even though the majority of services provided under the agreements would be appropriately priced at cost, certain services included in the Roanoke-Diversified Agreement should be priced at the higher of cost or market. Some services contained in the Roanoke-Diversified Agreement could conceivably be obtained from outside third parties and, therefore, a market and a market price would exist. Such services include customer billing services, credit and collection services, and applications programming support services. For these services and any others for which there might be market from which Diversified could purchase such services, Roanoke should ascertain whether there is a market from which Diversified could purchase such services. If so, Roanoke should compare such market prices to its cost of providing services and charge Diversified the higher of the cost of obtaining services from an outside party (the market) or Roanoke's cost. This also would be the case in the Resources-Roanoke Agreement for services benefiting Diversified exclusively and for which a market exists. Roanoke should bear the burden, in any rate proceeding, to show that for any services provided to or for the benefit of Diversified, for which there is a market price for such services, Roanoke recovered the higher of cost or market. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Roanoke Gas Company and Commonwealth Public Service Corporation are granted approval of the proposed merger and reorganization of their corporate structure, to include a holding company structure which would result in Commonwealth merging into Roanoke and ceasing to exist and RGC Resources, Inc., as the resulting holding company as described herein.

2) Pursuant to § 56-77 of the Code of Virginia, Roanoke Gas Company is granted approval to enter into the affiliate agreements under the terms and conditions and for the purposes as described herein, subject to certain modifications.

3) The approval granted herein shall include specific categories of services described herein and shall not include any categories labeled as "other."

4) Relative to the Roanoke-Diversified Agreement, certain services such as customer billing services, credit and collection services, and applications programming support services and any other services for which a market might exist, Roanoke shall ascertain whether there is a market from which Diversified could purchase such services. If so, Roanoke shall compare such market prices to its cost of providing services and charge Diversified the higher of the cost for obtaining services from an outside party (the market) or Roanoke's cost.

5) Relative to the Resources-Roanoke Agreement, for any services benefiting Diversified, and for which there is a market, such pricing shall be at the higher of cost or market.

6) Roanoke Gas Company shall bear the burden, in any future rate proceeding, to show that for any services provided to or for the benefit of Diversified, for which there was a market at the time the service was provided and therefore a market price for such services, Roanoke recovered the higher of cost or market.

7) Should there be any changes in the terms and conditions of the affiliate agreements from those contained herein, Commission approval shall be required for such changes.

8) The approvals granted herein pursuant to § 56-77 of the Code of Virginia shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

9) The approvals granted herein shall have no ratemaking implications.

10) The Annual Information Filing requirements will remain the same for Roanoke and Commonwealth until Roanoke files a rate case reflecting the merger as approved by the Commission.

11) The Commission reserves the right, pursuant to § 56-79 of the Code of Virginia, to examine the books and records of any affiliate of Roanoke Gas Company in connection with the approvals granted herein pursuant to § 56-77 of the Code of Virginia whether or not such affiliate is regulated by the Commission.

12) Within sixty days from the date of this Order, Roanoke shall file an application with the Commission for approval of an amendment to the Resources-Roanoke Agreement to include a provision for allocating charges back to subsidiaries.

13) The Applicants shall file a report of the action taken pursuant to the approval granted herein under the Utility Transfers Act with the Commission by no later than April 30, 1999, subject to extension by the Director of Public Utility Accounting of the Commission. Such report shall include the date the merger and reorganization were consummated, the total number of shares of stock converted and the price per share following the merger, and a final organization chart showing the actual post-reorganization structure.

14) Roanoke shall file a report with the Director of Public Utility Accounting of the Commission on or before May 1 of each year, the first of which shall be due on or before May 1, 1999, subject to extension by the Director of Public Utility Accounting of the Commission. Such

report shall show services provided to and by Roanoke and charges for such services for the preceding calendar year. The report shall include all transactions with affiliates, and this requirement shall supersede all affiliate reporting requirements previously ordered.

15) This matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA980035
JUNE 7, 1999

APPLICATION OF
ROANOKE GAS COMPANY
and
COMMONWEALTH PUBLIC SERVICE CORPORATION

For approval of transactions under Chapters 4 and 5 of Title 56 of the Code of Virginia

AMENDING ORDER

In Commission Order dated January 19, 1999, the Commission granted approval for a proposed merger and reorganization of the corporate structure of Roanoke Gas Company ("Roanoke Gas", "Roanoke") and Commonwealth Public Service Corporation. The approval also included several affiliate service agreements.

One of such agreements was between RGC Resources, Inc. ("Resources"), the proposed holding company and Roanoke. In the agreement, there was no specified provision for allocating charges incurred by Resources back to the subsidiaries, including Roanoke. The Commission's January 19 Order, therefore, required Roanoke to file, within sixty days of the Commission's Order in this case, an application for approval of an amendment to the agreement between Resources and Roanoke Gas (the "Resources-Roanoke Agreement") to include a provision for allocating charges back to the subsidiaries of Resources. Roanoke Gas filed the required application on March 16, 1999.

In the application filed by Roanoke Gas to amend the Resources-Roanoke Agreement, expenses incurred by Resources on behalf of Resources' subsidiaries, which are not identifiable as directly assignable to any of the subsidiaries and corporate governance, capital acquisition, external reporting, investor relations, and stock listing costs of Resources will be allocated to subsidiaries and recorded in their accounting records according to a schedule of allocations.

THE COMMISSION, upon consideration of the proposed amendment and representations by Roanoke Gas and having been advised by it Staff, is of the opinion and finds that the proposed allocation procedures are consistent with those approved in the Commission's January 19, 1999 Order. Therefore, the proposed amendment to the Resources-Roanoke Agreement is in the public interest and, therefore, should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Roanoke Gas Company is hereby granted approval for the amended Resources-Roanoke Agreement to include allocation procedures for allocating charges back to the subsidiaries of Resources as directed in ordering paragraph (12) of the Commission's January 19, 1999 Order.

2) All other provisions of the Commission's January 19, 1999 Order shall remain in full force and effect.

CASE NO. PUA980037
JANUARY 28, 1999

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of affiliate transactions with Virginia Power Services Energy Corp., Inc.

ORDER GRANTING APPROVAL

On October 30, 1998, Virginia Electric and Power Company ("Virginia Power, " "the Company," "the Applicant") filed an application with the Commission under the Public Utilities Affiliates Act requesting approval of affiliate transactions with Virginia Power Services Energy Corp., Inc. ("VPSE"). As stated in the application, VPSE is a general business corporation organized under the laws of the Commonwealth of Virginia. Virginia Power Services, Inc. ("VPS") is the sole shareholder of VPSE. As indicated in application, VPSE's primary business will be to manage fuel-related activities of Virginia Power. These fuel-related activities include the purchase, sale, storage, and transportation of natural gas, gasoline, oil, and diesel fuel (collectively referred to as "Fuel") for Virginia Power's benefit and to provide Virginia Power with associated risk management services ("VPSE Services"). As indicated in the application, VPSE will provide the VPSE Services to Virginia Power pursuant to an Agreement.

In the application, Virginia Power requests approval to enter into an Agreement with VPSE for the provision of VPSE Services to Virginia Power. As indicated by Virginia Power, Virginia Power Energy Marketing, Inc. ("VPEM") will serve as VPSE's agent for performance of the VPSE Services pursuant to the Fuel Agency and Service Agreement between Virginia Power Services Energy Corp., Inc., and Virginia Power Energy Marketing, Inc. ("Agency Service Agreement"). The Agreement provides that Virginia Power will transfer to VPSE contracts to store natural gas in states other than Virginia and contracts to transport Fuel to facilities owned or operated by Virginia Power or to which Virginia Power is obligated to provide Fuel. Virginia Power provided a list of contracts to be transferred with its application. Virginia Power also will transfer natural gas and oil owned by Virginia Power ("the

Energy Assets") to VPSE. A list of such assets as of September 30, 1998, also was provided with the application. VPSE also will deliver Fuel to Virginia Power upon request. Title shall transfer from VPSE to Virginia Power upon delivery. As part of the Agreement, Virginia Power will make available to VPSE oil storage facilities and will operate and maintain those facilities to accommodate the provision of the VPSE Services. The Agreement may be terminated with ninety days' written notice.

As stated by Virginia Power, the Company will continue to enter into fuel related arrangements following the filing of the application. Therefore, the Agreement provides that Virginia Power will transfer to VPSE contracts in addition to the contracts listed in the attachment filed with the application. Virginia Power will transfer to VPSE various contracts entered into by Virginia Power during the time period between the filing of this application and a reasonable time after approval by the Commission. Similarly, the Energy Assets to be transferred by Virginia Power to VPSE will vary from the list provided as a result of Virginia Power's acquisition and use of natural gas and oil after September 30, 1998.

The Agreement also provides that, upon request of VPSE, Virginia Power may guarantee the full and prompt payment of any amounts payable to a third party from VPSE arising out of a contract entered into between the third party and VPSE or arising out of any contract assigned to VPSE by Virginia Power.

Under the Agreement, VPSE will provide the VPSE Services, through its agent VPEM, for Virginia Power. Virginia Power will pay VPSE an amount equal to the actual costs VPSE incurs on behalf of Virginia Power including commodity costs, service charges, storage and transportation costs, and any other costs. The transfer of contracts will be at no cost, and the transfer of the Energy Assets will be at book value.

As represented by Virginia Power, the reason for the proposed arrangement is for tax purposes. As indicated in the application, a major portion of the Company's natural gas inventory is stored in locations outside of Virginia. The transfer of out-of-state storage, and the transportation rights associated with transporting such natural gas in storage from Virginia Power to VPSE is part of Virginia Power's effort to segregate the Company's out-of-state activities from its state activities. The Company represents that by transferring out-of-state activities from Virginia Power to VPSE, Virginia Power will avoid having its taxable income subject to state income taxes as a result of those out-of-state activities. To the extent such activities create nexus in states other than Virginia, North Carolina, and West Virginia, VPSE will be subject to state income taxes at a much lesser amount because Virginia Power's taxable income will not be used to compute the state tax amount. The Company states the requested approval is in the public interest because the provision of the VPSE Services through a separate subsidiary will permit Virginia Power to avoid establishing nexus and income tax liability in states other than Virginia, West Virginia, and North Carolina. The Company further represents that no additional or unnecessary costs will be imposed on Virginia Power's electric customers.

THE COMMISSION, upon consideration of the application and representations of the Applicant and having been advised by its Staff, is of the opinion and finds that the above-described Agreement with Virginia Power Services Energy Corp., Inc., is in the public interest and should be approved subject to certain limitations as to Virginia Power's guarantee of obligations. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Virginia Electric and Power Company is hereby granted approval of the Agreement with Virginia Power Services Energy Corp., Inc., under the terms and conditions and for the purposes as described herein.

2) The authority to guarantee the full and prompt payment to third parties shall be limited to obligations incurred on behalf of Virginia Power and shall not apply to obligations incurred for VPSE, VPEM or VPS to make off-system sales.

3) The Applicant shall file monthly financial statements of Virginia Power Services Energy Corp., Inc., with the Commission's Director of Public Utility Accounting.

4) Should any terms and conditions of the Agreement change from those contained in the Agreement approved herein, Commission approval shall be required for such changes.

5) The approval granted herein shall have no ratemaking implications.

6) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

7) The Commission reserves the right, pursuant to § 56-79 of the Code of Virginia, to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission.

8) The Applicant shall bear the burden, during any future rate proceeding or earnings test filing as agreed to per stipulation in Case No. PUE980296, to show that, in connection with the contracts transferred to VPSE as approved herein, any releases of capacity and off-system sales to the market or any contracts transferred to third parties resulted in reduced costs to Virginia Power. Virginia Power must be able to identify such cost reductions and show how they were determined.

9) The Applicant shall file with the Commission a final list of contracts and Energy Assets transferred to VPSE pursuant to the approval granted herein within thirty days of completion of such list.

10) The Agreement approved herein shall be included in the Applicant's Annual Report of Affiliate Transactions filed with the Commission's Director of Public Utility Accounting.

11) This matter shall be continued generally subject to the continued review, audit, and appropriate directive of the Commission.

CASE NO. PUA980037
JULY 28, 1999

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of affiliate transactions with Virginia Power Services Energy, Inc.

ORDER CLARIFYING AUTHORIZATION GRANTED IN JANUARY 28, 1999, ORDER

In a May 17, 1999, filing, the City of Richmond ("the City") requests the Commission to determine whether Virginia Electric and Power Company ("Virginia Power" or "the Company") is authorized to transfer the service agreement between the City and Virginia Power ("the Agreement") to Virginia Power Services Energy, Inc. ("VPSE"), under the terms of the Commission's January 28, 1999, Order Granting Approval in the above-captioned proceeding.[1] By Order entered on May 27, 1999, the Commission directed Virginia Power to respond to that issue, to state whether it is assigning its contract with the City for the purpose set out in its application, and to explain how the proposed transfer meets the stated purpose of the application.

On June 9, 1999, Virginia Power filed its Response. In that Response, the Company states that the proposed transfer of the contract meets the purpose of its application since the purpose is to establish VPSE to manage all of Virginia Power's fuel related activities.[2] While Virginia Power acknowledges that the primary purpose of the application is to avoid state income tax on out-of-state activities, the Company maintains that the secondary purpose of the application is to transfer contracts that relate to the delivery of fuel to in-state generating facilities and to consolidate applicable fuel activities in VPSE. In its Response, Virginia Power also requests that the Commission defer a decision on the matter and direct the parties and the Commission Staff to meet in person to discuss the issues raised in its pleading.

On June 11, 1999, the City filed a Reply to Virginia Power's Response. In its Reply, the City takes issue with Virginia Power's statement regarding the secondary purpose of the application and states that it can find no mention of such purpose in the Company's application, the supporting documents, or in the Commission's own analysis of the matter. The City also questions the Company's statement that it is Virginia Power's intention to divest itself completely of all fuel operations and believes that the responsibility for in-state storage and transportation remains with Virginia Power. The City renews its request that the Commission determine whether the transfer of the City contract is authorized by the Commission's January 28, 1999, Order Granting Approval.

On July 26, 1999, the City filed a Supplemental Reply in this matter.

NOW THE COMMISSION, having considered the matter, is of the opinion that the transfer of Virginia Power's contract with the City to VPSE is covered by our Order of January 28, 1999. Our Order refers to a list of contracts to be transferred pursuant to the Agreement, and the contract in question is on that list.

While the above-referenced Order contemplates the granting of such authorization, we will not address the issue of what is required for consent and assignment of that contract. The two parties entered into that contract voluntarily, and the consent and assignment provisions of such contract are not issues for us to address.

Accordingly, IT IS ORDERED THAT this matter shall be continued generally subject to the continued review, audit, and appropriate directive of the Commission.

---

[1] That Order approved the Agreement between Virginia Power and VPSE for the provision of the services of VPSE to Virginia Power "under the terms and conditions and for the purposes as described herein." The terms and conditions and purposes described in that Order relate to statements in the Company's application and provisions of the Agreement attached to Virginia Power's application. Pursuant to the Agreement, Virginia Power is authorized to transfer certain contracts and assets to VPSE. One of the contracts that Virginia Power proposes to transfer is a service agreement with the City relating to the firm transportation of natural gas within the City's boundaries.

[2] Virginia Power relies on the following statement on page 1 of its application to support this position:

> VPSE's primary business will be to manage Virginia Power's fuel related activities, including the purchase, sale, storage, and/or transportation of natural gas, oil, gasoline and diesel fuel (collectively, "Fuel") for the benefit of Virginia Power and to provide Virginia Power with associated risk management services. . . .

CASE NO. PUA980038
JANUARY 28, 1999

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of affiliate transactions with Virginia Power Energy Marketing, Inc.

ORDER GRANTING APPROVAL

On October 30, 1998, Virginia Electric and Power Company ("Virginia Power," "the Company," "the Applicant") filed an application with the Commission under the Public Utilities Affiliates Act requesting approval of affiliate transactions with Virginia Power Energy Marketing, Inc. ("VPEM,"). As stated in the application, VPEM is a general business corporation organized under the laws of the Commonwealth of Virginia. Virginia Power Services,

Inc. ("VPS") is the sole shareholder of VPEM. As indicated in the application, VPEM is being utilized to segregate various fuel related activities of Virginia Electric and Power Company into a separate corporate entity. VPEM's activities (the "Fuel Services") will include providing fuel related services. VPEM will perform such activities as agent for VPSE pursuant to the Fuel Agency and Service Agreement between Virginia Power Services Energy Corp., Inc., and Virginia Power Energy Marketing, Inc. In particular, VPSE will use VPEM as its agent to manage Virginia Power's fuel related activities.

In its application, Virginia Power proposes to enter into a Transfer Agreement with VPEM. The Transfer Agreement provides that Virginia Power will assign to VPEM all contracts listed in an attachment to the application at no cost and will transfer certain natural gas and oil inventory ("the Energy Assets") owned by Virginia Power to VPEM at book value. A list of the Energy Assets as of September 30, 1998, is provided as an attachment to the application as well. Virginia Power will continue to enter into fuel related arrangements following the filing of the application.

Under the Transfer Agreement, VPEM will assume all rights and obligations of Virginia Power under the contracts. The Transfer Agreement also provides that, upon request of VPEM, Virginia Power shall guarantee performance by VPEM of its obligations under the contracts.

In its application, Virginia Power also requests authority to guarantee, as Virginia Power deems necessary, the performance by VPEM of obligations under other contracts entered into by VPEM.

As discussed in the application, the segregation of fuel activities will allow Virginia Power to avoid establishing nexus and income tax liability in states other than Virginia, North Carolina, and West Virginia. No additional costs will be imposed on Virginia's electric customers

As stated by Virginia Power, the Company will continue to enter into fuel related arrangements following the filing of the application. Therefore, the Agreement provides that Virginia Power will transfer to VPEM contracts in addition to the contracts listed in the attachment filed with the application. Virginia Power will transfer to VPEM various contracts entered into by Virginia Power during the time period between the filing of this application and a reasonable time after approval by the Commission. Similarly, the Energy Assets to be transferred by Virginia Power to VPEM will vary from the list provided as a result of Virginia Power's acquisition and use of natural gas and oil after September 30, 1998.

THE COMMISSION, upon consideration of the application and representations of the Applicant and having been advised by its Staff, is of the opinion and finds that the above-described Transfer Agreement with Virginia Power Energy Marketing, Inc., and Virginia Power's guarantee, as necessary, of VPEM's performance of various contractual obligations are in the public interest and should be approved subject to certain limitations as to Virginia Power's guarantees. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Virginia Electric and Power Company is hereby granted approval of the Transfer Agreement with Virginia Power Energy Marketing, Inc., under the terms and conditions and for the purposes as described herein.

2) The authority granted to guarantee the full and prompt payment to third parties shall be limited to obligations incurred on behalf of Virginia Power and shall not apply to obligations incurred for VPSE, VPEM, or VPS to make off-system sales.

3) Pursuant to § 56-77 of the Code of Virginia, Virginia Electric and Power Company is granted approval to guarantee, as necessary, Virginia Power Energy Marketing, Inc.'s performance by VPEM of various contractual obligations.

4) The Applicant shall file monthly financial statements of Virginia Power Energy Marketing, Inc., with the Commission's Director of Public Utility Accounting.

5) The approval granted herein shall have no ratemaking implications.

6) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

7) The Commission reserves the right, pursuant to § 56-79 of the Code of Virginia, to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission.

8) The Applicant shall bear the burden, during any future earnings test filing as per stipulation approved in PUE960296 or rate proceeding, to show that, in connection with the contracts transferred to VPEM as approved herein, any releases of capacity and off-system sales to the market or any contracts transferred to third parties resulted in reduced costs to Virginia Power. Virginia Power must be able to identify such cost reductions and show how they were determined.

9) The Applicant shall file with the Commission a final list of contracts and Energy Assets transferred to VPEM pursuant to the approval granted herein within thirty days of completion of such list.

10) The Transfer Agreement approved herein shall be included in the Applicant's Annual Report of Affiliate Transactions filed with the Commission's Director of Public Utility Accounting.

11) This matter shall be continued generally subject to the continued review, audit, and appropriate directive of the Commission.

CASE NO. PUA980038
FEBRUARY 11, 1999

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of affiliate transactions with Virginia Power Energy Marketing, Inc.

ORDER GRANTING RECONSIDERATION

On October 30, 1998, Virginia Electric and Power Company ("Virginia Power," "the Company") filed an application with the Commission under the Public Utilities Affiliates Act requesting, among other things, authority to guarantee the performance by Virginia Power Energy Marketing, Inc. ("VPEM"), of obligations under certain contracts entered into by VPEM. In the application, the Company requested this approval with no specific limitation on the monetary amount or on the time frame for such guarantees.

The Commission issued an Order Granting Approval on January 28, 1999, wherein it limited the ability of Virginia Power to guarantee the obligations of VPEM to those obligations incurred on behalf of Virginia Power and specifically prohibited the guarantees from applying to obligations incurred for off-system sales.

On February 8, 1999, the Company, by Counsel, filed a Petition for Reconsideration requesting that the Commission allow an 18-month transition period in which Virginia Power would be able to guarantee obligations of VPEM in making off-system sales. In its petition, the Company also proposed limiting the amount of such guarantees to $50 million at any one time and proposed that any guarantee that is required to be "made good" by Virginia Power be exclusively for the account of the Company's stockholders and not be detrimental to ratepayers.

THE COMMISSION, upon consideration of the Company's petition and our Order issued on January 28, 1999, is of the opinion and finds that the company's petition for reconsideration should be granted and that the relief requested should be granted under the conditions outlined below. Accordingly,

IT IS ORDERED THAT:

1) Virginia Power is hereby authorized to guarantee the obligations of VPEM related to off-system sales for the period ending 18 months from the date of this order.

2) The guarantees authorized herein shall be limited to $50 million at any one time.

3) The amount of payment, in the aggregate, Virginia Power is authorized to make as guarantor on VPEM's obligations incurred for off-system sales is limited to $50 million.

4) Should Virginia Power be required to make any payment as guarantor on any obligation of VPEM, the Company shall notify the Commission's Director of Public Utility Accounting within 10 days of such event.

5) Any payment made by Virginia Power as guarantor on VPEM's obligations related to off-system sales shall be allocated to the Company's stockholders.

6) All other provisions of the Commission's January 28, 1999, Order shall remain in full force and effect.

CASE NO. PUA980039
JANUARY 28, 1999

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of affiliate transactions with Virginia Power Services, Inc.

ORDER GRANTING APPROVAL

On October 30, 1998, Virginia Electric and Power Company ("Virginia Power," "the Company," "the Applicant") filed an application with the Commission under the Public Utilities Affiliates Act requesting approval of affiliate transactions with Virginia Power Services, Inc. As stated in the application, Virginia Power Services, Inc. ("VPS") is a general business corporation organized under the laws of the Commonwealth of Virginia and is a wholly owned subsidiary of Virginia Electric and Power Company ("Virginia Power," "the Company"). VPS was created to facilitate the efficient utilization of Virginia Power resources to provide unregulated services to third parties while segregating that activity from the Company's traditional utility operations. Virginia Power and VPS have entered into an Affiliate Services Agreement ("the Services Agreement") approved by the Commission in Case No. PUA970007. The Services Agreement contains a list of services to be provided by Virginia Power to VPS for the benefit of VPS and some or all VPS Subsidiaries. It has since been determined that it would be beneficial for Virginia Power to be able to provide additional services.

In its application, Virginia Power requests approval to amend the Services Agreement to include the following additional services: engineering and design, project management, and business development. These services will be provided by Virginia Power to VPS for the benefit of VPS and all or some of its subsidiaries. Virginia Power proposes to add two new subsidiaries, Virginia Power Services Energy Corp., Inc. ("VPSE") and Virginia Power Energy Marketing, Inc. ("VPEM"). In addition to the services already approved by the Commission, Virginia Power proposes to add a number of Fuel

Support Services to be provided by Virginia Power through VPS to VPEM. Services to be provided by Virginia Power through VPS to VPSE will be limited to those services currently approved by the Commission.

As stated in the application, VPS Subsidiaries will require funding through VPS to be viable businesses. Virginia Power requests approval to provide funding to VPS in two forms to support different funding needs of VPS subsidiaries. To provide long-term capital, Virginia Power requests the authority to invest up to $60 million in equity capital in VPS over the next four years as needed by VPS. To meet short-term needs, Virginia Power requests approval of an Inter-Company Credit Agreement to provide loans to VPS totaling no more than $200 million at rates that, at a minimum, cover Virginia Power's costs of making the loans and therefore, will impose no cost on its electric customers.

In its application, VPS also seeks approval for additional services to be provided between Virginia Power and Virginia Power Nuclear Services Company ("VPN"), a subsidiary of VPS, currently governed by the approved Services Agreement. Virginia Power has entered into a licensing agreement with the National Aeronautics and Space Administration ("NASA") to assist in the commercialization of several technologies. Under the agreement, VPN will work with NASA to assist in the commercialization of several technologies, grant sublicenses to interested companies, and assist these companies in product development and marketing. VPN and Virginia Power require services not included in the approved Services Agreement to be provided to each other through VPS to make this and other potential joint ventures successful.

The Company states that the approvals requested in this application are in the public interest for the following reasons:

1) The Fuel Support Services and funding sources will ensure the viability of newly created VPS Subsidiaries. Their viability is necessary for Virginia Power to avoid establishing income tax liability in states other than Virginia, North Carolina, and West Virginia, and to engage successfully in other chosen activities.

2) No additional or unnecessary costs will be imposed on Virginia Power's electric customers.

3) The investments in VPS are necessary to provide funding to its subsidiaries.

4) Projects to license new technologies are exactly the type that were envisioned when VPS was created. Involvement in these types of projects will enable Virginia Power personnel to keep pace with the most recent developments and ensure that Virginia Power remains at the forefront with respect to new technologies. Products developed in these types of ventures may be useful to Virginia Power in the operation of its nuclear facilities.

As approved in Case No. PUA970007, the payment for services provided by Virginia Power to VPS for the benefit of VPS and its subsidiaries will be at full cost. As indicated in this application and in Case No. PUA970007, most of the services are general corporate services for which the Company represents there is no ascertainable market value. The Company further indicates that the cost-basis of reimbursement for specific services to be provided by Virginia Power through VPS to support VPS Subsidiaries ensures that there will be no increase over the costs incurred presently by Virginia Power to engage in these activities.

THE COMMISSION, upon consideration of the application and representation of the Applicant and having been advised by its Staff, is of the opinion and finds that above-described amendments to the Applicant's existing Affiliate Services Agreement approved in Case No. PUA970007 and the Inter-Company Credit Agreement are in the public interest and should be approved subject to the following conditions.

We find that Virginia Power's authority to guarantee the full and prompt payment to third parties should be limited to obligations incurred on behalf of Virginia Power and should not apply to obligations incurred for VPSE, VPEM, or VPS to make off-system sales. We further find that the use of the proceeds from the proposed $60 million investment and the Inter-Company Credit Agreement should be limited to activities of VPS and its subsidiaries approved by the Commission.

While we find that the business purposes of VPSE and VPEM, as described in the application filed herein and the companion applications filed in Case No. PUA980037 and Case No. PUA980038, are permitted, we note, however, that the business purposes of additional subsidiaries may not comply with the restrictions of § 13.1-620 D of the Code of Virginia. As such, we direct, as we did in Case No. PUA970007, Virginia Power to continue to report to the Commission the addition of subsidiaries to the Services Agreement. We direct Staff to review the business activities of such additional subsidiaries.

We further find, that the services provided by Virginia Power to VPS, for which a market exists, are to be priced at the greater of cost or market, and the services provided by VPN through VPS to Virginia Power are to be priced at the lower of cost or market.

There may be occasions when services will be exchanged for which there will be no market price. Where such circumstances exist, Virginia Power shall include evidence or documentation in its annual report of its unsuccessful attempts to acquire such market price. The determination of market price shall be an ongoing process using methods such as competitive bids, appraisals, catalog listings, replacement cost of assets, and sales to third parties. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Virginia Electric and Power is hereby granted approval of the amendments to its existing Affiliate Services Agreement approved in Case No. PUA970007 as described herein to include the services to be provided by Virginia Power to VPS to benefit VPS Subsidiaries and the services to be provided by Virginia Power through VPS to VPEM. However, pricing of services provided by Virginia Power to VPS, for which a market exists, shall be priced at the higher of cost or market. Pricing of such services to Virginia Power shall be priced at the lower of cost or market. Where no market exists, such documentation of attempts to determine a market price shall be included in Virginia Power's Annual Report of Affiliate Transactions.

2) The authority to guarantee the full and prompt payment to third parties shall be limited to obligations incurred on behalf of Virginia Power and shall not apply to obligations incurred for VPSE, VPEM, and VPS to make off-system sales.

3) Pursuant to § 56-77 of the Code of Virginia, Virginia Electric and Power Company is hereby granted approval to fund VPS through incremental equity infusions, up to $60 million over the next four years, and the Inter-Company Credit Agreement as described herein; provided, however, that the use of such proceeds shall be limited to activities of VPS and its subsidiaries approved by the Commission.

4) The Applicant shall continue to file monthly financial statements of Virginia Power Services, Inc., and Virginia Power Nuclear Services Company with the Commission's Director of Public Utility Accounting.

5) Should any of the terms and conditions of the Affiliate Services Agreement or the Inter-Company Credit Agreement change from those contained herein, Commission approval shall be required for such changes.

6) The addition of any additional Virginia Power subsidiaries to the Affiliate Services Agreement shall be reported to the Commission within thirty days of such addition, in the form of an Appendix to the Services Agreement. Such Appendix shall include a detailed description of the purpose for which the new subsidiary was formed.

7) The approval granted herein shall have no ratemaking implications.

8) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

9) The Commission reserves the authority, pursuant to § 56-79 of the Code of Virginia to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission.

10) The Affiliate Services Agreement and the Inter-Company Credit Agreement shall be included in the Company's Annual Report of Affiliate Transactions filed with the Commission's Director of Public Utility Accounting.

CASE NO. PUA980043
MARCH 31, 1999

PETITION OF
AQUASOURCE UTILITY, INC.

For approval to acquire control of Blue Ridge Utility Company, Inc.

ORDER GRANTING APPROVAL

On November 23, 1998, AquaSource Utility, Inc., ("AquaSource", the "Company") filed a petition under the Utility Transfers Act requesting approval for AquaSource to acquire from Winfred W. Ortts and Kitty L. Ortts (the "Ortts"), all the issued and outstanding stock of Blue Ridge Utility Company, Inc., ("Blue Ridge"). AquaSource Utility, Inc., is a wholly-owned subsidiary of AquaSource, Inc. which is, in turn, a wholly-owned subsidiary of DQE, Inc., a publicly traded utility holding company. In addition to water and wastewater utilities, AquaSource and AquaSource, Inc., also own non-regulated water and wastewater related businesses such as construction and engineering companies, water and wastewater system leasing and fabrication businesses, and contract operation services for other owners of water and wastewater facilities.

AquaSource and AquaSource, Inc., (the "Companies") received approval from their Boards to invest over $200 million in water and wastewater utility companies. The Companies provide potable water and wastewater services to more than 300,000 customers and are currently negotiating to acquire numerous additional water utilities across the country, including Virginia. AquaSource is headquartered in Houston, Texas and has several other offices in various areas of the country.

DQE, Inc., the parent company of AquaSource, Inc., is a Pennsylvania based energy service company and parent of Duquesne Light Company. DQE, Inc., has assets of more than $4.6 billion and annual revenues in excess of $1.2 billion. AquaSource and AquaSource, Inc., report their financial data on a consolidated basis with DQE, Inc.

The Ortts currently own all of the issued and outstanding stock of Blue Ridge Utility Company, Inc. Blue Ridge is a Virginia small water company providing water services to households in Shenandoah County, Virginia. Blue Ridge currently serves 182 customers and 520 additional lots throughout the housing subdivisions.

AquaSource proposes to purchase, and the Ortts propose to sell to AquaSource all of the issued and outstanding stock of Blue Ridge. As stated in the petition, upon consummation of the transaction, Blue Ridge will become a wholly-owned subsidiary of AquaSource and will continue to operate as a separate Virginia small water company. Additionally, AquaSource will provide operation, maintenance, and other services to Blue Ridge by contract.

As agreed by AquaSource and the Ortts, AquaSource will pay the Ortts $158,272.00 in cash for the Blue Ridge stock plus additional amounts for new connections made to the Blue Ridge system prior to December 21, 2001. In accordance with the Stock Purchase Agreement, AquaSource will pay an additional $870.00 per household, less AquaSource's connection cost. The purchase price will additionally be adjusted pursuant to the Stock Purchase Agreement. AquaSource represents that adequate service at just and reasonable rates will not be impaired or jeopardized by the proposed transfer of control of Blue Ridge. AquaSource further represents that it plans to provide system improvements without change in the current water rates to Blue Ridge's customers. In addition, the Company states that the acquisition will benefit Blue Ridge's customers without an increase in rates. AquaSource's mission, as stated in its petition, is to:

1) provide safe, clean, reasonably priced drinking water to its customers;

2) achieve high levels of customer service and satisfaction; and

3) keep all of its water and wastewater systems in regulatory compliance.

AquaSource represents that, by Blue Ridge operating as a part of the AquaSource family of companies, economies of scale will help maintain or lower future operating expenses, thereby mitigating the need for future rate increases. AquaSource further represents that, as part of a larger company with a publicly-traded parent, Blue Ridge will have access to the less expensive, public capital markets to finance future capital improvements to its plant and equipment, thereby reducing the need for potential future rate increases.

The Company represents that AquaSource proposes to offset any need to increase rates, due to increased investment directly attributable to the acquisition, against expense reductions it expects to achieve in Blue Ridge's operations. AquaSource also represents that, to the extent AquaSource is able to achieve and retain expense reductions resulting from operating efficiencies achieved over time, ratepayers will be insulated from any need to increase rates.

AquaSource currently owns and operates over 300,000 connections in six states. AquaSource is headquartered in and operates more than 200,000 connections in Texas. AquaSource represents that it has not filed a rate case in the eighteen months it has owned and operated facilities in Texas. AquaSource is negotiating rate settlements in various other states. AquaSource represents that it has been able to improve service provided by companies it has acquired particularly in Texas.

THE COMMISSION, upon consideration of the petition and representations of the Company and having been advised by its Staff, is of the opinion and finds that the above-described transfer of control will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, AquaSource Utility, Inc., is hereby granted approval to acquire control of Blue Ridge Utility Company, Inc., under the terms and conditions and at the price of $158,272.00, plus additional amounts for new connections made prior to December 21, 2001, and adjustments made pursuant to the Stock Purchase Agreement described herein.

2) The approval granted herein shall have no ratemaking implications.

3) Any excess earnings resulting from operational efficiencies or cost reductions shall be at issue in any filings or proceedings addressing rates.

4) The approval granted herein shall in no way be deemed to include the recovery of any portion of the consideration paid in excess of the rate base, at the time of closing, through either an acquisition adjustment or any other type of adjustment for ratemaking purposes.

5) Blue Ridge Utility Company, Inc., shall file a Report of Action with the Director of Public Utility Accounting of the Commission on or before May 28, 1999. Such report shall contain the date of transfer, the sales price, and all accounting entries reflecting the transfer.

6) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA980045
FEBRUARY 18, 1999

APPLICATION OF
COMCAST CABLE COMMUNICATIONS, INC., JONES INTERCABLE, INC.,
and
JONES TELECOMMUNICATIONS OF VIRGINIA, INC.

For approval of transfer of control of Jones Telecommunications of Virginia, Inc.

ORDER GRANTING APPROVAL

On November 25, 1998, Comcast Cable Communications, Inc. ("CCC"), Jones Intercable, Inc. ("Jones Intercable"), and Jones Telecommunications of Virginia, Inc. ("Jones Telecommunications"), (collectively, "Applicants") filed an application with the Commission under the Utility Transfers Act. In the application, Applicants request approval of a transaction whereby CCC will acquire ownership and control of Jones Telecommunications, a Virginia public service company now owned by Jones Intercable.

As described in the application, Jones Telecommunications was granted a certificate of public convenience and necessity by Commission Order dated June 28, 1996, in Case No. PUC960003, to provide local exchange telecommunications services within the City of Alexandria and within the counties of Arlington, Prince William, and Fairfax, including all cities and incorporated areas within those counties. Jones Telecommunications has two tariffs on file with the Commission; one for end user services and one for access services. Jones has been operating as a local exchange carrier in Virginia since September 16, 1996.

Currently, Jones Telecommunications is a wholly owned subsidiary of Jones Cable Holdings, Inc., a Colorado corporation. Jones Cable Holdings, Inc., in turn, is a wholly owned subsidiary of Jones Intercable, also a Colorado corporation.

As stated in the application, Comcast Cable Communications ("CCC") is a Delaware corporation and is domestic cable company providing franchised cable television service, cable modem service, and Internet access to approximately 4.4 million customers in twenty-one states, including Virginia, West Virginia, Maryland, Delaware, Tennessee, New Jersey, and Pennsylvania. In Virginia, CCC operates cable systems in Chesterfield County, serving approximately 70,000 cable television households. Comcast Corporation ("Comcast"), a Delaware corporation, owns CCC. Comcast is principally engaged in the development, management, and operation of cable television systems, wired and wireless telecommunications services (cellular and PCS) and

Internet access services. Comcast also owns, operates, or manages a number of content providers in the area of entertainment, sports, and electronic retailing. As indicated in the application, Comcast is experienced in the provision of local exchange and long distance telephone services.

As described in the application, CCC's parent, Comcast, will purchase a controlling interest in Jones Intercable, the parent of Jones Telecommunications. Immediately after closing, the ownership of Jones Telecommunications will be transferred to Comcast's subsidiary, CCC, under which it will be operated.

THE COMMISSION, upon consideration of the application and representations of Applicants and having been advised by its Staff, is of the opinion and finds that the proposed transfer of control of Jones Telecommunications would neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, approval is hereby granted for the transfer of control of Jones Telecommunications of Virginia, Inc., from Jones Intercable to Comcast Communications Corporation as described herein.

2) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA980047
APRIL 6, 1999

PETITION OF
AQUASOURCE UTILITY, INC.

For approval to acquire control of Earlysville Forest Water Company

ORDER GRANTING APPROVAL

On December 11, 1998, AquaSource Utility, Inc., ("AquaSource", the "Company") filed a petition under the Utility Transfers Act requesting approval for AquaSource to acquire from Samuel D. Craig, III and S. Daley Craig, Jr. (the "Craigs") all the issued and outstanding stock of Earlysville Forest Water Company ("Earlysville").

AquaSource Utility, Inc., is a wholly-owned subsidiary of AquaSource, Inc., which is in turn a wholly-owned subsidiary of DQE, Inc., a publicly traded utility holding company. In addition to water and wastewater utilities, AquaSource and AquaSource, Inc., also own non-regulated water and wastewater related businesses such as construction and engineering companies, water and wastewater system leasing and fabrication businesses, and contract operation services for other owners of water and wastewater facilities.

AquaSource and AquaSource, Inc., (the "Companies") received approval from their Boards to invest over $200 million in water and wastewater utility companies. The Companies provide potable water and wastewater services to more than 300,000 customers and are currently negotiating to acquire numerous additional water utilities across the country, including Virginia. AquaSource is headquartered in Houston, Texas and has several other offices in various areas of the country.

DQE, Inc., the parent company of AquaSource, Inc., is a Pennsylvania based energy service company and parent of Duquesne Light Company. DQE, Inc., has assets of more than $4.6 billion and annual revenues in excess of $1.2 billion. AquaSource and AquaSource, Inc., report their financial data on a consolidated basis with DQE, Inc.

The Craigs collectively own all of the issued and outstanding stock of Earlysville Forest Water Company ("Earlysville"). Earlysville is a Virginia small water company providing water services to households in Albemarle County, Virginia. Earlysville currently serves 195 customers.

AquaSource proposes to purchase, and the Craigs propose to sell to AquaSource all of the issued and outstanding stock of Earlysville. As stated in the petition, upon consummation of the transaction, Earlysville will become a wholly-owned subsidiary of AquaSource and will continue to operate as a separate Virginia small water company. Additionally, AquaSource will provide operation, maintenance, and other services to Earlysville by contract.

As agreed by AquaSource and the Craigs, AquaSource will pay the Craigs $325,000.00 in cash for the Earlysville stock, as adjusted pursuant to the Stock Purchase Agreement. AquaSource represents that adequate service at just and reasonable rates will not be impaired or jeopardized by the proposed transfer of control of Earlysville. AquaSource further represents that it plans to provide system improvements without change in the current water rates to Earlysville's customers. In addition, the Company states that the acquisition will benefit Earlysville's customers without an increase in rates. AquaSource's mission, as stated in its petition, is to:

1) provide safe, clean, reasonably priced drinking water to its customers;

2) achieve high levels of customer service and satisfaction; and

3) keep all of its water and wastewater systems in regulatory compliance.

AquaSource represents that, by Earlysville operating as a part of the AquaSource family of companies, economies of scale will help maintain or lower future operating expenses, thereby mitigating the need for future rate increases. AquaSource further represents that, as part of a larger company with a publicly-traded parent, Earlysville will have access to the less expensive, public capital markets to finance future capital improvements to its plant and equipment, thereby reducing the need for potential future rate increases.

The Company states that AquaSource proposes to offset any need to increase rates, due to increased investment directly attributable to the acquisition, against expense reductions it expects to achieve in Earlysville's operations. AquaSource also states that to the extent AquaSource is able to achieve and retain expense reductions resulting from operating efficiencies achieved over time, ratepayers will be insulated from any need to increase rates.

AquaSource currently owns and operates over 300,000 connections in six states. AquaSource is headquartered in and operates more than 200,000 connections in Texas. AquaSource represents that it has not filed a rate case in the eighteen months it has owned and operated facilities in Texas. AquaSource is negotiating rate settlements in various other states. AquaSource represents that it has been able to improve service provided by companies that it has acquired, particularly in Texas.

THE COMMISSION, upon consideration of the petition and representations of the Company and having been advised by its Staff, is of the opinion and finds that the above-described transfer of control will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, AquaSource Utility, Inc., is hereby granted approval to acquire control of Earlysville Forest Water Company under the terms and conditions and at the price of $325,000.00, as adjusted pursuant to the Stock Purchase Agreement described herein.

2) The approval granted herein shall have no ratemaking implications.

3) Any excess earnings resulting from operational efficiencies or cost reductions shall be at issue in any filings or proceedings addressing rates.

4) The approval granted herein shall in no way be deemed to include the recovery of any portion of the consideration paid in excess of the rate base, at the time of closing, through either an acquisition adjustment or any other type of adjustment for ratemaking purposes.

5) Earlysville Forest Water Company shall file a Report of Action with the Director of Public Utility Accounting of the Commission on or before May 28, 1999, subject to extension by the Commission's Director of Public Utility Accounting. Such report shall contain the date of transfer, the sales price, and all accounting entries reflecting the transfer.

6) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA980048
MARCH 8, 1999

PETITION OF
AQUASOURCE UTILITY, INC.

For approval to acquire control of Lake Monticello Service Company and approval of affiliate transactions

ORDER GRANTING APPROVAL

On December 11, 1998, AquaSource Utility, Inc., ("AquaSource", the "Company") filed a petition under the Utility Transfers Act requesting approval for AquaSource to acquire from Lake Monticello Owner's Association ("LMOA") all the stock of Lake Monticello Service Company ("LMSC"). AquaSource also petitioned, under the Affiliates Act, for approval of affiliate transactions with LMSC.

AquaSource is a wholly-owned subsidiary of AquaSource, Inc., which is in turn a wholly-owned subsidiary of DQE, Inc., a publicly traded utility holding company. In addition to water and wastewater utilities, AquaSource and AquaSource, Inc., also own non-regulated water and wastewater related businesses such as construction and engineering companies, water and wastewater system leasing and fabrication businesses, and contract operation services for other owners of water and wastewater facilities.

AquaSource and AquaSource, Inc., (the "Companies") received approval from their Boards to invest over $200 million in water and wastewater utility companies. The Companies provide potable water and wastewater services to more than 300,000 customers and are currently negotiating to acquire numerous additional water utilities across the country, including Virginia. AquaSource is headquartered in Houston, Texas and has several other offices in various areas of the country.

DQE, Inc., the parent company of AquaSource, Inc., is a Pennsylvania based energy service company and parent of Duquesne Light Company. DQE, Inc., has assets of more than $4.6 billion and annual revenues in excess of $1.2 billion. AquaSource and AquaSource, Inc., report their financial data on a consolidated basis with DQE, Inc.

Lake Monticello Owner's Association is a Virginia corporation, which is the property owners' association for the community served by Lake Monticello Service Company. LMOA currently owns all the stock of LMSC. LMSC is a public utility providing water and waste water services to the households in the Lake Monticello community in Fluvanna County, Virginia.

AquaSource proposes to purchase, and the LMOA proposes to sell to AquaSource all of the stock of LMSC. As stated in the petition, upon consummation of the transaction, LMSC will become a wholly-owned subsidiary of AquaSource and will continue to operate as a separate Virginia utility company. AquaSource will retain the employees of LMSC.

The Company states, in its petition, that in order to take advantage of economies of scale, AquaSource or AquaSource, Inc., may provide certain services to LMSC. Pursuant to the proposed arrangement, in order to cover LMSC's employees under the same benefit programs covering other AquaSource

personnel, AquaSource will provide administrative and personnel services consisting of payroll administration and administration of employee benefits programs and insurance programs. Additionally, AquaSource states that the proposed action will make AquaSource's employee benefits programs available to LMSC's employees with no impact on LMSC's customers as services will be provided at aggregate cost.

As agreed by AquaSource and the LMOA, AquaSource will pay the LMOA $8.2 million in cash for the LMSC stock, as adjusted pursuant to the Stock Purchase Agreement. AquaSource represents that adequate service at just and reasonable rates will not be impaired or jeopardized by the proposed transfer of control of LMSC. AquaSource further represents that it plans to provide system improvements without change in the current water rates to LMSC's customers. In addition, the Company states that the acquisition will benefit LMSC's customers without an increase in rates until at least 2002. AquaSource's mission, as stated in its petition, is to:

1) provide safe, clean, reasonably priced drinking water to its customers;

2) achieve high levels of customer service and satisfaction; and

3) keep all of its water and wastewater systems in regulatory compliance.

AquaSource represents that, by LMSC operating as a part of the AquaSource family of companies, economies of scale will help maintain or lower future operating expenses, thereby mitigating the need for future rate increases. AquaSource further represents that, as part of a larger company with a publicly-traded parent, LMSC will have access to the less expensive, public capital markets to finance future capital improvements to its plant and equipment, thereby reducing the need for potential future rate increases.

As represented in Article VII of the Stock Purchase Agreement, neither AquaSource, its successors, assigns nor any person or entity affiliated with AquaSource or its successors or assigns will, at any time, seek any increase in rates, fees or charges of LMSC in order to recover all or any portion of the amount of the consideration paid ($8.2 million) in excess of the rate base of LMSC. AquaSource will not seek such recovery through either an acquisition adjustment to rate base or other types of rate making adjustments that increase the rate base to reflect the amount of consideration in excess of the rate base as of closing. The rate base of LMSC shall exclude account numbers, 114 and 115, which relate to acquisition adjustments and their amortization, respectively.

The Company further represents that AquaSource proposes to offset any need to increase rates, due to increased investment directly attributable to the acquisition, against expense reductions it expects to achieve in LMSC's operations. AquaSource also represents that, to the extent AquaSource is able to achieve and retain expense reductions resulting from operating efficiencies achieved over time, ratepayers will be insulated from any need to increase rates.

THE COMMISSION, upon consideration of the petition and representations of the Company and having been advised by its Staff, is of the opinion and finds that the above-described transfer of control will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and that the affiliate agreement is in the public interest, and should, therefore, be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, AquaSource Utility, Inc., is hereby granted approval to acquire control of Lake Monticello Service Company under the terms and conditions and at the price of $8.2 million, as adjusted pursuant to the Stock Purchase Agreement described herein.

2) Pursuant to § 56-77 of the Code of Virginia, AquaSource Utility, Inc., is hereby granted approval to provide services to Lake Monticello Service Company under the terms and conditions described herein.

3) The approval granted herein shall have no ratemaking implications.

4) Should there be any changes in the terms and conditions of the affiliate agreement between AquaSource and LMSC from those contained herein, Commission approval shall be required for such changes.

5) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission pursuant to § 56-79 of the Code of Virginia.

6) Any excess earnings resulting from operational efficiencies or cost reductions shall be at issue in any filings or proceedings addressing rates.

7) The approval granted herein shall in no way be deemed to include the recovery of any portion of the consideration paid in excess of the rate base, at the time of closing, through either an acquisition adjustment or any other type of adjustment for ratemaking purposes.

8) LMSC shall file a Report of Action with the Commission on or before June 1, 1999. Such report shall contain the date of transfer, the sales price, and all accounting entries reflecting the transfer.

9) LMSC shall file an Annual Report of Affiliate Transactions with the Director of Public Utility Accounting of the Commission by no later than May 1 of each year beginning May 1, 1999, subject to extension by the Director of Public Utility Accounting of the Commission. Information to be included in the Report is as follows: 1) affiliate's name; 2) description of each affiliate arrangement/agreement; 3) dates of each affiliate arrangement/agreement; and 4) total dollar amount of each affiliate arrangement/agreement. The report shall include all agreements with affiliates regardless of amount involved and shall supersede all other affiliate reporting requirements previously ordered.

10) If General Rate Case Filings are not based on a calendar year, then LMSC shall include the affiliate information contained in the Annual Report of Affiliate Transactions in such filings.

11) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA980048
MARCH 29, 1999

PETITION OF
AQUASOURCE UTILITY, INC.
and
LAKE MONTICELLO OWNER'S ASSOCIATION

For approval of a change of control of a Virginia water public utility company and of affiliate transactions

ORDER DENYING PETITION FOR RECONSIDERATION

In a petition filed on March 24, 1999, AquaSource Utility, Inc. ("AquaSource"), and Lake Monticello Owner's Association ("LMOA") request reconsideration and clarification of certain provisions of the Commission's March 8, 1999, Order Granting Approval in the above captioned proceeding. In their petition, AquaSource and LMOA specifically request that Ordering Paragraphs 6 and 7 of that Order be eliminated to accomplish such clarification.

In support of their petition, AquaSource and LMOA state that these two paragraphs read together could be interpreted to mean that AquaSource will never be permitted, under any circumstances, to recover any part of the consideration paid for the LMSC stock in excess of the rate base at the time of the closing.

NOW THE COMMISSION, having considered the matter, is of the opinion, that AquaSource and LMOA's petition should be denied. Ordering Paragraph 3 of our March 8, 1999, Order states that the approval granted "shall have no ratemaking implications." Ordering Paragraphs 6 and 7 basically reinforce that directive. Recovery of any part of excess rate base if there are excess earnings are issues for future proceedings.

Accordingly, IT IS ORDERED THAT AquaSource and LMOA's Petition for Reconsideration be, and hereby is, denied.

CASE NO. PUA980049
MARCH 8, 19999

PETITION OF
COLUMBIA GAS OF VIRGINIA, INC.

For approval of affiliate transactions with Columbia Gas of Ohio, Inc.

ORDER GRANTING APPROVAL

On December 14, 1998, Columbia Gas of Virginia, Inc., ("CGV", the "Company") filed a petition with the Commission under the Public Utilities Affiliates Act. The Company requests approval of an agreement between CGV and Columbia Gas of Ohio, Inc., ("COH") an affiliate of CGV, to permit CGV to store certain of its storage gas inventories in Ohio.

Columbia Gas of Virginia, Inc., is a natural gas distribution company serving approximately 175,000 customers in Central Virginia, portions of Hampton Roads, Piedmont, Shenandoah Valley, Northern and Southwest Virginia. Columbia Gas of Ohio is a natural gas distribution company serving approximately 1.2 million customers in Ohio.

As stated in the petition, CGV has a Firm Storage Service ("FSS") Agreement with its interstate pipeline supplier, Columbia Gas Transmission Corporation ("TCO"). The FSS Agreement resulted from Article VI of the June 29, 1989 Stipulation and Agreement in Federal Energy Regulatory Commission Docket Nos. RP86-168, *et al.*, also known as the Columbia Global Settlement Agreement ("Agreement"). Pursuant to this Agreement, CGV stores natural gas inventories in TCO's storage fields located in West Virginia, Pennsylvania, New York, and Ohio. The costs associated with TCO's FSS service are included in the calculation of CGV's Purchased Gas Adjustment Factor. COH also has a FSS Agreement with TCO and stores natural gas supplies on the TCO system.

The Company states, in its petition, that TCO's storage field operations are fully integrated, making it impossible to determine where an individual customer's gas is stored. Individual storage customers have obligations to pay certain taxes to the states in which their gas is stored. Accordingly, for purposes of reporting storage volumes to state taxing authorities, TCO allocates storage gas amongst all of its FSS customers on a pro rata basis unless individual customers agree, amongst themselves, to a different allocated mix.

The Company further states that CGV and COH reviewed the TCO pro rata storage allocations and concluded that reallocating storage volumes between both companies would provide mutual benefits. By locating all of its FSS storage gas in Ohio rather than in all four states on a pro rata basis, CGV represents that it would save approximately $60,000.00 per year in state storage taxes. Similarly, COH would save money by storing natural gas in states other than Ohio. Accordingly, CGV and COH executed an agreement to exchange volumes of natural gas to enable CGV to store all of its gas in Ohio and COH to storage gas outside of Ohio.

NOW THE COMMISSION, upon consideration of the petition and representations of the Company and having been advised by its Staff, is of the opinion and finds that the above-described affiliate transactions between CGV and COH will be in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Columbia Gas of Virginia, Inc., is hereby granted approval to permit CGV and COH to exchange FSS storage gas inventories under the terms and conditions as described in the petition.

2) The approval granted herein shall have no ratemaking implications.

3) Any further changes in the terms and conditions of the agreement from those contained herein shall require Commission approval.

4) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

5) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia.

6) The Company shall include this affiliate agreement in its Annual Report of Affiliate Transactions to be filed with the Commission's Director of Public Utility Accounting on May 1, 1999.

7) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA980050
JUNE 7, 1999

JOINT PETITION OF
AQUASOURCE UTILITY, INC.,
CHARLES S. VERDERY,
and
SYDNOR HYDRODYNAMICS, INC.

For approval to acquire control of Sydnor Hydrodynamics, Inc.

ORDER GRANTING APPROVAL

On December 18, 1998, AquaSource Utility, Inc., ("AquaSource", the "Company"), Charles S. Verdery ("Verdery"), and Sydnor Hydrodynamics, Inc. ("Sydnor"), (collectively the "Petitioners") filed a joint petition under the Utility Transfers Act requesting approval for AquaSource to acquire from Charles S. Verdery all of the stock of Sydnor and Sydnor's small water company subsidiaries. The Petitioners request, in the alternative, that, if the Commission determines that it lacks jurisdiction in this matter, it issue a declaratory order to that effect.

On February 12, 1999, the Commission issued its Order Extending Time For Review through June 16, 1999.

On May 18, 1999, the Petitioners filed supplemental information amending their joint petition. The Petitioners state that, on March 24, 1999, the Board of Supervisors of James City County (the "County"), authorized the County to acquire by condemnation, all of the water systems owned by Sydnor in that County; specifically, the three- (3) water systems in the First Colony, Indigo Park/White Oaks, and Old Stage Manor subdivisions. The three- (3) water systems comprise approximately 518 customers as compared to more than 10,000 connections involved in the purchase detailed in the original joint petition.

The Petitioners state that Sydnor, under threat of condemnation by the County, is in negotiation with the County for sale of the water systems. If such negotiation fails to result in an agreement to sell the water systems to the County, the County will continue with condemnation proceedings.

AquaSource Utility, Inc., is a wholly-owned subsidiary of AquaSource, Inc., which is, in turn, a wholly-owned subsidiary of DQE, Inc., a publicly traded utility holding company. In addition to water and wastewater utilities, AquaSource and AquaSource, Inc., also own non-regulated water and wastewater related businesses such as construction and engineering companies, water and wastewater system leasing and fabrication businesses, and contract operation services for other owners of water and wastewater facilities.

AquaSource and AquaSource, Inc., (the "Companies") received approval from their Boards to invest over $200 million in water and wastewater utility companies. The Companies provide potable water and wastewater services to more than 300,000 customers and are currently negotiating to acquire numerous additional water utilities across the country, including Virginia. AquaSource is headquartered in Houston, Texas and has several other offices in various areas of the country.

DQE, Inc., the parent company of AquaSource, Inc., is a Pennsylvania based energy service company and parent of Duquesne Light Company, a regulated electric utility providing service in Pennsylvania. DQE, Inc., has assets of more than $4.6 billion and annual revenues in excess of $1.2 billion. AquaSource and AquaSource, Inc., report their financial data on a consolidated basis with DQE, Inc.

Verdery owns all the stock of Sydnor. Sydnor is a Virginia general business corporation operating water systems pursuant to Section 13.1-620 (G) of the Code of Virginia. It also operates an unregulated water company and owns five subsidiaries that are small water companies regulated by the Commission pursuant to Chapter 10.2:1 of Title 56 of the Code of Virginia.[1] The five subsidiaries provide service in the counties of Spotsylvania,

[1] Ellerson Wells, Inc., is an unregulated water company that has been in operation since 1952 and which also operates pursuant to § 13.1-620(G). The five small water company subsidiaries are: Alpha Water Corporation, Sydnor Water Corporation, Powhatan Water Works, Inc., James River Service Corporation, and Caroline Utilities, Inc. Caroline Utilities, Inc., provides wastewater services as well as water service.

Powhatan, Caroline; Goochland, Lancaster, Richmond; Isle of Wight, Northumberland, Westmoreland; Essex, Charles City, and New Kent, and the City of Suffolk. Sydnor provides water service in the counties of Culpeper, Cumberland, Essex; Fluvanna, Goochland, Hanover; Henrico, James City, King William; Lancaster, Mathews, Middlesex; Northumberland, Powhatan, Spotsylvania; Westmoreland and York.

AquaSource proposes to purchase, and Verdery proposes to sell to AquaSource, all the stock of Sydnor. As stated in the joint petition, upon consummation of the transaction, Sydnor and its small water company subsidiaries will become a wholly-owned subsidiary of AquaSource and will continue to operate as separate companies. Additionally, AquaSource or AquaSource, Inc., will provide, either directly or under contract with others, certain services to Sydnor and its subsidiaries.

The Petitioners note that, in response to a petition by the customers of Sydnor's First Colony Water System in James City County ("First Colony System"), the Commission asserted jurisdiction under § 13.1-620 G over that water system. Sydnor's First Colony System involves approximately 255 residential customers out of approximately 7,800 customers served by Sydnor's non-regulated water systems. Pursuant to a Commission Order issued on March 3, 1999, in Case No. PUE960133, the Commission retained jurisdiction over the rates and services of that system for a period of at least two- (2) years from the date of that Order.

As represented by AquaSource, small water companies regulated by the Commission pursuant to the Small Water or Sewer Public Utility Act are subject to § 56-88.1 of the Code pursuant to § 56-265.13:7 A. Although there is no contemplated change in the direct ownership of Sydnor's five small water company subsidiaries, the transfer of control of Sydnor constitutes an indirect change in control of its small water subsidiaries and is therefore subject to § 56-88.1 of the Code of Virginia.

AquaSource represents that adequate service at just and reasonable rates will not be impaired or jeopardized by the proposed transfer of control of Sydnor. AquaSource further represents that AquaSource's purchase of Sydnor will serve to maintain stable rates, facilitate capital improvements, and provide access to reasonably priced capital. AquaSource states, in its joint petition, that the acquisition of Sydnor by AquaSource will provide Sydnor access to substantial operating and financial resources. Company states that, as part of a larger company with a publicly traded parent, Sydnor will have access to less expensive public capital markets to finance future capital improvements to its plant and equipment. AquaSource represents that, after the transaction, the Commission will retain regulatory authority over Sydnor's small water company subsidiaries under Chapter 10.2:1 of Title 56 of the Code of Virginia.

On May 21, 1999, Staff filed a report detailing the results of its investigation. Staff recommends approval of the joint petition, as amended, subject to the following conditions. First, Sydnor should, in the future, be required to create separate legal entities when acquiring or constructing systems. Second, Sydnor should be required to make application for a certificate of public convenience and necessity for the Lake Shawnee system within 30 days of the final order in this case. Staff also recommends that the Petitioners be required to implement certain filing requirements.

In a letter filed on June 3, 1999, counsel for the Petitioners submitted comments on the Staff report. The Petitioners state that they do not object to the granting of approval subject to the conditions recommended by Staff, as clarified and modified in their comments.

The Petitioners state that, based on conversations with Staff, it is their understanding that the condition requiring Sydnor "to create separate legal entities when acquiring or constructing systems" was intended to apply, in the future, to separate systems constructed or acquired with the intention of serving more than 50 customers. The Petitioners also note that such systems should be separately certificated. The Petitioners request that the condition for the filing of the application for certification of the Lake Shawnee system be modified to require the filing of such application within 30 days of the closing of the transaction rather than within 30 days of the final order in this case. The Petitioners note that Staff has no objection to that modification.

THE COMMISSION is of the opinion that the transfer of the stock of Sydnor and Sydnor's small water company subsidiaries requires our approval pursuant to the Utility Transfers Act. Having considered the joint petition, as amended, and representations of the Company and having been advised by Staff, the Commission is also of the opinion and finds that the above-described transfer of control will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates. We will grant approval of the joint petition, as amended, subject to the conditions recommended by Staff, as clarified and modified by the Petitioners in their comments. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, AquaSource Utility, Inc., is hereby granted approval to acquire control of Sydnor Hydrodynamics, Inc., under the terms and conditions, as clarified and modified herein.

2) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, AquaSource Utility, Inc., is hereby granted approval, to indirectly, acquire control of Sydnor's regulated subsidiary small water companies.

3) The approval granted herein is conditioned upon the following:

a. Sydnor Hydrodynamics, Inc., shall, within 30 days of the closing of the transaction described herein, file an application for a certificate of public convenience and necessity for the Lake Shawnee Water System; and

b. Sydnor Hydrodynamics, Inc., shall create a separate legal entity and seek certification for any separate water system that it constructs or acquires in the future if such system is intended to serve more than fifty- (50) customers.

4) The approval granted herein shall have no ratemaking implications.

5) Sydnor Hydrodynamics, Inc., shall file a Report of Action with the Director of Public Utility Accounting of the Commission on or before August 10, 1999, subject to extension by the Commission's Director of Public Utility Accounting. Such report shall contain the date of transfer, the sales price, and all accounting entries reflecting the transfer.

6) Any excess earnings resulting from operational efficiencies or cost reductions shall be at issue in any filings or proceedings addressing rates.

7) The approval granted herein shall in no way be deemed to include the recovery of any portion of the consideration paid in excess of the rate base, at the time of closing, through either an acquisition adjustment or any other type of adjustment for ratemaking purposes.

8) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA980052
MAY 4, 1999

APPLICATION OF
NTEL COMMUNICATIONS, L.L.C.
and
THE NET2000 COMPANIES

For authority to transfer ownership and control of a public utility

ORDER GRANTING AUTHORITY

On February 12, 1999, Ntel Communications, L.L.C. ("Ntel") and the Net2000 Companies (collectively referred to as "Joint Applicants") filed an application with the Commission under the Utility Transfers Act for authority *nunc pro tunc* for transfer of control of Ntel, a telecommunications provider in Virginia, from its current owner to Net 2000 Communications, Inc., ("Net2000 Communications"), which was completed on November 1, 1998. By Commission Order Extending Time for Review dated April 9, 1999, the Commission extended its time for review of the application through May 13, 1999.

As described in the application, Net2000 Group, Inc., ("Net2000") is a privately held corporation headquartered in Delaware and operates as a reseller of "1+" interexchange services in forty-one states, including Virginia. In addition, Net2000 provides local resale services in fourteen states. Net2000 also is authorized by the Federal Communications Commission (the "FCC") to provide both interstate and international telecommunications services. Net2000, Inc., ("Net2000 Communications") is a recently incorporated privately held Delaware corporation and is the ultimate corporate parent of the Net2000 Companies and functions as a holding company. The shareholders that control Net2000 Communications are the same shareholders that formerly controlled Net2000 and Ntel Communications, L.L.C. ("Ntel") directly.

Net2000 Communications Holdings, Inc., ("Net2000 Holdings") also is a recently incorporated privately held Delaware corporation and functions as a holding company exclusively. It is a wholly owned subsidiary of Net2000 Communications and the corporate parent of Net2000 Communications Group, Inc., ("Net2000 Communications Group"). Net2000 Communications Group is another recently incorporated privately held Delaware corporation and functions exclusively as a holding company, holding the stock of the Net2000 Companies' three operations subsidiaries, including Net2000. Net2000 Communications Group is a wholly owned subsidiary of Net2000 Holdings. Net 2000 Communications Group is the direct corporate parent of Net2000. Ntel is a Virginia limited liability company headquartered in McLean, Virginia, and provides local telecommunications services in Maryland, Virginia, and the District of Columbia.

Although the owners of Net2000 also controlled Ntel prior to the reorganization, Ntel was not then directly affiliated with Net2000. As a result of the reorganization, however, Ntel is a wholly owned subsidiary of Net2000. Ntel will change its name to "Net2000 Communications of Virginia, L.L.C." Ntel received its authority to provide local telecommunications services in Virginia on February 26, 1998.

Ntel and the Net2000 Companies (collectively referred to as "Joint Applicants") request approval, *nunc pro tunc* as of November 1, 1998, of a corporate reorganization pursuant to which Ntel has become a wholly owned subsidiary of Net2000 Communications Group. Net2000 Communications Group is a wholly owned subsidiary of Net2000 Holdings, which itself, is a wholly owned subsidiary of Net2000 Communications. As represented in the application, the ultimate ownership and control of Net2000, therefore, resides with Net2000 Communications and its shareholders. The shareholders of Net2000 are the same shareholders that controlled Ntel before the reorganization.

Prior to the transfer of control of Ntel, Ntel was a wholly owned subsidiary of CBCOM Communications, L.L.C. ("CBCOM"), a privately held Virginia limited liability company. The officers and principals of CBCOM are also officers and principals of Net2000 Communications, Inc. Net2000 Group acquired the stock of CBCOM, which then merged with and into Ntel. Joint Applicants represent that the transfer of control is merely a reorganization and consolidation of the interexchange and local operation conducted by the owners of Ntel and Net2000.

In the application, Joint Applicants represent that the operations and management of Ntel are not affected by the reorganization. Therefore, the reorganization has been transparent to consumers in Virginia. Joint Applicants further represent that customers continue, and will continue, to be able to purchase the same quality services at competitive rates that they previously purchased. The proposed reorganization has already taken place, and there appears to be no evidence that such transfer has impaired or jeopardized the provision of adequate service to customers at just and reasonable rates.

As represented by Joint Applicants, the reorganization was the critical element in the completion of a financing arrangement involving a Credit Agreement dated November 2, 1998. Pursuant to the Credit Agreement, Net2000 Communications Group, Northern Telecom, Inc., ("Nortel") and several other lenders have entered into a five-year, $120 million Revolving Credit/Term Loan Facilitiy. As represented in the application, the proceeds of these loans will be used to finance a portion of Net2000 Communications Group's costs to purchase equipment and services necessary to sustain and expand the on-going operations of Net2000 Communications Group.

NOW 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 control will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and, therefore, should be approved. Regarding the described financing arrangement, Ntel Communications, L.L.C. and Net2000 Communications Group, Inc., are not subject to Chapter 3 of Title 56 of the Code of Virginia, and therefore, authority for such indebtedness is not required.

We note the change of Ntel's name to Net 2000 Communications of Virginia, L.L.C. as reflected on the Certificate of Merger issued on November 2, 1998. The proper name of the entity authorized to provide local telecommunications services should be reflected in our records, and we are,

therefore, of the opinion that the Certificate of Public Convenience and Necessity issued to Ntel should be cancelled and a new certificate issued under that entity's new name. That matter should, however, be dealt with in a separate proceeding (Case No. PUC990077). Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, Joint Applicants are granted authority, *nunc pro tunc* as of November 1, 1998, to transfer control of Ntel Communications, L.L.C. from CBCOM Communications, L.L.C. to Net2000 Communications, Inc., as described herein.

2) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA980053
JUNE 17, 1999

PETITION OF
AQUASOURCE UTILITY, INC.

For approval to acquire control of Water Distributors, Inc., Mountainview Water Company, Inc., Rainbow Forest Water Corporation, and Mayfore Water Company, Inc.

ORDER GRANTING APPROVAL

On December 30, 1998, AquaSource Utility, Inc., ("AquaSource", the "Company") filed a petition under the Utility Transfers Act requesting approval for AquaSource to acquire from Dewey E. Holdaway and Margaret A. Holdaway (the "Holdaways"), all the issued and outstanding stock of Water Distributors, Inc., ("Water Distributors"), Mountainview Water Company, Inc., ("Mountainview"), Rainbow Forest Water Corporation ("Rainbow Forest"), and Mayfore Water Company, Inc. ("Mayfore"), (collectively the "Water Companies"). The Holdaways collectively own all of the issued and outstanding stock of the Water Companies. Water Distributors, Mountainview, and Rainbow Forest are certificated small water companies. Mayfore is not a certificated water company pursuant to § 13.1-620 G of the Code of Virginia. On February 25, 1999, the Commission issued its Order Extending Time For Review through June 29, 1999.

AquaSource Utility, Inc. is a wholly-owned subsidiary of AquaSource, Inc., which is in turn a wholly-owned subsidiary of DQE, Inc., a publicly traded utility holding company. In addition to water and wastewater utilities, AquaSource and AquaSource, Inc., also own non-regulated water and wastewater related businesses such as construction and engineering companies, water and wastewater system leasing and fabrication businesses, and contract operation services for other owners of water and wastewater facilities.

AquaSource and AquaSource, Inc., (the "Companies") received approval from their Boards to invest over $200 million in water and wastewater utility companies. The Companies provide potable water and wastewater services to more than 300,000 customers and are currently negotiating to acquire numerous additional water utilities across the country, including Virginia. AquaSource is headquartered in Houston, Texas and has several other offices in various areas of the country.

DQE, Inc., the parent company of AquaSource, Inc., is a Pennsylvania based energy service company and parent of Duquesne Light Company, a regulated electric utility providing service in Pennsylvania. DQE, Inc., has assets of more than $4.6 billion and annual revenues in excess of $1.2 billion. AquaSource and AquaSource, Inc., report their financial data on a consolidated basis with DQE, Inc.

AquaSource proposes to purchase, and the Holdaways propose to sell to AquaSource, all of the issued and outstanding stock of the Water Companies. As stated in the petition, upon consummation of the transaction, the Water Companies will become wholly-owned subsidiaries of AquaSource and will continue to operate as separate small water companies. Additionally, AquaSource will provide operation, maintenance, and other services to the Water Companies by contract. As agreed by AquaSource and the Holdaways, AquaSource will pay the Holdaways $1,535,550.00 in cash for the Water Companies' stock, as adjusted pursuant to the Stock Purchase Agreement.

AquaSource represents that adequate service at just and reasonable rates will not be impaired or jeopardized by the proposed transfer of control of the Water Companies. AquaSource further represents that the acquisition will benefit the Water Companies' customers in that AquaSource plans to provide system improvements without a change in the current water rates.

THE COMMISSION, upon consideration of the petition and representations of the Company and having been advised by Staff, is of the opinion and finds that the above-described transfer of control will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, AquaSource Utility, Inc., is hereby granted approval to acquire control of Water Distributors, Inc., Mountainview Water Company, Inc., Rainbow Forest Water Corporation, and Mayfore Water Company, Inc., under the terms and conditions and at the price of $1,535,550.00, as adjusted pursuant to the Stock Purchase Agreement described herein.

2) The approval granted herein shall have no ratemaking implications.

3) The Company shall file a Report of Action with the Director of Public Utility Accounting of the Commission on or before August 31, 1999, subject to extension by the Commission's Director of Public Utility Accounting. Such report shall contain the date of transfer, the sales price, and all accounting entries reflecting the transfer.

4) Any excess earnings resulting from operational efficiencies or cost reductions shall be at issue in any filings or proceedings addressing rates.

5) The approval granted herein shall in no way be deemed to include the recovery of any portion of the consideration paid in excess of the net plant, at the time of closing, through either an acquisition adjustment or any other type of adjustment for ratemaking purposes.

6) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA990001
MARCH 8, 1999

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to sell Public Service Corporation Property

ORDER GRANTING AUTHORITY

On January 4, 1999, Virginia Electric and Power Company ("Virginia Power", the "Company") filed an application under the Utility Transfers Act requesting authority to sell to Henrico County fifteen- (15) lighting fixtures. Virginia Power states that, in April 1995, Henrico County ("Henrico") contacted Virginia Power concerning its interest in purchasing from Virginia Power fifteen- (15) decorative lighting fixtures (the "lighting fixtures", the "utility assets"). The lighting fixtures are located on Nine Mile Road between Ivy Avenue and Kalmia Avenue, in Henrico.

In this application, Virginia Power requests authority to sell, and Henrico County requests authority to purchase the utility assets. Pursuant to a letter of agreement dated December 26, 1995, the parties mutually agreed that Virginia Power will sell and convey, and Henrico County will purchase and acquire the lighting fixtures for the Highland Springs Revitalization Project, Phase I.

As stated in the application, the original cost of the lighting fixtures is $16,017.00. Company states that the parties mutually agreed, as a result of arms' length bargaining, to a purchase price of $29,356.00. Virginia Power states, in its application, that $24,356.00 of the purchase price represents the present reproduction cost of the lighting fixtures, less depreciation as estimated by Virginia Power. The remaining balance of $5,000.00 is the negotiated, cumulative amount that the Company agreed to accept as compensation for legal and administrative expenses.

The Company represents that the proposed transfer described in this application will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and that this transaction is in the public interest.

THE COMMISSION, upon consideration of the application and representations of the Company and having been advised by its Staff, is of the opinion and finds that the above-described sale of the lighting fixtures will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and therefore, should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Virginia Electric and Power Company is hereby granted authority to sell and convey to Henrico County the lighting fixtures, at a price of $29,356.00, as described in the application.

2) The authority granted herein shall have no ratemaking implications.

3) The Company shall file a Report of Action no later than June 1, 1999. The Report of Action shall contain the date of transfer, sales price, and accounting entries reflecting the transfer.

4) This matter shall be continued generally, subject to the continuing review, audit, and appropriate directive of this Commission.

CASE NO. PUA990002
MARCH 24, 1999

JOINT PETITION OF
HYPERION TELECOMMUNICATIONS OF VIRGINIA, INC.,
CONTINENTAL TELECOMMUNICATIONS CORPORATION OF VIRGINIA,
and
MEDIAONE OF VIRGINIA

For approval to merge into and transfer assets, including partnership interests, to Hyperion Communications of Virginia, LLC

ORDER GRANTING APPROVAL

Hyperion Telecommunications of Virginia, Inc. ("HTVA"), Continental Telecommunications Corporation of Virginia ("Continental"), and MediaOne of Virginia ("MediaOne"), collectively referred to as "Joint Petitioners," filed a Joint Petition with the Commission under the Utility Transfers Act for approval to transfer assets and partnership interests, and merge into, Hyperion Communications of Virginia, LLC ("Hyperion Virginia"). The Commission issued its Order for Notice and Comments and Requests for Hearing. No comments or requests for hearing were filed with the Commission. Joint Petitioners filed the required proof of notice. After several Staff inquiries regarding the Joint Petition, Joint Petitioners filed a revised Joint Petition.

As stated in the Joint Petition, HTVA is a wholly owned subsidiary of Hyperion Telecommunications, Inc. ("HTI"). As further stated, HTI operates competitive local exchange networks in twenty geographic markets, serving forty-six cities with approximately 5,463 route miles of fiber optic cable. HTVA currently is certificated to provide local exchange and interexchange telecommunications services throughout Virginia. A newly-formed Virginia public service limited liability company, Hyperion Virginia, is wholly owned by HTI and was granted a certificate by the Commission to provide local and interexchange telecommunications services on February 18, 1999, in Case No. PUC980156. Continental is an indirect wholly owned subsidiary of MediaOne of Colorado, Inc. MediaOne is a Virginia general partnership, thirty-seven per cent of which is owned by HTVA and sixty-three per cent of which is owned by Continental.

In the Joint Petition, Joint Petitioners seek approval of a transfer of assets and partnership interests to, and merger into, Hyperion Virginia. The specific transactions for which approval is requested are as follows:

1) Joint Petitioners seek approval to transfer to HTVA from Continental, Continental's partnership interests in MediaOne. HTVA would then own one hundred per cent interest in MediaOne, and MediaOne would cease to exist.

2) HTVA seeks approval to transfer to Hyperion Virginia from HTVA one hundred per cent of HTVA's assets, including the interest in the assets of MediaOne to Hyperion Virginia.

3) HTVA requests approval to transfer its interest in two partnerships, !nterprise-Hyperion of Virginia Data Communications ("!nterprise-Hyperion") and !nterprise-MediaOne of Virginia Data Communications ("!nterprise-MediaOne") to Hyperion Virginia.

As a result of these transfers, Hyperion Virginia would own all of HTVA's assets, including MediaOne and the two additional partnerships, !nterprise-Hyperion and !nterprise-MediaOne. HTI established Hyperion Virginia, for internal reorganization purposes, to operate the existing HTVA and MediaOne networks in the Virginia area and share in the business of !nterprise-Hyperion and !nterprise-MediaOne. As part of the reorganization, HTVA will transfer its assets used to provide telecommunications services in Virginia to Hyperion Virginia. As a result of the transfers, Hyperion Virginia will operate the Virginia networks and will provide all telecommunications services that HTVA and MediaOne currently provide in Virginia. HTVA and MediaOne then will surrender their certificates. Joint Petitioners represent that the requested transfers will not affect end-user services and, except for a change in name of the provider, will be transparent to customers.

Joint Petitioners represent that the proposed transfers will neither disrupt service nor cause inconvenience or confusion to HTVA's or MediaOne's customers since Hyperion Virginia will continue to provide high quality, affordable service to customers and will provide for the seamless transfer of such services. Joint Petitioners further represent that Hyperion Virginia, like HTVA and MediaOne, will rely on the technical, financial, and managerial resources of HTI in providing telecommunications services.

THE COMMISSION, upon consideration of the Joint Petition and representation of Joint Petitioners and having been advised by its Staff, is of the opinion and finds that the above-described merger and transfer of assets will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and, therefore, should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, Joint Petitioners are granted authority to merge and transfer assets, including partnership interests, as described herein.

2) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA990003
MARCH 26, 1999

PETITION OF
WINSTAR WIRELESS OF VIRGNIA, INC.,
and
WINSTAR WIRELESS OF VIRGINIA, LLC

For authority to merge and transfer assets

ORDER GRANTING AUTHORITY

On January 26, 1999, WinStar Wireless of Virginia, Inc. ("WW of Virginia") and WinStar Wireless of Virginia, LLC filed a petition with the Commission under the Utility Transfers Act requesting authority for a pro forma transfer of assets to and merger into, WinStar Wireless of Virginia, LLC ("WW of VA, LLC"), *nunc pro tunc* as of December 31, 1998. Specifically, the Petitioners request authority for WW of Virginia to merge into and to transfer its assets to WW of VA, LLC, with WW of VA, LLC as the surviving entity.

As stated in the petition, WW of Virginia is a wholly owned subsidiary of WinStar Wireless Fiber Corporation ("WW Fiber"). WW Fiber is a non-regulated entity that operates a holding company and is a first-tier wholly owned subsidiary of WinStar Communications, Inc. ("WCI"), the ultimate parent company of the WinStar subsidiaries. WW of Virginia is authorized to provide facilities-based long distance and resold and facilities-based local exchange services in Virginia. WW of VA, LLC is a newly formed Virginia limited liability company, which is wholly owned by WinStar Wireless, Inc. ("WWI"). WWI is a wholly owned subsidiary of WCI. WW of VA, LLC is seeking, by separate application, Commission authority to provide telecommunications services in Virginia. WinStar Communications, Inc., is the ultimate parent of WW of Virginia and WW of VA, LLC. WCI is the ultimate corporate parent of the WinStar family of companies. WCI's operating subsidiaries (collectively, "WinStar") operate as facilities-based and resale

providers of private line and switched local and interexchange services throughout the United States. WinStar's customers are predominately small and medium- sized businesses.

As indicated in the petition, for internal corporate purposes, WinStar has formed WW of VA, LLC to operate the existing WW of Virginia networks in the Virginia area. WW of VA, LLC will operate the Virginia networks and will continue to provide the telecommunications services provided by WW of Virginia. For internal corporate reasons, WinStar has determined that the operational efficiency of the company will be improved and streamlined by the transaction. The Petitioners represent that the transaction will enable WW of VA, LLC to reduce administrative and operating expenses and realize operational and management efficiencies and other corporate benefits.

THE COMMISSION, upon consideration of the petition and representations of the Petitioners and having been advised by its Staff, is of the opinion and finds that the above-described transfer of assets and merger will neither impair nor jeopardize the provision of adequate services to the public at just and reasonable rates and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, WinStar Wireless of Virginia, Inc., is granted authority *nunc pro tunc* as of December 31, 1998, to transfer assets and merge into WinStar Wireless of Virginia, LLC as described herein.

2) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA990004
MARCH 24, 1999

APPLICATION OF
NORTHERN VIRGINIA ELECTRIC COOPERATIVE

For amended authority for transactions with affiliate

ORDER GRANTING AUTHORITY

On January 26, 1999, Northern Virginia Electric Cooperative ("NOVEC," the "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act for amended authority for affiliate transactions previously authorized by the Commission. By Commission Order dated December 16, 1997, in Case No. PUA970012, the Commission granted NOVEC authority to enter into a Cost Allocation and Service Agreement (the "Agreement") with its affiliate, NOVASTAR, subject to certain pricing restrictions. In the Commission's Order, the Commission restricted the services to be provided by NOVEC to NOVASTAR to support only NOVASTAR's provision of satellite television services and appliance warranty services. Any other services to be provided by NOVASTAR were excluded.

As a result of certain changes made to §§56-210, 56-217, 56-225, and 56-229 of the Code of Virginia in the 1998 session of the General Assembly, which authorize cooperatives, under certain circumstances and with certain exceptions, to engage in any lawful business enterprise, NOVEC has requested that its previous authority be amended. Amendments to those sections of the Code of Virginia also authorize affiliates or subsidiaries of electric cooperatives to engage in any lawful business enterprise granted in Case No. PUA870012 with certain exceptions.

NOVASTAR, therefore, requests authority to broaden its range of services to include other lawful businesses. As stated in the application, NOVASTAR's new services may include energy services, communication services, security services, business and utility services, and other services. NOVEC represents that there are no changes in the terms of the Cost Allocation and Service Agreement previously approved.

THE COMMISSION, upon consideration of the application and representations of the Applicant and having been advised by its Staff, is of the opinion and finds that the above-described amendment would be in the public interest and should be approved to allow NOVASTAR to engage in any lawful business not prohibited or excluded in the revised sections of the Code of Virginia referenced to herein. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Northern Virginia Electric Cooperative is hereby granted amended authority as requested for the Cost Allocation and Service Agreement with its affiliate, NOVASTAR, Inc., under the terms and conditions and for the purposes as described herein subject to the following pricing restriction: where a market price exists for services provided to NOVASTAR, NOVEC shall recover the greater of cost, plus a reasonable return, or market price for services provided.

2) The authority granted herein for services to be provided to NOVASTAR are for the support of NOVASTAR's provision of any lawful services not prohibited or excluded in §§ 56-210, 56-217, 56-225, and 56-229 of the Code of Virginia including, but not limited to, the services listed in the application.

3) The authority granted herein shall have no ratemaking implications.

4) The authority granted herein does not include the provision of any services by NOVASTAR to NOVEC.

5) The authority granted herein shall not preclude the Commission from exercising the provisions of Virginia Code §§ 56-78 and 56-80 hereafter.

6) Should there be any changes in the terms and conditions of the Agreement from those contained herein, Commission approval shall be required for such changes.

7) The Commission reserves the authority to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by the Commission, pursuant to Virginia Code § 56-79.

8) The Applicant shall continue to file an Annual Report of Affiliate Transactions with the Director of Public Utility Accounting of the Commission by no later than April 1 of each year providing certain information on all affiliate transactions for the preceding calendar year. Information to be included is as follows: affiliate's name, description of each affiliate agreement or arrangement, dates of each affiliate agreement or arrangement, and total dollar amount of each agreement or arrangement. The report shall include all agreements with affiliates regardless of the amount involved and shall supersede all other reporting requirements previously ordered. In the report, the Applicant shall include evidence or documentation of any unsuccessful attempts to obtain market price data for services provided.

9) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA990005
APRIL 6, 1999

JOINT APPLICATION OF
PICUS COMMUNICATIONS, LLC
and
ATLANTIC TELECOM, INC.

For approval of acquisition of telephone assets

ORDER GRANTING APPROVAL

On February 5, 1999, PICUS Communications, LLC ("PICUS"), and Atlantic Telecom, Inc., ("Atlantic"), collectively referred to as "Joint Applicants," filed a joint application with the Commission under the Utility Transfers Act for approval of acquisition of telephone assets. In the application, approval is requested to transfer the assets of Atlantic to PICUS.

As stated in the application, PICUS is a Virginia limited liability company and is a wholly owned subsidiary of PICUS, LLC, also a Virginia limited liability company. Ecufin, Inc., a Virginia corporation, holds a majority ownership interest in PICUS, LLC. PICUS, LLC provides Internet service both locally, regionally, nationally, and internationally. Its customer service department provides customer service and technical support for other Internet service providers nationally. PICUS, LLC, also provides international long distance service, with operations in Switzerland, Germany, and other countries in Europe.

Atlantic is a Virginia public service corporation that provided competitive local exchange carrier service on a resold basis to approximately 4,300 residential and business telephone lines in Virginia. Atlantic received a Certificate of Public Convenience and Necessity to provide local exchange telecommunications services in Virginia on May 1, 1997.

As described in the application, PICUS and Atlantic, on December 29, 1998, entered into an Asset Sale and Purchase Agreement (the "Agreement") pursuant to which PICUS will acquire the operating assets of Atlantic. Such assets include Atlantic's customer base including all related contracts, files, and records related thereto, the accounts receivable as December 29, 1998, and Atlantic's Certificate of Public Convenience and Necessity. The boards of directors and shareholders of both Atlantic and PICUS have approved the agreement. According to the application, after the transfer, Atlantic's customers will continue to be served and billed under the rates, terms, and conditions of Atlantic's tariffs. In addition, Bell Atlantic-VA, Inc., with which Atlantic entered into a Resale Agreement on June 11, 1997, has consented to the assignment of any rights and interests under the Resale Agreement and the delegation by Atlantic to PICUS of any obligations under the Resale Agreement.

In September 1998, the Commission became aware of a controversy between Bell Atlantic-VA, Inc., and Atlantic regarding billing and payment problems. Bell Atlantic-VA, Inc., imposed a Stop Order Action on Atlantic's customers on September 1, 1998, resulting in a denial of new requests for service and changes to existing service, except for disconnections. Bell Atlantic-VA, Inc., also set forth a timetable that would have resulted in the imminent disconnection of Atlantic, resulting in Atlantic's customers losing their local telephone service. When Atlantic became aware that it was unable to resolve the billing and payment concerns alone and that significant capital resources would be needed to allow it to continue to serve its customers, Atlantic entered into negotiations with PICUS. The Agreement was the result of the negotiations. Implementation of the Agreement will allow Atlantic's customers to continue to receive uninterrupted service. Pursuant to Commission Order dated February 12, 1999, PICUS was granted interim authority to serve Atlantic's customers pursuant to Atlantic's tariffs[1].

THE COMMISSION, upon consideration of the joint application and representation of Joint Applicants and having been advised by its Staff, is of the opinion and finds that the above-described transfer of assets will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and, therefore, should be approved. The approval granted herein shall not, however, be deemed to include the requested transfer of Atlantic's certificate as the issue of the granting of a certificate to provide local exchange and interexchange services is being considered in Case No. PUC990026. Accordingly,

---

[1] In a Staff Report filed on April 2, 1999, in Case No. PUC990026, Staff recommended that PICUS' request for a Certificate of Public Convenience and Necessity to provide local and interexchange telecommunications services be granted subject to the following conditions: (1) Any customer deposits collected by PICUS be retained in an unaffiliated third party escrow account until such time as the Staff or Commission determines it is no longer necessary; (2) PICUS shall provide audited financial statements to the Staff no later than one year after the effective date of certification; and (3) PICUS shall file new tariffs no later than June 30, 1999, and upon acceptance of PICUS' tariffs, the tariffs of Atlantic be cancelled. Staff also recommended that, upon issuance of an order in Case No. PUC990026, Atlantic's certificate be cancelled.

IT IS ORDERED THAT:

1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, approval hereby is granted for the transfer of operating assets of Atlantic Telecom, Inc., to PICUS Communications, LLC, as modified herein.

2) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA990009
MAY 10, 1999

APPLICATION OF
RESTON LAKE ANNE AIR CONDITIONING CORPORATION

For authority to renew its lease agreement and employment agreements previously approved

ORDER GRANTING AUTHORITY

Reston Lake Anne Air Conditioning Corporation ("RELAC," the "Company," the "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act requesting authority to renew a lease agreement and employment agreements previously approved by the Commission. The Company requests authority to renew the lease agreement and the employment agreements for an additional two years with no changes from that previously approved.

By Commission Order dated January 8, 1997, in Case No. PUA960075, the Commission approved employment agreements between RELAC and Douglas A. Cobb ("Mr. Cobb") and Barbara B. Cobb ("Mrs. Cobb") for a two-year period ending December 31, 1998. Mr. Cobb's salary was approved at $87,000.00, and Mrs. Cobb's salary was approved at $21,000.00. Mr. Cobb and Mrs. Cobb would also receive full health insurance. Mr. Cobb would be provided a pickup truck for his daily use and for transporting Company materials.

In Case No. PUA960075, the Company was granted approval to renew the existing property lease agreement under the same terms and conditions as previously approved in two earlier cases. The property, located in Fairfax, Virginia, is used to support a pumping plant. The lease agreement is with Mr. Cobb and Mrs. Cobb. The annual lease amount is $15,600.00.

THE COMMISSION, upon consideration of the application, representations of the Applicant, and having been advised by its Staff, is of the opinion and finds that the above-described employment agreements and lease agreement continue to be in the public interest. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Reston Lake Anne Air Conditioning Corporation is hereby granted authority to renew its lease agreement and employment agreements with Douglas A. Cobb and Barbara B. Cobb.

2) The authority granted herein shall not be deemed to include the recovery of any costs or charges in connection with the employment agreements and the lease agreement for ratemaking purposes, and the burden of proving the reasonableness of the salaries paid under the employment agreements and the payments made under the lease agreement in any future rate proceedings shall rest with the Applicant.

3) Any changes in the terms and conditions of the employment agreements and the lease agreement from those contained in this application shall require Commission approval.

4) Commission approval shall be required to extend the employment agreements and the lease agreement beyond December 31, 2000.

5) The authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

6) The Commission reserves the authority to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia.

7) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA990014
MAY 27, 1999

APPLICATION OF
CENTRAL VIRGINIA ELECTRIC COOPERATIVE

For authority to sell land and a building in Lovingston, VA

ORDER GRANTING AUTHORITY

On March 12, 1999, Central Virginia Electric Cooperative ("CVEC," the "Company," the "Cooperative") filed an application under the Utility Transfers Act requesting authority to sell to Kenneth W. Gerke and Molly C. Gerke (the "Gerkes") the Bailey Subdivision property in Lovingston, Virginia.

The Bailey Subdivision property, acquired by the Cooperative in 1987, is comprised of 0.25 acres and a one-story building, which is part of 5.04 acres owned by the Cooperative. The Bailey Subdivision property is located adjacent to CVEC's Headquarters and Operations Facilities and, until October 1998, when it was abandoned by CVEC, was used by CVEC as its operations facilities offices, meter shop, and storage. The Company completed and moved into its new facilities, located in Nelson County, in October 1998. CVEC states that the new facilities have replaced its Headquarters and Operations Facilities and the Bailey Subdivision property.

As stated in its application, CVEC received a real estate contract of purchase for the Bailey Subdivision property at a price of $75,000.00 from Kenneth W. Gerke and Molly C. Gerke. CVEC also states that the most recent appraisal conducted on properties (land and buildings) in Lovingston was in July 1996 but did not provide a separate value for the Bailey Subdivision property referenced in this case. The Gerkes did, however, obtain a verbally stated value for the Bailey Subdivision property in this case, of $80,000.00 from a real estate agent. The Company received several offers, the highest of which came from the Gerkes for $75,000.00. The sales price is above the book value and the assessed value of the Bailey Subdivision property. As stated in the application, the original cost of the Bailey Subdivision property is $30,000.00. The book value as of December 1998, as provided by the Company, is $54,490.00, and the assessed value is $52,600.00.

The Company states, in its application, that the sale is in the best interest of the customers of CVEC and the community. Proceeds from the sale will be deposited into the Construction Fund Account. The funds will be applied to on-going construction projects, which should reduce the Cooperative's future financing needs. The Cooperative represents that such reductions will directly benefit the Cooperative's members. The property at Lovingston has been classified as general plant. CVEC represents that the property has not been classified as distribution land or plant, and the transfer of property will have no effect on the Cooperative's electric rates or service reliability.

THE COMMISSION, upon consideration of the application and representations of the Company and having been advised by its Staff, is of the opinion and finds that the above-described sale of the Bailey Subdivision property will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and, therefore, should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Central Virginia Electric Cooperative is hereby granted authority to sell and transfer to the Gerkes the Bailey Subdivision property, at a price of $75,000.00, as described in the application.

2) The authority granted herein shall have no ratemaking implications.

3) The Company shall file a Report of Action, with the Director of Public Utility Accounting, by no later than July 27, 1999, subject to extension by the Commission's Director of Public Utility Accounting. The Report of Action shall contain the date of transfer, sales price, and accounting entries reflecting the transfer.

4) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA990016
SEPTEMBER 14, 1999

JOINT APPLICATION OF
CTC COMMUNICATIONS CORPORATION
and
CTC TELECOM CORPORATION

For approval of a pro forma internal corporate reorganization

ORDER GRANTING APPROVAL

On April 22, 1999, CTC Communications Corporation ("CTC Communications") and CTC Telecom Corporation ("CTC Telecom") (collectively, the "Applicants," or the "Companies") filed a complete joint application under the Utility Transfers Act requesting approval of a pro forma internal corporate reorganization (the "Reorganization").

Under the proposed Reorganization, the shareholders of CTC Communications will exchange their shares on a share-for-share basis for shares of CTC Telecom. Therefore, following the Reorganization, CTC Telecom will own 100% of the stock of CTC Communications. CTC Communications will merge and will become a wholly owned subsidiary of CTC Telecom for the purpose of effecting the reincorporation of CTC Communications in the State of Delaware.

CTC Communications is a publicly owned Massachusetts corporation whose principal offices are located in Waltham, Massachusetts. CTC Communications provides telecommunications services to small and medium sized businesses and residential customers. These telecommunications services include local, long distance, and data transmission services. CTC Communications also provides intrastate interexchange and other competitive services in more than thirty (30) states, pursuant to certification, registration or tariff requirements, or on an unregulated basis.

Pursuant to a Commission Order in Case No. PUC980103, CTC Communications of Virginia, Inc. ("CTC of VA"), provides interexchange and local exchange telecommunications services throughout Virginia. CTC of VA is a wholly owned subsidiary of CTC Communications.

CTC Telecom is a Delaware holding company, incorporated in October 1998. By letter dated August 17, 1999, the Commission was notified that CTC Telecom had changed its name to CTC Communications Group, Inc.

The Companies represent that the creation of CTC Telecom as CTC Communications' parent will not adversely affect the offering of telecommunications services in Virginia. The Companies further represent that the Reorganization will be a paper transaction that will be transparent to consumers and will not inconvenience or cause harm to CTC of VA's customers. The Reorganization will not alter the ultimate ownership or control of the certificated entity, CTC of VA. The Board of Directors and executive officers of CTC Communications will also serve as the Board of Directors and executive officers of CTC Telecom.

CTC Communications represents that the Reorganization will improve its operational efficiency, provide greater flexibility to obtain financing for its continuing expansion, and secure its competitive position in the telecommunications marketplace. Applicants represent that customers will continue to receive the same quality of service from CTC of VA.

THE COMMISSION, upon consideration of the joint application and representations of the Applicants and having been advised by its Staff, is of the opinion and finds the above-described Reorganization will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, CTC Communications and CTC Telecom are hereby granted approval of the pro forma internal corporate reorganization under the terms and conditions described herein.

2) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUA990019
MAY 27, 1999

APPLICATION OF
ALLEGIANCE TELECOM, INC.
and
ALLEGIANCE FINANCE COMPANY, INC.

For approval of a pro forma intracorporate reorganization

ORDER GRANTING APPROVAL

On April 5, 1999, Allegiance Telecom, Inc., ("Allegiance Telecom") and Allegiance Finance Company, Inc., ("Allegiance Finance") (collectively, "the Applicants") filed an application with the State Corporation Commission ("the Commission") under the Utility Transfers Act. The Applicants request approval of a transfer of stock and reorganization required in conjunction with proposed financing arrangements involving the Allegiance companies.

In the application, the Applicants request approval of a pro forma intracorporate reorganization in conjunction with certain financing arrangements that the Applicants propose to enter into at the newly created intermediate holding company level. The Applicants represent that the net effect of the proposed transaction will be to interpose Allegiance Finance as a new intermediate holding company between Allegiance Telecom and Allegiance Telecom of Virginia, Inc., ("Allegiance-VA"). Allegiance-VA is certificated to provide telecommunications services in Virginia and is wholly owned by Allegiance Telecom.

In conjunction with certain financing arrangements, which will provide the Allegiance companies, including Allegiance-VA, access to up to $200 million in financing, the Applicants seek approval to transfer the stock of Allegiance-VA from Allegiance Telecom to Allegiance Finance. After such transfer, Allegiance Telecom will remain the ultimate corporate parent of Allegiance-VA. The Applicants represent that Allegiance-VA will continue to provide service to its customers under the same rates, terms, and conditions as currently provided by Allegiance-VA.

THE COMMISSION, upon consideration of the application and representations of the Applicants and having been advised by its Staff, is of the opinion and finds that the above-described transfer of stock and reorganization will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and, therefore, should be approved. Although such financing arrangement, as described herein, does not require Commission approval under Chapter 3 of Title 56 of the Code of Virginia, the Commission notes such transaction in its records. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, the Applicants are hereby granted approval of the proposed intracorporate reorganization, including the transfer of stock of Allegiance Telecom of Virginia, Inc., from Allegiance Telecom, Inc., to Allegiance Finance Company, Inc., as described herein; and

2) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA990020
SEPTEMBER 17, 1999

JOINT PETITION OF
DOMINION RESOURCES, INC.
and
CONSOLIDATED NATURAL GAS COMPANY

For approval of agreement and plan of merger under Chapter 5 of Title 56 of the Code of Virginia

ORDER APPROVING MERGER

On April 5, 1999, Dominion Resources, Inc. ("DRI"), and Consolidated Natural Gas Company ("CNG") (collectively, the "Petitioners") filed a joint petition requesting approval, pursuant to § 56-88.1 of the Code of Virginia, of a proposed transaction that would result in CNG becoming a wholly owned subsidiary of DRI ("the merger"). On May 6, 1999, the Petitioners provided additional information that clarified and amended the joint petition. On May 21, 1999, the Petitioners filed an Amended and Restated Agreement and Plan of Merger.

The joint petition was deemed to be complete for purposes of our consideration on May 21, 1999. The Petitioners agreed that, until the May 21 filing, their application had not been complete.[1] The Commission entered an Order for Notice and Comment and Extending Time for Review, also on May 21, 1999. In that Order we required the Petitioners to publish notice to the public of their application, and afforded interested parties the opportunity to comment on or request hearing on the joint petition. Because of the complex nature of the proposed transaction, we extended the date for completion of our review to November 17, 1999, the full statutory period permitted.

Comments on or requests for hearing were to be filed on or before July 13, 1999. On that date three parties filed comments or requests for hearing. The Virginia Independent Power Producers, Inc. ("VIPP"), filed comments and requested a hearing. Old Dominion Electric Cooperative and the Virginia, Maryland & Delaware Association of Electric Cooperatives (collectively, the "Coops") filed joint comments and requested a hearing. The Virginia Committee for Fair Utility Rates (the "Committee") filed comments and requested the opportunity to participate in a hearing if one were to be held. On July 13, 1999, the Staff filed a motion requesting an extension of the time for the filing of its report from August 6, 1999, to September 8, 1999.

On August 9, 1999, the Staff filed a Motion for Consideration of Stipulation ("Motion"), together with a Stipulation entered into by and among the Staff, DRI, CNG, Virginia Electric and Power Company ("Virginia Power") and Virginia Natural Gas Company ("VNG"). The Stipulation purported to resolve all issues between and among the stipulating parties, and would, as its most prominent provision, require the Petitioners to divest ownership of VNG as a condition of, and following approval of, their merger.

On August 10, 1999, the Commission entered its Order on Motion for Consideration of Stipulation. That Order required the Staff and the Petitioners to address the merits of the Stipulation in testimony to be filed on September 8, 1999, and permitted any other interested party to comment as well.

In response, VIPP and the Coops filed formal notice of their withdrawal from these proceedings. VIPP, by letter of counsel filed August 19, 1999, notified the Commission of its withdrawal of its Notice of Intent to File Comments, its Request for Hearing, and its Notice of Protest. The Coops filed, on August 17, 1999, their Motion to Withdraw Comments, Notice of Protest and Interrogatories. In light of the actions taken in this Order, that Motion will be granted. On August 20, 1999, the Committee filed notice of its intent not to file testimony in the proceeding. By earlier letter, dated August 6, 1999, the City of Richmond signified its intent to withdraw in all respects from the case.

Therefore, each of the parties that had filed a notice of protest or requested a hearing in this matter has withdrawn from further participation and has withdrawn its request for hearing. The Committee did not request a hearing, but only asked for permission to participate in a hearing should the Commission deem one necessary.

In addition to the Notices of Protest filed by the corporate and collective parties mentioned above, two Virginia citizens, E. Dale Perry and Joan W. Perry, also filed a request for a hearing. The Perrys' letter, dated June 8, 1999, indicated their opposition "to a return to the past practice of the power company owning the gas company in a Virginia operation. We do not feel this is good for the citizens of Virginia and feel a hearing to spell out every detail and control measure should be required."

We find that the Stipulation answers the Perrys' essential opposition to the merger, in that the practice opposed by the Perrys will not recur: the gas company will be divested, so there will be no combined Virginia operation. In light of the filing of the Stipulation and the events that have occurred since, the Commission does not find a hearing to be necessary.

On September 8, 1999, the Staff filed the report of its investigation of the application ("Report"). The Commission's Division of Public Utility Accounting expressed concerns over the effects of DRI becoming a registered holding company under the Public Utility Holding Company Act of 1935 ("PUHCA"), subject to regulatory requirements of the Securities and Exchange Commission ("SEC"), to the extent that that agency's policies differ from those of the Commission. The Stipulation proposes measures to deal with this concern. All parties agree that the Commission should not be preempted from enforcing its requirements and that the Commission's authority with respect to Virginia Power and VNG should continue after the merger in the same manner as before.

We recognize that Petitioners, VNG and Virginia Power have agreed in the Stipulation to measures regarded as necessary to preserve our jurisdiction. We regard this agreement as indicating the parties' good-faith intention to maintain state, rather than federal, regulation over the activities that are subject to the Stipulation. By certain clarifying measures ordered herein, explained below, we will strengthen the means of carrying out that intention.

---

[1] The importance of this determination is that Code § 56-88.1 establishes time limits within which the Commission must act upon a "completed application." The Commission has sixty days, which may be extended if necessary for an additional 120 days, to complete its review under this statute. Applications not acted upon within this statutory limit are deemed to be approved.

The Commission's Division of Economics and Finance had concerns about the potential effects of the merger on the capital costs of the companies, particularly the possibility that CNG's capital costs would increase, thus leading to higher rates for VNG. These concerns are mitigated by the agreed-upon disposition of VNG and the freeze on VNG's rates until such divestiture occurs.

The Commission Staff retained a consulting economist, Dr. Robert A. Sinclair, of J.W. Wilson & Associates, in Washington, D.C., to review market power issues arising from the proposed merger. Dr. Sinclair's report is filed as part of the Staff Report herein.

In his report, Dr. Sinclair performed a horizontal market power analysis, comprising a concentration analysis and a review of other factors affecting market power, and evaluated several potential vertical market power concerns. Based upon his analyses, Dr. Sinclair concluded that, in the absence of the Stipulation, it would be advisable to disallow the merger because of its potential adverse effect on competition. However, he concluded:

> The Stipulation entered into by the Staff, the Petitioners, Virginia Power, and VNG represents a major initiative that would greatly relieve both the horizontal market power problems and the vertical market power problems. The primary competitive concerns relate to (1) consolidation of natural gas and electricity supply; and (2) the merged entity's ability to control natural gas supply to new electric power generation facilities. The Stipulation largely addresses these issues by requiring divestiture of VNG's distribution and pipeline facilities.

(Staff Report, Part C, page iii.)

The Petitioners filed their Motion Requesting Approval of Joint Petition, together with the testimony of James L. Trueheart, Senior Vice-President and Controller of DRI, on September 8, 1999. The motion asserts that all opposition to the proposed merger has been withdrawn and asserts that the Stipulation and the testimony of Mr. Trueheart constitute a sufficient record for the entry of an order approving the merger, without the need for public hearings on the matter.

Mr. Trueheart states that the merger meets the statutory standard established by Va. Code § 56-90, in that "adequate service to the public at just and reasonable rates will not be impaired or jeopardized" by the merger. The testimony notes that the Stipulation freezes VNG's rates until that company can be divested; and that Virginia Power's rates were frozen both by the terms of its own rate stipulation, approved by us in Case Nos. PUE960036 and PUE960296,[2] and by the enactment of the Virginia Electric Utility Restructuring Act ("Restructuring Act") by the 1999 session of the Virginia General Assembly.[3]

Mr. Trueheart further states that Virginia Power will continue to be subject to "the Commission's ratemaking jurisdiction as provided in the Restructuring Act."[4] He also testifies that the merger will not change the regulation of VNG or Virginia Power.

The Petitioners acknowledge that there will be several additional filings requiring Commission approval under the Utility Affiliates Act[5] following their merger and that the Commission must approve the proposed sale of VNG. Importantly, the testimony recites that even the Petitioners' federal registration "as public utility holding companies will not impact [the] Commission's ratemaking authority."[6]

NOW THE COMMISSION, upon consideration of the Joint Petition, the applicable statutes and rules, the record developed herein, including the Staff Report, the Trueheart testimony and all comments filed herein, is of the opinion and finds that the Stipulation should be accepted, and the requested acquisition should be approved subject to conditions set forth herein.

Considerable merger and acquisition activity has occurred within both the electric and gas industries, as reported in the press, including an increasing number of cross-industry combinations such as this one. The companies subject to these corporate marriages are seeking to position themselves favorably for what they see as the approaching "convergence" in the energy supply business. DRI and CNG cite this convergence as a central premise of their planned combination.

We would be unable to approve the proposed merger unless we were satisfied that adequate service to the public at just and reasonable rates would not be "impaired or jeopardized" by it. The Petitioners, VNG, Virginia Power and the Staff regard the Stipulation as providing a basis for that assurance. So do we. We find within it, as we noted above, an expression of the parties' acknowledgement that: (1) the services provided by VNG and Virginia Power are "adequate," (2) the rates approved by us are "just and reasonable," and (3) we should make certain that these standards continue in effect. In order to preserve the Commonwealth's ability to assure that "adequate service to the public at just and reasonable rates will not be impaired or jeopardized," we will condition approval of the merger as set out below.

Divestiture of VNG

The agreement of the Petitioners to divest ownership of VNG constitutes one of the most important of the undertakings set out in the Stipulation. Clearly, this agreement was crucial to obtaining the Staff's assent to the Stipulation, given the testimony of Dr. Sinclair alluded to above. We agree that

---

[2] Virginia Electric and Power Company, 1995 Annual Informational Filing and Commonwealth of Virginia ex. rel State Corporation Commission Ex Parte: Investigation of Electric Utility Industry Restructuring – Virginia Electric and Power Company, Case Nos. PUC960036 and PUE960296, 1998 S.C.C. Ann. Rep. 322 (Final Order, August 7, 1998).

[3] Section 56-576 et seq. of the Code of Virginia.

[4] Testimony at 14.

[5] Section 56-76 et seq. of the Code of Virginia.

[6] Testimony at 16.

without the freeing up of VNG and the pipeline facilities it operates within Virginia Power's service territory, the merger could be detrimental to the development of effective retail choice for electricity in the Commonwealth.

We have been directed by the General Assembly to implement the provisions of the Restructuring Act, bringing life to the legislature's vision of a competitive market for electricity generation in the Commonwealth. A robust and vibrant market, bringing those willing and able to sell a variety of products to those ready to purchase them, will help ensure the preservation of adequate service to customers at just and reasonable rates and thereby provide protection for the public interest. Until that day arrives, however, the responsibility remains ours to assure continued quality of service and preservation of just and reasonable rates as we consider applications such as this one.

The Restructuring Act directs us to take measures necessary to bring that market into existence. The General Assembly provided tools necessary to deal with obstacles to the fruition of this market, among the most prominent of which obstacles is the existence of market power. "Market power" is the ability of a supplier to impose on customers "a significant and nontransitory price increase on a product or service . . . above the price level which would prevail in a competitive market."[7] In the Restructuring Act, the General Assembly authorized the Commission to address instances of market power that exist or develop within the Commonwealth. For instance, we may adjust the rates of any supplier whose prices exceed the price level that would prevail in a competitive market to the "extent necessary to protect retail customers from such market power."[8]

VNG owns and operates gas pipeline facilities that traverse the service territory of Virginia Power. The combination of VNG's control over natural gas pipeline facilities and Virginia Power's control over generating facilities in the same area would create a condition conducive to the existence of market power.

It is through such pipelines, indeed through this pipeline, that one of the essential ingredients for electric generation competition will arrive, i.e., the fuel necessary for the generation of reasonably priced electricity that can be produced in an environmentally responsible manner. The importance of the ability of competitive suppliers to access fuel through this facility in order to supply generation capacity within Virginia Power's territory cannot be overstated.

We believe, based on the evidence of record herein, that realization of meaningful electric competition in the Commonwealth could have been frustrated for a necessarily unknown, but probably considerable period, absent the agreement by the Petitioners to divest themselves of VNG. Prior to the filing of the Stipulation, we were faced with the choice of approving the merger, thus impeding the realization of competition, or rejecting the merger.

For these reasons, we believe the divestiture of VNG necessary to the development of effective electricity competition in the Commonwealth, and to avoid the impairment of adequate service at just and reasonable rates as a result of the merger.

Finally, the Stipulation requires that the Petitioners "sell and dispose of" VNG within one year of the completion of the merger, with reasonable extensions possible at the discretion of the Commission. Failing this action, paragraph 3 of the Stipulation requires certain other steps, the result of which would be that VNG is "spun-off" to the shareholders of DRI. In our view, compliance with the Stipulation can also be achieved by taking the actions contemplated by paragraph 3 during the earlier time period(s) allowed by paragraph 1. That is, we interpret paragraph 1 to require either a sale to a third party, or a "spin-off" to shareholders, in the manner required by paragraph 3 of the Stipulation.

State Jurisdiction

The merged company will be a registered holding company under the Public Utility Holding Company Act of 1935, a federal statute. Several paragraphs of the Stipulation recognize that this status may pose a risk of preemption of state law. Further, paragraph 9 of the Stipulation states:

> The Petitioners, Virginia Power and VNG and their affiliates shall bear the full risk of any preemptive effects of the 1935 Act. The Petitioners, Virginia Power and VNG and their affiliates shall take all such actions as the Commission finds are necessary and appropriate to hold Virginia ratepayers harmless from rate increases, or foregone opportunities for rate decreases. Such actions may include, but are not limited to, filing with and obtaining approval from the SEC for such commitments as the Commission deems reasonably necessary to prevent such preemptive effects.

Moreover, paragraph 8 of the Stipulation states that "after the Proposed Merger, the Commission will have the same ratemaking and regulatory authority to regulate the rates and services of VNG and Virginia Power as it did before the Proposed Merger."

Upon analysis of PUHCA and cases decided thereunder, we find that certain conditions contemplated by the Stipulation are necessary to prevent this transaction from leading to possible federal preemption of state law. Such preemption would render the Commission unable to protect Virginia ratepayers from "rate increases, or foregone opportunities for rate decreases." To minimize the risk of such preemption, and to assure that "adequate service to the public at just and reasonable rates will not be impaired or jeopardized," we find it necessary to condition our approval of the Joint Petition as set forth below.

Conditions

I.

Petitioners, Virginia Power and VNG[9] shall have the following continuing obligations:

[7] Section 56-576 of the Code of Virginia.

[8] Section 56-578 G of the Code of Virginia.

[9] All conditions will continue in force as to VNG only until such time as its divestiture from the Petitioners is completed, except as otherwise required by law.

(A) With respect to any contract that is subject to Section 12 or 13 of the Public Utility Holding Company Act of 1935:

(i) Neither Virginia Power, VNG, nor any other DRI affiliate subject to Virginia Commission regulation, shall enter into such contract without first obtaining an order from this Commission approving such action.

(ii) Any such contract shall contain language providing that neither Virginia Power, VNG, nor such affiliate shall have any obligation under such contract except to the extent this Commission has approved such obligation.

(B) Neither Virginia Power nor VNG shall transfer, or commit to transfer, to any affiliate or nonaffiliate, the control or ownership of any asset or portion thereof used for the generation, transmission, distribution or other provision of electric power and/or service or gas supply and/or service to customers in Virginia, without first obtaining all approvals from the Commission that are required by state law.

(C) Neither Petitioners, VNG nor Virginia Power shall assert in any forum that DRI's status as a registered holding company under PUHCA preempts Virginia law, including Virginia law relating to the transfer of utility assets, the determination of appropriate capital and corporate structure, and the establishment of retail rates. Should any other entity so assert, the Petitioners, VNG and Virginia Power shall, unless otherwise directed by the Commission, oppose such assertions.[10]

II.

The Petitioners shall amend their merger application filed with the SEC to advise the SEC that they have agreed before the Virginia State Corporation Commission to abide by the continuing obligations set out as Part A and Part B of Condition I.

III.

The Commission must determine that any orders of the SEC approving the Petitioners' merger application are not inconsistent with this Order.

These conditions are necessary because of issues inherent in PUHCA and our joint state-federal system of regulation. A federal court has found that where a utility affiliate of a registered holding company is a party to an inter-affiliate contract subject to PUHCA, the wholesale electric rates established for that utility must reflect the terms of that contract.[11] This decision creates a risk for Virginia: If Virginia Power or VNG were to pay an excess amount for goods and services purchased under an inter-affiliate contract, or receive an insufficient amount for items sold, current state law requiring appropriate adjustments to ensure just and reasonable rates might be preempted.

Since the problem described above arises from contracts filed by a utility with the SEC, Condition I A requires that the Virginia utility affiliate obtain our permission before entering into an inter-affiliate contract, and further requires that the contract itself include a related limitation on the utility's obligations. Virginia utilities consequently would be obligated under those contracts only to the extent that we have determined that their contractual obligations are consistent with their state law requirement to charge just and reasonable rates.

We have applied this condition to inter-affiliate transactions subject to PUHCA Section 12 (financial transactions, such as inter-affiliate loans) and PUHCA Section 13 (sales of goods and services). Both types of transactions can affect the utility's costs and therefore its retail rates.

The Petitioners have agreed in the Stipulation that the Commonwealth's authority over their inter-affiliate activities should not be altered as a result of their new status under PUHCA. The conditions imposed herein with respect to inter-affiliate transactions will carry out the parties' intent that the same state law requirements to which they and all other utilities in Virginia have long conformed, i.e., Chapters 3 and 4 of Title 56 of the Code of Virginia, will continue in force.

A similar concern arises as to the Commonwealth's continuing jurisdiction over the transfer of utility assets, a matter over which the state has long exercised supervisory authority. As a result of the Restructuring Act, the Commission will be faced with important new issues concerning Virginia Power's assets. Specifically, § 56-590 requires the Commission to review and condition the utility's plan for functional separation. Also, § 56-579, as well as the Utility Transfers Act,[12] requires the Commission to review and approve proposals to transfer control or ownership of transmission facilities and/or other assets.

These provisions are vital to carrying out the General Assembly's goal of retail electricity competition. The Commission therefore must protect against the possibility that DRI's new registered status under PUHCA will preempt these statutes. The conditions set forth above seek to achieve this

[10] Part C of Condition I applies the parties' commitment contained in paragraph 12 of the Stipulation to PUHCA issues.

[11] In Ohio Power Company v. FERC, 954 F.2d 779 (D.C. Cir.), cert. denied, 506 U.S. 981 (1992), the U.S. Court of Appeals interpreted PUHCA to preclude FERC from disallowing, from Ohio Power's wholesale rates, charges paid for coal by the utility to its subsidiary, Southern Ohio Coal Company ("SOCCO"), under an inter-affiliate contract which was subject to PUHCA Section 13. The Court found that the FERC disallowance impermissibly produced "trapped costs," and explained: "By declaring a portion of the SOCCO coal price unreasonable and therefore not includable in Ohio Power's wholesale rate, FERC is undeniably affecting the economic relationship between Ohio Power and SOCCO, a relationship approved by, and under the jurisdiction of, the SEC." Ohio Power, supra at 784. The Court of Appeals also stated: "To the extent there is downward flexibility in a cost-based price, we find that Congress did not make room for anyone other than the SEC to exercise this flexibility." Ohio Power, supra at 785 (Emphasis added).

Although the Ohio Power decision involved federal and not state ratemaking, the Court cited and based its reasoning on Nantahala Power & Light v. Thornburg, 476 U.S. 953, 971 (1986), which found preemption of state ratemaking. Ohio Power, supra at 784 (quoting Nantahala, supra, 476 U.S. at 971). Moreover, the Court's phrase "anyone other than the SEC" implies that its reasoning would preclude not only FERC ratemaking but state ratemaking.

[12] Section 56-88 et seq. of the Code of Virginia.

protection. In addition to preserving state law authority over utility affiliate transactions and utility asset transfers, these conditions are necessary to ensure that "adequate service to the public at just and reasonable rates is not impaired or jeopardized."

The parties have expressed that they intended no change in the Commission's regulatory authority over the rates and services of Virginia Power and VNG as a result of the merger. Such status quo could not be maintained if the Commission were to lose its existing authority over the critical assets and organizational structures utilities use in providing public service. As we stated with regard to inter-affiliate transactions, the conditions imposed herein with respect to utility asset transfers effectuate the parties' intent that the same state law requirements to which they and all other utilities in Virginia have long conformed, i.e., Chapter 5 of Title 56 of the Code of Virginia, will continue in force. These conditions will also preserve the Commonwealth's authority under the new Restructuring Act.

Paragraph 10 of the Stipulation contains a provision whereby "if the Commission does not intend to approve all aspects of this Stipulation," we are requested to notify the parties and allow a brief period of further negotiation. Failing acceptable agreement, we would convene a hearing at the request of any of the parties to the Stipulation. The conditions we have imposed do not add to those of the Stipulation or modify it in any substantive manner. These conditions have their genesis in the provisions of the Stipulation, including particularly paragraph 9. The conditions make the protections of the Stipulation more precise and more responsive to the specific issues that concern us.

We therefore see no occasion for the above provisions of paragraph 10 to operate. If, however, the parties disagree with respect to this conclusion or any other aspect of this Order, they can of course, file a petition for reconsideration.

Conclusion

In conclusion, we find that, as a result of the assurances and undertakings contained in the Stipulation and subject to the conditions set out in this Order, the Joint Petition complies with the statutory standards established in § 56-90 of the Code of Virginia; is in the public interest; will not cause adequate service to the public at just and reasonable rates to be impaired or jeopardized; and so should be, and is, approved.

Accordingly, IT IS ORDERED THAT:

(1) The Motion to Withdraw Comments, Notice of Protest and Interrogatories, filed by the Coops, is GRANTED.

(2) The requested acquisition is APPROVED, subject to the terms and conditions of this Order; however, the Petitioners may not consummate the merger until such time as the Commission has issued its determination that the orders of the SEC approving the Petitioners' merger are not inconsistent with this Order.

(3) Petitioners shall file copies of said SEC orders with the Commission within 10 days of their receipt of same. Within 30 days thereafter, the Commission shall issue its determination pursuant to Paragraph (2) above.

(4) The Stipulation is adopted in full herein and the Petitioners, VNG and Virginia Power are ORDERED to comply with its terms and with the conditions established in this Order.

(5) The public hearing scheduled in the matter is CANCELLED, for the reasons set out herein.

(6) This Order shall have no ratemaking implications.

(7) This matter is continued for further order of the Commission.

CASE NO. PUA990020
SEPTEMBER 27, 1999

JOINT PETITION OF
DOMINION RESOURCES, INC.
and
CONSOLIDATED NATURAL GAS COMPANY

For approval of agreement and plan of merger under Chapter 5 of Title 56 of the Code of Virginia

AMENDING ORDER

On September 17, 1999, the Commission issued its Order Approving Merger (the "Order") in the above styled docket. On September 27, 1999, Dominion Resources, Inc. and Consolidated Natural Gas Company (collectively, the "Petitioners") filed their "Motion for Clarification and Amendment" ("Motion") in this matter.

In their Motion, Petitioners request the Commission to clarify that this matter is concluded unless the Commission should determine that future orders of the SEC approving the Petitioners' merger are inconsistent with our Order. Further, the Petitioners request that the Commission reduce the period in which it may make such a determination to fewer than the 30 days prescribed in ordering paragraph (3) of the Order, and Petitioners commit to filing such SEC orders with this Commission within three days of their receipt, rather than the ten days allowed for such filing in ordering paragraph (3) of the Order.

NOW, THE COMMISSION, upon consideration of the Motion, finds that it is appropriate to modify the September 17, 1999, Order in this case in the manner set forth below, and no other.

Ordering paragraph (2) of said Order is deleted in its entirety, and the following language is substituted therefor:

(2) The requested acquisition is APPROVED, subject to the terms and conditions of this Order; however, the Petitioners may not consummate the merger until the Commission has issued an Order of the type described in paragraph 3(a) below, or until the fifteen-day period provided for in paragraph (3) below has elapsed without any action by the Commission as provided for in said paragraph (3).

Ordering paragraph (3) of said Order is deleted in its entirety, and the following language is substituted therefor:

(3) Petitioners shall file copies of said SEC orders with the Commission within three days of their receipt of same. Within fifteen days after receipt of such filing, the Commission may determine either: (a) that any such SEC orders are not inconsistent with this Order; or (b) that any such SEC orders are inconsistent with this Order. Should the Commission fail to enter any Order of the type described in the preceding sentence within said fifteen-day period, the Petitioners may consummate the merger approved herein upon the expiration of such fifteen-day period.

Ordering paragraph (7) of said Order is deleted in its entirety, and the following language is substituted therefor:

(7) This matter is concluded unless the Commission shall enter an order pursuant to paragraph (3) above.

Said order of September 17, 1999, is not modified in any other respect except as set forth above.

CASE NO. PUA990020
DECEMBER 21, 1999

JOINT PETITION OF
DOMINION RESOURCES, INC.
and
CONSOLIDATED NATURAL GAS COMPANY

For approval of agreement and plan of merger under Chapter 5 of Title 56 of the Code of Virginia

ORDER

Dominion Resources, Inc. ("DRI"), and Consolidated Natural Gas Company ("CNG") (collectively, "Petitioners") filed their joint petition, on April 5, 1999, requesting our approval of a proposed transaction (the "merger") that would result in CNG becoming a wholly owned subsidiary of DRI. On May 21, 1999, Petitioners filed an Amended and Restated Agreement and Plan of Merger.

On September 17, 1999, and as amended on September 27, 1999, we issued orders that gave our conditional approval to the merger. Certain conditions and directives were set out in our September 17 Order Approving Merger, including the following:

> The Commission must determine that any orders of the SEC[1] approving the Petitioners' merger application are not inconsistent with this Order.

On December 15, 1999, the SEC issued orders that gave approvals to Petitioners' merger, upon certain conditions, and to the various financial arrangements attendant to the merger.

Being aware of our orders, including our conditions and directives, the SEC recognized the role this Commission plays in protecting Virginia consumers. The SEC orders acknowledge that, for example, our rules, regulations, and orders require that we give prior approval to all contracts between jurisdictional utilities and their affiliates.

Based on our review of the SEC's orders, we find those orders are not inconsistent with our September 17 and 27 Orders herein. Accordingly, IT IS ORDERED that this matter be dismissed.

[1] The "SEC" is the Securities and Exchange Commission, a federal agency that regulates utility holding companies.

CASE NO. PUA990021
JUNE 22, 1999

APPLICATION OF
INDIAN RIVER WATER COMPANY

For approval to transfer the Indian River Water Company stock to The Simon Family Charitable Foundation

ORDER GRANTING APPROVAL

Indian River Water Company (the "Company") has filed an application with the Commission under the Utility Transfers Act requesting approval to contribute all its outstanding shares of stock to The Simon Family Foundation (the "Foundation"), a tax-exempt charitable foundation. Marvin B. Simon

and Marilyn Simon Trust (the "Trust") currently own eleven and nine shares, respectively, of stock of the Company. The Company represents that the shares owned by Marilyn Simon Trust will be distributed to the Trust's beneficiaries, who will, in turn, contribute these shares to The Simon Family Foundation.

As stated in the application, the primary purpose of the proposed transfer is estate planning. The Company states that the transfer will not result in any change in management or operation of the Company. The Company further states that Marvin B. Simon, as one of the Directors of the Simon Family Foundation, will continue to oversee the management and operation of the Company.

THE COMMISSION, upon consideration of the application and representations of the Company and having been advised by its Staff, is of the opinion and finds that the above-described transfer of stock will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, Indian River Water Company is hereby granted approval to transfer the stock of the Indian River Water Company to The Simon Family Foundation under the terms and conditions described herein.

2) The approval granted herein shall have no ratemaking implications.

3) The Company shall file a Report of Action no later than August 23, 1999. The Report of Action shall contain the date of transfer, the number of shares transferred, and value of the stock at the time of transfer.

4) Approval granted herein does not include, under any circumstances, approval of the transfer of the stock of Indian River Water Company from The Simon Family Foundation to any other entity.

5) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA990022
JUNE 2, 1999

PETITION OF
AQUASOURCE UTILITY, INC.,
and
DEWEY E. HOLDAWAY

For approval to acquire control of all the assets of Cherry Hill Water Company

ORDER GRANTING APPROVAL

On April 12, 1999, AquaSource Utility, Inc., ("AquaSource", the "Company") and Dewey E. Holdaway ("Mr. Holdaway") filed a petition under the Utility Transfers Act. Mr. Holdaway owns the assets of Cherry Hill Water Company ("Cherry Hill") and seeks authority to dispose of all such assets to AquaSource. As stated in the petition, upon consummation of the transaction, Cherry Hill will become the property of AquaSource and will continue to operate as a separate small water system. AquaSource contemplates holding the assets of Cherry Hill in AquaSource Utility, Inc. Cherry Hill serves less than fifty customers[1] in Bedford County, Virginia and, as such, is not required to incorporate as a public service company, or obtain a Certificate of Public Convenience and Necessity. Because Cherry Hill is neither a certificated public utility nor a public service company under Virginia law, AquaSource states that it need not become a Virginia public service company in order to hold the assets of Cherry Hill. Should the Commission disagree with the aforementioned, AquaSource requests that the Commission grant any additional authority necessary for AquaSource to transfer the assets to a separate subsidiary of AquaSource Utility, Inc. AquaSource would then provide operations, maintenance and other services to the subsidiary by contract.

AquaSource is a wholly-owned subsidiary of AquaSource, Inc., which is in turn a wholly-owned subsidiary of DQE, Inc., a publicly traded utility holding company. In addition to water and wastewater utilities, AquaSource and AquaSource, Inc., also own non-regulated water and wastewater related businesses such as construction and engineering companies, water and wastewater system leasing and fabrication businesses, and contract operation services for other owners of water and wastewater facilities.

AquaSource and AquaSource, Inc., (the "Companies") received approval from their Boards to invest over $400 million in water and wastewater utility companies. The Companies provide potable water and wastewater services to more than 300,000 customers and are currently negotiating to acquire numerous additional water utilities across the country, including Virginia. AquaSource is headquartered in Houston, Texas and has several other offices in various areas of the country.

DQE, Inc., the parent company of AquaSource, Inc., is a Pennsylvania based energy service company and parent of Duquesne Light Company. DQE, Inc., has assets of more than $4.6 billion and annual revenues in excess of $1.2 billion. AquaSource and AquaSource, Inc., report their financial data on a consolidated basis with DQE, Inc.

As agreed by AquaSource and Mr. Holdaway, AquaSource will pay Mr. Holdaway $14,450.00 in cash for the assets of Cherry Hill, as adjusted pursuant to the Asset Purchase Agreement. AquaSource represents that adequate service at just and reasonable rates will not be impaired or jeopardized by the proposed transfer of Cherry Hill's assets. AquaSource further represents that it plans to provide system improvements to Cherry Hill's customers without a change in those customers' current water rates.

---

[1] The Petition states that the Cherry Hill System serves forty-six customers.

In this petition, AquaSource seeks to purchase the assets of Cherry Hill rather than purchase the stock as was the case in the previous AquaSource acquisitions. AquaSource represents that, in the long-term, AquaSource's acquisition of Cherry Hill will provide access to substantial operating and financial resources that would not be available under current ownership.

AquaSource states that, absent extraordinary and unforeseen expenses, capital additions or capital improvements, it expects to hold rates at their current level for the next several years.

The Company states that AquaSource proposes to offset any need to increase rates, due to increased investment directly attributable to the acquisition, against expense reductions it expects to achieve in the Cherry Hill operations. AquaSource also states that, to the extent AquaSource is able to achieve and retain expense reductions resulting from operating efficiencies achieved over time, ratepayers will be insulated from any need to increase rates.

THE COMMISSION, upon consideration of the petition and representations of the Company and having been advised by its Staff, is of the opinion and finds that the above-described transfer of assets will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should be approved. The Commission notes that, of the many water systems acquired by AquaSource, Cherry Hill, which serves forty-six customers, is the only system thus far that AquaSource will operate directly. AquaSource should not, therefore, pursuant to § 56-265.1 and § 56-265.3 of the Code of Virginia, be required to obtain a Certificate of Public Convenience and Necessity for that system. A certificate should, however, be required if AquaSource acquires the assets of another small system and the aggregate number of customers served by AquaSource totals fifty or more. In addition, AquaSource shall incorporate as a public service company if it proposes to serve more than fifty customers. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-89 and 56-90 of the Code of Virginia, AquaSource Utility, Inc., is hereby granted approval to acquire all the assets of Cherry Hill under the terms and conditions and at the price of $14,450.00, as adjusted pursuant to the Asset Purchase Agreement, as described herein.

2) Cherry Hill Water Company shall file a Report of Action with the Director of Public Utility Accounting of the Commission on or before August 10, 1999, subject to extension by the Commission's Director of Public Utility Accounting. Such report shall contain the date of transfer, the sales price, and all accounting entries reflecting the transfer.

3) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA990023
JUNE 2, 1999

APPLICATION OF
APPALACHIAN POWER COMPANY

For consent to and approval of a modification to an existing inter-company agreement with affiliates

ORDER GRANTING APPROVAL

Appalachian Power Company ("Appalachian", the "Applicant", "APCO") has filed an application with the Commission under the Public Utilities Affiliates Act for consent to and approval of a modification of an existing Inter-Company Power Agreement (the "Agreement") with Ohio Valley Electric Corporation ("OVEC") and other affiliated companies.

The Applicant represents that OVEC is an Ohio corporation organized in 1952 primarily for the purpose of supplying electric energy to the United States Atomic Energy Commission ("AEC") at its Portsmouth, Ohio, gaseous diffusion uranium enrichment plant (the "Facility"). OVEC supplies electric service to the Facility pursuant to a Power Agreement dated October 15, 1952 (the "DOE Power Agreement"), between OVEC and the United States Department of Energy ("DOE"). 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 DOE.

As represented by APCO, OVEC subsequently entered into an Inter-Company Power Agreement dated July 10, 1953, with the Sponsoring Companies.[1] 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. APCO represents that the Inter-Company Power Agreement was intended to complement OVEC's supply of power and energy under the DOE Power Agreement. As such, the Agreement obligates the Sponsoring Companies, in certain circumstances, to supply OVEC with supplemental energy. Such energy will enable OVEC to fulfill its power supply obligations under the DOE Power Agreement.

Applicant states that the Agreement grants, to the Sponsoring Companies, the right to surplus energy not needed to serve DOE's uranium enrichment plant. The Agreement also grants the Sponsoring Companies the right to surplus power, which DOE releases to OVEC for the Sponsoring Companies' use. The Commission has previously approved ten modifications to the Agreement. The latest, Modification No. 10, was approved by Order dated May 1, 1998, in Case No. PUA980011. The Inter-Company Power Agreement expires on March 12, 2006.

---

[1] Appalachian Power Company, Cincinnati Gas & Electric Company, Columbus Southern Power Company (formerly Columbus and Southern Ohio Electric Company), Dayton Power and Light Company, Indiana Michigan Power Company (formerly Indiana & Michigan Electric Company), Kentucky Utilities Company, Louisville Gas & Electric Company, Monongahela Power Company, Ohio Edison Company, Ohio Power Company, Pennsylvania Power Company, Potomac Edison Company, Southern Indiana Gas and Electric Company, Toledo Edison Company, and West Penn Power Company are collectively referred to as the Sponsoring Companies.

The parties to the Agreement have entered into Modification No. 11, dated and effective April 1, 1999. As stated in the application, DOE is uncertain that the transfer of OVEC-generated power to its Paducah enrichment will be available on an uninterrupted basis. As such, it is necessary for DOE to release a portion of the power that it is contractually entitled to from OVEC's facilities in order that the Sponsoring Companies can use such power. In exchange, DOE will receive credits to its power bills, thereby making funds available to purchase power from other sources for its Paducah uranium enrichment plant. Appalachian states that Modification No. 11 is intended to make additional electricity available to OVEC's Sponsoring Companies during the summer of 1999 and to provide DOE with billing credits in exchange for its release of a portion of its entitlement to such electricity.

APCO represents that the DOE Power Agreement currently in effect, does not allow DOE to reduce its contract demand in exchange for credit to its bill nor does it have a provision permitting OVEC to obtain reimbursement from the Sponsoring Companies for such credits. APCO further represents that approval of Modification No. 11 will permit OVEC to recover, from its Sponsoring Companies, the amount credited by OVEC to DOE. As noted in the application, OVEC will receive from the Sponsoring Companies only the amount needed to cover the credits applied to DOE's bill.

The Applicant states that billing credits will be calculated in a way such that sufficient funds will be provided for power purchases during the summer months when electricity prices may be relatively high. Accordingly, a mechanism is needed to assure that credits take into account the costs of power during the summer months. The method for determining the amount of credit, as negotiated by the parties, uses as a starting point the market price of such power.

The Applicant further states that, Modification No. 11 additionally amends the Agreement so that Sponsoring Companies, which reserve surplus power, will be responsible for the costs assumed by OVEC in order to secure such additional surplus power. As represented by the Applicant, the amount to be paid OVEC each month by the Sponsoring Companies for surplus power and surplus energy supplied is the sum of an energy charge, a demand charge, and if applicable, an emergency power surcharge and/or a DOE optional power release surcharge.

To date three of the corporate directors of Appalachian are also directors of OVEC, seven are directors of Columbus Southern, six are directors of Indiana Michigan, and seven are directors of Ohio Power. Accordingly, OVEC, Columbus Southern, Indiana Michigan, and Ohio Power are affiliated interests of Appalachian within the meaning of § 56-76 of the Code of Virginia.

NOW THE COMMISSION, upon consideration of the application and representations of the Applicant and having been advised by its Staff, is of the opinion and finds that the above-described Modification No. 11 to the Inter-Company Power Agreement will be in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Appalachian Power Company is hereby granted approval of Modification No. 11 of the Inter-Company Power Agreement as described herein.

2) Any further modifications to the Agreement shall require Commission approval.

3) The approval granted herein shall have no ratemaking implications.

4) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

5) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia.

6) Applicant shall continue to file an Annual Report of Affiliate Transactions with the Director of Public Utility Accounting of the Commission by no later than May 1 of each year, for the preceding calendar year, subject to extension by the Director of Public Utility Accounting of the Commission. Information to be included in the Report is as follows: 1) affiliate's name; 2) description of each affiliate arrangement/agreement; 3) dates of each affiliate arrangement/agreement; 4) total dollar amount of each affiliate arrangement/agreement; 5) component costs of each arrangement/agreement where services are provided to an affiliate (i.e., direct/indirect labor, fringe benefits, travel/housing, materials, supplies, indirect miscellaneous expenses, equipment/facilities charges, and overhead); 6) profit component of each arrangement/agreement where services are provided to an affiliate and how such component is determined; 7) comparable market values and documentation related to each arrangement/agreement; 8) percent/dollar amount of each affiliate arrangement/agreement charged to expense and/or capital accounts; and 9) allocation bases/factors for allocated costs. The report shall include all agreements with affiliates regardless of amount involved and shall supersede all other affiliate reporting requirements previously ordered.

7) If Annual Informational and/or General Rate Case Filings are not based on a calendar year, then Appalachian shall include the affiliate information contained in the Annual Report of Affiliate Transactions in such filings.

8) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA990025
JUNE 2, 1999

APPLICATION OF
THE POTOMAC EDISON COMPANY

For consent to and approval of a modification to an existing inter-company agreement with affiliates

ORDER GRANTING APPROVAL

The Potomac Edison Company ("Potomac Edison", the "Applicant") has filed an application with the Commission under the Public Utilities Affiliates Act for consent to, and approval of, a modification of an existing Inter-Company Power Agreement (the "Agreement") with Ohio Valley Electric Corporation ("OVEC") and other affiliated companies.

The Applicant represents that OVEC is an Ohio corporation organized in 1952 primarily for the purpose of supplying electric energy to the United States Atomic Energy Commission ("AEC") at its Portsmouth, Ohio, gaseous diffusion uranium enrichment plant (the "Facility"). OVEC supplies electric service to the Facility pursuant to a Power Agreement dated October 15, 1952 (the "DOE Power Agreement"), between OVEC and the United States Department of Energy ("DOE"). 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 DOE.

As represented by Potomac Edison, OVEC subsequently entered into an Inter-Company Power Agreement dated July 10, 1953, with the Sponsoring Companies.[1] 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. Potomac Edison represents that the Inter-Company Power Agreement was intended to complement OVEC's supply of power and energy under the DOE Power Agreement. As such, the Agreement obligates the Sponsoring Companies, in certain circumstances, to supply OVEC with supplemental energy. Such energy will enable OVEC to fulfill its power supply obligations under the DOE Power Agreement.

Applicant states that the Agreement grants, to the Sponsoring Companies, the right to surplus energy not needed to serve DOE's uranium enrichment plant. The Agreement also grants the Sponsoring Companies the right to surplus power, which DOE releases to OVEC for the Sponsoring Companies' use. The Commission has previously approved ten modifications to the Agreement. The latest, Modification No. 10, was approved by Order dated May 1, 1998, in Case No. PUA980012. The Inter-Company Power Agreement expires on March 12, 2006.

The parties to the Agreement have entered into Modification No. 11, dated and effective April 1, 1999. As stated in the application, DOE is uncertain that the transmission of OVEC-generated power to its Paducah enrichment plant will be available on an uninterrupted basis. As such, it is necessary for DOE to release a portion of the power that it is contractually entitled to from OVEC's facilities in order that the Sponsoring Companies can use such power. In exchange, DOE will receive credits to its power bills, thereby making funds available to purchase power from other sources for its Paducah uranium enrichment plant. The Potomac Edison Company states that Modification No. 11 is intended to make additional electricity available to OVEC's Sponsoring Companies during the summer of 1999 and to provide DOE with billing credits in exchange for its release of a portion of its entitlement to such electricity.

Potomac Edison represents that the DOE Power Agreement currently in effect does not allow DOE to reduce its contract demand in exchange for credit to its bill nor does it have a provision permitting OVEC to obtain reimbursement from the Sponsoring Companies for such credits. Potomac Edison further represents that the approval of Modification No. 11 will permit OVEC to recover, from its Sponsoring Companies, the amount credited by OVEC to DOE. As noted in the application, OVEC will receive from the Sponsoring Companies only the amount needed to cover the credits applied to DOE's bill.

The Applicant states that billing credits will be calculated in a way such that sufficient funds will be provided for power purchases during the summer months when electricity prices may be relatively high. Accordingly, a mechanism is needed to assure that credits take into account the costs of power during the summer months. The method for determining the amount of credit, as negotiated by the parties, uses as a starting point the market price of such power.

The Applicant further states that Modification No. 11 additionally amends the Agreement so that Sponsoring Companies, which reserve surplus power, will be responsible for the costs assumed by OVEC in order to secure such additional surplus power. As represented by the Applicant, the amount to be paid OVEC each month by the Sponsoring Companies for surplus power and surplus energy supplied is the sum of an energy charge, a demand charge, and if applicable, an emergency power surcharge and/or a DOE optional power release surcharge.

To date, two of the corporate directors of Potomac Edison are also directors of OVEC, eleven are directors of West Penn and Monongahela. Accordingly, OVEC, West Penn and Monongahela are affiliated interests of Potomac Edison within the meaning of § 56-76 of the Code of Virginia.

NOW THE COMMISSION, upon consideration of the application and representations of the Applicant and having been advised by its Staff, is of the opinion and finds that the above-described Modification No. 11 to the Inter-Company Power Agreement will be in the public interest and should be approved. Accordingly,

---

[1] Appalachian Power Company, Cincinnati Gas & Electric Company, Columbus Southern Power Company (formerly Columbus and Southern Ohio Electric Company), Dayton Power and Light Company, Indiana Michigan Power Company (formerly Indiana & Michigan Electric Company), Kentucky Utilities Company, Louisville Gas & Electric Company, Monongahela Power Company, Ohio Edison Company, Ohio Power Company, Pennsylvania Power Company, Potomac Edison Company, Southern Indiana Gas and Electric Company, Toledo Edison Company, and West Penn Power Company are collectively referred to as the Sponsoring Companies.

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, The Potomac Edison Company is hereby granted approval of Modification No. 11 of the Inter-Company Power Agreement as described herein.

2) Any further modifications to the Agreement shall require Commission approval.

3) The approval granted herein shall have no ratemaking implications.

4) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

5) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission, pursuant to § 56-79 of the Code of Virginia.

6) Applicant shall continue to file an Annual Report of Affiliate Transactions with the Director of Public Utility Accounting of the Commission by no later than May 1 of each year, for the preceding calendar year, subject to extension by the Director of Public Utility Accounting of the Commission. Information to be included in the Report is as follows: 1) affiliate's name; 2) description of each affiliate arrangement/agreement; 3) dates of each affiliate arrangement/agreement; 4) total dollar amount of each affiliate arrangement/agreement; 5) component costs of each arrangement/agreement where services are provided to an affiliate (i.e., direct/indirect labor, fringe benefits, travel/housing, materials, supplies, indirect miscellaneous expenses, equipment/facilities charges, and overhead); 6) profit component of each arrangement/agreement where services are provided to an affiliate and how such component is determined; 7) comparable market values and documentation related to each arrangement/agreement; 8) percent/dollar amount of each affiliate arrangement/agreement charged to expense and/or capital accounts; and 9) allocation bases/factors for allocated costs. The report shall include all agreements with affiliates regardless of amount involved and shall supersede all other affiliate reporting requirements previously ordered.

7) If Annual Informational and/or General Rate Case Filings are not based on a calendar year, then Potomac Edison shall include the affiliate information contained in the Annual Report of Affiliate Transactions in such filings.

8) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA990027
AUGUST 31, 1999

JOINT PETITION OF
GLOBAL CROSSING LTD.
and
FRONTIER CORPORATION

For approval to transfer control of Frontier Corporation's Virginia Operating Subsidiaries to Global Crossing Ltd.

ORDER GRANTING APPROVAL

On May 7, 1999, Global Crossing Ltd. ("Global Crossing") and Frontier Corporation ("Frontier"), (collectively, "the Petitioners") filed their completed joint petition with the Commission pursuant to Chapter 5 of Title 56 of the Code of Virginia requesting Commission approval to transfer control of Frontier's Virginia operating subsidiaries to Global Crossing. The Petitioners state in the joint petition that the request is made as a result of the execution of an Agreement and Plan of Merger ("the Merger Agreement") on March 16, 1999. On July 2, 1999, the Commission issued its Order Extending Time for Review, which extended the time period for reviewing the joint petition through September 3, 1999.

Global Crossing is a Bermuda holding company with numerous subsidiaries, including several in the United States. Global Crossing performs its holding functions in Beverly Hills, California. It is majority owned and controlled by United States nationals and has United States citizens holding all key management positions and the majority of Board of Director seats. Global Crossing's stock trades on the NASDAQ stock exchange. As described in the joint petition, Global Crossing is building and operating a global fiber optic network for data, voice, video, and Internet transmissions. Global Crossing is a new entrant into the global telecommunications industry that in less than three years has opened the submarine cable industry by building, as a stand-alone enterprise, competitive private submarine cables that offer global connectivity to international carriers and Internet service providers.

Frontier is a New York corporation publicly traded on the New York Stock Exchange. Through its various operating subsidiaries, Frontier is authorized to offer intrastate interexchange telecommunications services in fifty states and the District of Columbia, including intrastate services in Virginia. Frontier subsidiaries also are qualified as competitive local exchange carriers in twenty-nine states, including Virginia. Frontier's subsidiaries providing intrastate interexchange services in Virginia are as follows: Allnet Communications Services, d/b/a Frontier Communications Services, Budget Call Long Distance, Inc., Frontier Communications of the West, and Frontier Communications International, Inc. Frontier's subsidiary, Frontier Telemanagement, LLC, provides competitive local exchange services in Virginia. Only Frontier Telemanagement, LLC, is certificated and regulated by the Commission.

As described in the joint petition, the Merger Agreement provides for Global Crossing to acquire Frontier and exchange shares of Global Crossing stock for all of the outstanding shares of Frontier on a tax-free basis. To effect the transaction, Global Crossing will create a new subsidiary, GCF Acquisition Corp., which will merge into and with Frontier. As the surviving corporation, Frontier will become a wholly owned subsidiary of Global Crossing. Alternatively, if the parties choose, the technical form of the transaction may change to one in which Global Crossing and Frontier would become sister companies under a single newly created Delaware holding company. The Petitioners represent that, under both structures, there will not be any assignment of certificates held by Frontier's Virginia operating subsidiaries, and Frontier's Virginia operating subsidiaries will retain the same corporate relationships with Frontier as they have prior to the merger. Frontier's Virginia operating subsidiaries will become indirect subsidiaries of Global Crossing or of the newly created holding company.

THE COMMISSION, upon consideration of the joint petition and representations of the Petitioners and having been advised by its Staff, is of the opinion and finds that the above-described transfer of control of Frontier's Virginia operating subsidiaries will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and, therefore, should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, the Petitioners are hereby granted approval of the proposed transfer of control of Frontier's Virginia operating subsidiaries to Global Crossing as described herein.

2) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUA990028
OCTOBER 1, 1999

APPLICATION OF
NORTHPOINT COMMUNICATIONS OF VIRGINIA, INC.

For *nunc pro tunc* approval of internal corporate reorganization

ORDER GRANTING APPROVAL

On June 4, 1999, NorthPoint Communications of Virginia, Inc. ("NorthPoint-VA"), NorthPoint Communications, Inc. ("NorthPoint"), and NorthPoint Communications Group, Inc. ("NorthPoint Group") (collectively, "Applicants"), filed a completed application with the Commission under the Utility Transfers Act. In the application, Applicants request *nunc pro tunc* authority as of March 22, 1999, for an intracorporate reorganization. By Order dated August 3, 1999, the Commission extended the period of review and the date for issuing its final order until October 2, 1999.

As described in the application, NorthPoint-VA is a privately owned corporation whose principal offices are located in San Francisco, California. NorthPoint-VA is authorized to provide facilities-based and resold telecommunications services in Virginia. NorthPoint-VA's parent, NorthPoint, is authorized to provide resold and facilities-based telecommunications services in approximately twenty states.

Pursuant to the reorganization, NorthPoint became a wholly owned subsidiary of a newly created Delaware holding company, NorthPoint Group. NorthPoint's shareholders exchanged their shares on a share-for-share basis for shares of NorthPoint Group. Following the reorganization, NorthPoint Group owns one hundred percent of the stock of NorthPoint.

The shareholders of NorthPoint will now be the shareholders of NorthPoint Group, and the current Board of Directors and executive officers of NorthPoint-VA intend to serve as the Board of Directors and executive officers of NorthPoint Group. NorthPoint-VA continues to serve as the operating company.

THE COMMISSION, upon consideration of the application and representations of Applicants and having been advised by its Staff, is of the opinion and finds that the above-described intracorporate reorganization will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and, therefore, should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, Applicants are hereby granted *nunc pro tunc* approval as of March 22, 1999, of the intracorporate reorganization as described herein.

2) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUA990029
SEPTEMBER 9, 1999

PETITION OF
CORECOMM VIRGINIA, INC.

For approval to acquire certain assets of USN Communications, Inc.

ORDER GRANTING APPROVAL

On May 17, 1999, CoreComm Virginia, Inc. ("CoreComm VA," or the "Petitioner"), filed a petition under the Utility Transfers Act requesting approval to acquire certain assets of USN Communications, Inc.

USN Communications, Inc. ("USNC"), is a Delaware corporation, with its principal office located in Chicago, Illinois. USNC provides local exchange telecommunications services and provides interexchange telecommunications services in Virginia through its two subsidiaries, USN Communications Virginia, Inc. ("USNC-VA"), and USN Communications Long Distance, Inc. ("USNC-LD"). USNC-VA provides local telecommunications services. USNC-LD resells long distance services in Virginia. USNC is authorized by the FCC, through another subsidiary, to offer domestic interstate and international services nationwide as a non-dominant carrier.

CoreComm Limited, the ultimate parent company of CoreComm VA is headquartered in New York. Through its subsidiary, CoreComm Newco, Inc., CoreComm Limited provides local and long distance, wireless, Internet, and other services to both residential and business customers in Ohio. Through other wholly owned subsidiaries, CoreComm Limited provides resale and facilities-based telecommunications services in a number of states, including California, Illinois, Indiana, Massachusetts, Michigan, New York, Ohio, Pennsylvania, and Rhode Island. In a Final Order dated August 10, 1999, in Case No. PUC990027, CoreComm VA was granted authority to provide local and long distance services in Virginia. Additionally, it has petitions for authority to provide telecommunications services pending in several other states. CoreComm Limited is authorized by the FCC to offer domestic interstate and international services nationwide as a non-dominant carrier.

Pursuant to an Asset Purchase Agreement (the "Agreement") dated February 19,1999, between CoreComm Limited and USNC [1], CoreComm Limited acquired substantially all of USNC's assets, with the exception of the assets of USN Wireless, Inc., and its subsidiaries. CoreComm Limited then transferred the assets to its operating subsidiaries in the respective states. In Virginia, the assets of USNC's operating subsidiaries, USNC-VA and USNC-LD, were transferred to CoreComm VA.

In this petition, CoreComm VA requests approval to acquire certain assets, including the customer accounts of USNC-VA and USNC-LD. CoreComm VA states that the proposed acquisition promotes competition in the Virginia telecommunications marketplace. The Petitioner further states that approval of the petition will not impair or jeopardize Virginia consumers' access to adequate service at rates that are just and reasonable. CoreComm VA represents that it has access to the financial resources to improve and expand service while continuing to provide the customers of USNC-VA and USNC-LD with superior and reliable service.

The proposed acquisition will result in a change of ownership of USNC-VA's and USNC-LD's assets. However, the Petitioner represents that it will continue to provide service under the same rates, terms, and conditions as contained in the current tariffs of USNC-VA and USNC-LD.

THE COMMISSION, upon consideration of the petition and representations of the Petitioner and having been advised by its Staff, is of the opinion and finds the above-described transfer of assets will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, CoreComm VA is hereby granted approval to acquire certain assets of USNC-VA and USNC-LD under the terms and conditions described herein.

2) There appearing nothing further to be done in this matter, it hereby is dismissed.

---

[1] USNC subsidiaries participating in the Asset Purchase Agreement are: USN Communications West, Inc., USN Communications Northeast, Inc., U.S. Network Corporation, USN Communications Midwest, Inc., USN Communications Atlantic, Inc., USN Solutions, Inc., USN Communications Maine, Inc., Quest United, Inc., Fonenet / Ohio, Inc., USN Communications Southwest, Inc., USNC-VA, and USNC-LD.

CASE NO. PUA990030
AUGUST 9, 1999

PETITION OF
AQUASOURCE UTILITY, INC.,
LAND'OR UTILITY COMPANY, INC.,
and
CLAY P. HERRON

For approval for AquaSource to acquire control of Land'Or Utility Company, Inc., and approval of affiliate transactions

ORDER GRANTING APPROVAL

On May 17, 1999, AquaSource Utility, Inc. ("AquaSource," the "Company"), Land'Or Utility Company, Inc. ("Land'Or"), and Clay P. Herron ("Mr. Herron") (collectively, the "Petitioners") filed a petition under the Utility Transfers Act requesting approval for AquaSource to acquire from Mr. Herron all the stock of Land'Or. AquaSource also petitioned under the Affiliates Act for approval of, or exemption from, the filing and prior approval requirements of its affiliate arrangements with Land'Or.

Land'Or Utility Company, Inc., is a Virginia small water and sewer company governed by Chapter 10.2:1 of Title 56 of the Code of Virginia and provides water and sewer service to households in Caroline County, Virginia. However, Land'Or is subject to the Affiliates Act, pursuant to § 56-265.13:3 of the Code of Virginia, as it represents that it has gross annual revenues in excess of $500,000. Land'Or currently serves over 650 customers and approximately 1,500 additional lots. Clay P. Herron currently owns all of the issued and outstanding stock of Land'Or.

AquaSource is a wholly owned subsidiary of AquaSource, Inc., which is in turn a wholly owned subsidiary of DQE, Inc., a publicly traded utility holding company. In addition to water and wastewater utilities, AquaSource and AquaSource, Inc., also own non-regulated water and wastewater related businesses such as construction and engineering companies, water and wastewater system leasing and fabrication businesses, and contract operation services for other owners of water and wastewater facilities.

AquaSource and AquaSource, Inc. (the "Companies"), provide potable water and wastewater services to more than 300,000 customers and are currently negotiating to acquire numerous additional water utilities across the country, including Virginia. AquaSource is headquartered in Houston, Texas, and has several other offices in various areas of the country.

DQE, Inc., the parent company of AquaSource, Inc., is a Pennsylvania based energy service company and parent of Duquesne Light Company. DQE, Inc., has assets of more than $4.6 billion and annual revenues in excess of $1.2 billion. AquaSource and AquaSource, Inc., report their financial data on a consolidated basis with DQE, Inc.

AquaSource proposes to purchase, and Mr. Herron proposes to sell to AquaSource all of the stock of Land'Or. As stated in the petition, upon consummation of the transaction, Land'Or will become a wholly owned subsidiary of AquaSource and will continue to operate as a separate Virginia small water and sewer company. As agreed by AquaSource and Mr. Herron, AquaSource will pay Mr. Herron $1,189,811.00 in cash, as adjusted pursuant to the Stock Purchase Agreement, for Land'Or's stock.

AquaSource also proposes to provide to Land'Or payroll administration and administration of employee benefits and insurance programs. Such services will be provided in order to cover Land'Or's employees under the same programs covering other AquaSource personnel. AquaSource states that the proposed action will make AquaSource's employee benefits programs available to Land'Or's employees with no impact on Land'Or's customers as these services will be provided at aggregate cost.

AquaSource represents that adequate service at just and reasonable rates will not be impaired or jeopardized by the proposed transfer of control. AquaSource further represents that it plans to provide system improvements, without change in the current water and sewer rates, to Land'Or's customers. AquaSource states that, as a result of the acquisition, Land'Or will have access to substantial operating and financial resources, which would otherwise be unavailable under Land'Or's current ownership.

THE COMMISSION, upon consideration of the petition and representations of the Petitioners and having been advised by its Staff, is of the opinion and finds that the above-described transfer of control will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should be approved. The Commission further finds the affiliate agreement to be in the public interest and should, therefore, be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, AquaSource Utility, Inc., is hereby granted approval to acquire control of Land'Or Utility Company, Inc., under the terms and conditions and at the price of $1,189,811.00, as adjusted pursuant to the Stock Purchase Agreement described herein.

2) Pursuant to § 56-77 of the Code of Virginia, AquaSource Utility, Inc., is hereby granted approval to provide services to Land'Or Utility Company, Inc., under the terms and conditions described herein.

3) The approval granted herein shall have no ratemaking implications.

4) Should there be any changes in the terms and conditions of the affiliate agreement between AquaSource and Land'Or from those contained herein, Commission approval shall be required for such changes.

5) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission.

6) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

7) Any excess earnings resulting from operational efficiencies or cost reductions shall be at issue in any filings or proceedings addressing rates.

8) The approval granted herein shall in no way be deemed to include the recovery of any portion of the consideration paid in excess of the rate base, at the time of closing, through either an acquisition adjustment or any other type of adjustment for ratemaking purposes.

9) Land'Or shall file a Report of Action with the Commission on or before September 30, 1999. Such report shall contain the date of transfer, the sales price, and all accounting entries reflecting the transfer.

10) Land'Or shall file an Annual Report of Affiliate Transactions with the Director of Public Utility Accounting of the Commission by no later than May 1 of each year beginning May 1, 2000, subject to extension by the Director of Public Utility Accounting of the Commission. Information to be included in the Report is as follows: 1) affiliate's name; 2) description of each affiliate arrangement/agreement; 3) dates of each affiliate arrangement/agreement; and 4) total dollar amount of each affiliate arrangement/agreement. The report shall include all agreements with affiliates regardless of amount involved and shall supersede all other affiliate reporting requirements previously ordered.

11) Pursuant to Case No. PUE940081, any portion of Land'Or's water and sewer connection fees collected in excess of its actual cost shall be set aside in separate water and sewer escrow accounts to be used only for capital improvements.

12) Pursuant to Case No. PUE940081, Land'Or shall file with the Commission's Division of Public Utility Accounting, on or before March 31, an annual statement detailing the activity of each escrow account for the previous calendar year and shall maintain sufficient detailed records to support such statement.

13) There appearing nothing further to be done in this matter it is hereby dismissed.

CASE NO. PUA990031
AUGUST 16, 1999

APPLICATION OF
THE POTOMAC EDISON COMPANY, d/b/a ALLEGHENY POWER

For approval of a pole attachment agreement with Allegheny Communications Connect, Inc.

ORDER GRANTING APPROVAL

On May 20, 1999, The Potomac Edison Company, d/b/a Allegheny Power ("Allegheny Power"), filed an application with the Commission under the Public Utilities Affiliates Act for approval to enter into an agreement with Allegheny Communications Connect, Inc. ("ACC"), to allow ACC to attach equipment to poles owned or jointly owned by Allegheny Power.

ACC is a wholly owned subsidiary of Allegheny Power. It is a Delaware corporation and is an exempt telecommunications company ("ETC") under § 34(a)(1) of the Public Utility Holding Company Act of 1935, as amended by § 103 of the Telecommunications Act of 1996 ("the Telecom Act"). ACC received Federal Communications Commission status as an "exempt telecommunications company" on June 14, 1996. Currently, ACC provides engineering and technical services to wireless providers to assist them in the location and construction of their facilities. ACC also intends to provide wholesale communication services to telephone companies, other communication service providers, cable companies, and Internet service providers. Under the Telecom Act, Allegheny Power is required to provide non-discriminatory access to its poles and rights of way to all telecommunications providers.

Allegheny Power and ACC propose to enter into a Pole and Tower Attachment License Agreement ("the Agreement") to allow ACC to attach equipment to poles owned or jointly owned by Allegheny Power. Pursuant to the Agreement, Allegheny Power will charge ACC a fee to attach to its poles, such fee to be determined in a way as to allow Allegheny Power to recover investments in poles and minimize the costs of providing service to electric customer customers. Allegheny Power will charge ACC a fee based on the same methodology as for non-affiliates attaching to its poles. The rate is subject to an annual adjustment based on Allegheny Power's average annual distribution pole and tower cost in Virginia. Allegheny proposes to treat the revenue from ACC's pole attachments as miscellaneous revenue. Allegheny Power represents that this is the same treatment that Allegheny Power gives to other pole attachment fees. The Agreement is for an initial term of fifteen years.

THE COMMISSION, upon consideration of the application and representations of Allegheny Power and having been advised by its Staff, is of the opinion and finds that the above-described Pole and Tower License Agreement between Allegheny Power and ACC is in the public interest and should be approved subject to the conditions detailed herein. The pricing to ACC shall be at the higher of cost or market, and the same pole attachment agreement shall be offered to non-affiliates attaching to its poles. The Commission is of the further opinion that the approval shall not include approval to provide intrastate telecommunications services in Virginia. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Allegheny Power is hereby granted approval for the Pole and Tower License Agreement between Allegheny Power and Allegheny Communications Connect, Inc., under the terms and conditions as described herein; provided, however, that such pricing be at the higher of cost or market.

2) Should there be any changes in the terms and conditions of the Agreement from those contained herein, Commission approval shall be required for such approval.

3) Allegheny Power shall offer and provide service to non-affiliates that request to attach to Allegheny Power's poles on terms and conditions that are at least as favorable as those offered or provided to ACC. Allegheny Power shall not discriminate in favor of ACC in the application for such service or the implementation of any agreements.

4) The approval granted herein shall have no ratemaking implications.

5) If Allegheny Power wishes to continue operating under the Agreement beyond the initial term stated in the Agreement, Commission approval shall be required for such continuation.

6) The Approval granted herein shall not be deemed to include approval for ACC to provide intrastate telecommunications services in Virginia.

7) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

8) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not the Commission regulates such affiliate.

9) The Pole and Tower Agreement shall be included in Allegheny Power's Annual Report of Affiliate Transactions filed with the Commission's Director of Public Utility Accounting.

10) If Annual Informational and/or General Rate Case Filings are not based on a calendar year, then Allegheny Power shall include the information required in ordering paragraph (9) herein in such filings.

11) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUA990032
AUGUST 9, 1999

APPLICATION OF
DALE SERVICE CORPORATION,
THE ESTATE OF CECIL D. HYLTON
and
HYLTON ENTERPRISES (VA), INC.

For approval of affiliate transactions pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

Dale Service Corporation ("Dale Service", the "Company"), The Estate of Cecil D. Hylton, and Hylton Enterprises (VA), Inc. (collectively, the "Applicants"), have filed an application with the Commission under the Public Utilities Affiliates Act. The Company requests approval to purchase property surrounding two of its wastewater treatment plants.

Dale Service is a Virginia corporation, which provides sewer service in Prince William County, Virginia. Hylton Enterprises (VA), Inc., is a Virginia corporation and owns 8.9240 acres of land (the "Hylton Property") surrounding Dale Service's Section 8 Wastewater Treatment Plant ("Section 8 WWTP"). The Estate of Cecil D. Hylton owns 10.8620 acres of land (the "Estate Property") surrounding Dale Service's Section 1 Wastewater Treatment Plant ("Section 1 WWTP"). The Estate of Cecil D. Hylton, Hylton Enterprises (VA), Inc., and Dale Service are affiliated entities pursuant to § 56-76 of the Code of Virginia.

The Applicants represent that, in order to comply with all rules and regulations affecting the Company's provision of sewer service, Dale Service must upgrade its Section 1 and Section 8 WWTPs. As part of the upgrading process, Sequencing Batch Reactors must be installed on Dale Service's existing facilities. Sequencing Batch Reactors are used to maintain newly established ammonia and nutrient limits set by the Virginia Department of Environmental Quality and the Secretary of Natural Resources, respectively.

In order to accommodate the necessary upgrades to its water system, Applicants request approval for Dale Service to purchase the Hylton Property and the Estate Property surrounding the Company's plants. As stated by the Applicants, the Hylton Property will supply space for the new wastewater treatment plant equipment at the Section 1 WWTP, and the Estate Property will serve as a buffer around Dale Service's wastewater facilities at the Section 8 WWTP. The proposed purchase price, as noted in the original application, is $0.15 per square foot, which totals $70,972.35 for the Estate Property and $48,553.00 for the Hylton Property. The Company represents that such prices will result in the lowest possible impact on customers' rates. As indicated in the original application, the proposed sale will permit Dale Service to continue providing high quality sewer service to its customers while simultaneously permitting the Company to make necessary upgrades at reasonable costs.

On August 3, 1999, Dale Service filed a letter amending the acreage and purchase price relating to the Hylton Property. As noted in the amendment to the application, the Hylton Property consists of 8.9240 acres of land, and the Company is purchasing the entire 8.9240 acres. The original application erroneously stated 7.43083 acres. Additionally, the proposed purchase price of $48,553.00 is adjusted to reflect the value of the property as assessed by Prince William County. The Company, therefore, proposes to purchase the Hylton Property for $26,500.00, its tax-assessed value.

THE COMMISSION, upon consideration of the application and representations of the Applicants and having been advised by its Staff, is of the opinion and finds that the above-described purchase of the Estate and Hylton Properties will be in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Applicants are hereby granted approval of the affiliate agreement as described herein.

2) The approval granted herein shall in no way be deemed to include the recovery of any costs or charges for ratemaking purposes.

3) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

4) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission.

5) Dale Service Corporation shall file a Report of Action no later than October 7, 1999. The Report of Action shall contain the date of purchase, the accounting entries reflecting the purchase, and the purchase price.

6) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUA990033
DECEMBER 29, 1999

JOINT PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY
and
RAPPAHANNOCK ELECTRIC COOPERATIVE

For authority to sell and purchase public service corporation property

ORDER GRANTING AUTHORITY

On May 27, 1999, Virginia Electric and Power Company ("Virginia Power") and Rappahannock Electric Cooperative ("REC") (collectively, "Petitioners") filed a joint petition with the Commission under the Utility Transfers Act requesting authority for Virginia Power to sell to REC and for REC to purchase from Virginia Power certain metering facilities located within REC's St. Johns Church Substation. The facilities include a meter, instrument transformers, and miscellaneous hardware for Transformers #1 and #2 and a meter for Transmission #3. The proposed sales price of $28,059 is equal to the present reproduction cost of the facilities less depreciation as estimated by Virginia Power ($26,481), plus miscellaneous costs associated with reprogramming the meters, inventorying, and engineering ($578), plus legal and administrative fees ($1,000).

As stated in the joint petition, the facilities to be transferred were being used by Virginia Power in connection with the sale for resale of electricity to REC and will be used by REC in connection with the distribution and sale of electricity to REC retail customers. The original cost of the facilities was $2,368.

NOW THE COMMISSION, upon consideration of the joint petition and representations of Petitioners and having been advised by its Staff, is of the opinion and finds that the proposed transfer will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Rappahannock Electric Cooperative is granted authority to purchase and Virginia Electric and Power Company is granted authority to sell the above-described facilities located within Rappahannock Electric Cooperative's St. Johns Church Substation for a price of $28,059, as described herein.

2) The authority granted herein shall have no ratemaking implications.

3) On or before March 31, 2000, Petitioners shall file with the Commission a report of the action taken pursuant to the authority granted herein, such report to include the date of the transfer, the sales price, and the accounting entries reflecting the transaction.

4) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA990035
JUNE 15, 1999

APPLICATION OF
SYDNOR HYDRODYNAMICS, INC.

For approval of sale to James City County of three water systems

ORDER GRANTING APPROVAL

On June 11, 1999, Sydnor Hydrodynamics, Inc. ("Sydnor") filed an application with the Commission under the Utility Transfers Act requesting approval to sell to James City County (the "County") three water systems located in the County. The three water systems, which comprise approximately 518 customers, serve the First Colony, Indigo Park/White Oaks, and Old Stage Manor subdivisions. As indicated in the application, the County has served notice of condemnation on Sydnor under § 15-1905.B of the Code of Virginia.

As further indicated in the application, Sydnor believes that a settlement with the County can be reached that will obviate the need for the County to take title to the property by condemnation and complete the condemnation process. Based on negotiations to date, the County would pay $412,500 to Sydnor for the three systems. The County also would assist in the collection of Sydnor's accounts receivable, including, if necessary, disconnecting delinquent customers. Sydnor would convey to the County the complete water systems that it owns and operates in the three subdivisions, including the wells, pumps, pipes, machinery, equipment, fixtures, and real estate used in or comprising such systems.

As indicated in the application, Sydnor hopes to avoid, if possible, the time, expense, and other difficulty associated with completion of the condemnation process, including related court proceedings. Sydnor seeks instead to complete the negotiations and consummate a settlement regarding the sale of the three water systems to the County without the need for the County to complete the condemnation process.

Sydnor points out in its application that the Commission has asserted jurisdiction under § 13.1-620.G of the Code of Virginia over the rates and services for Sydnor's First Colony system, which involves approximately 255 residential customers, for a period of at least two years from the Commission's March 3, 1999 rate order, in Case No. PUE960133, involving that system. In the First Colony Rate Order, the Commission generally requires Sydnor to make certain refunds, with interest, by means of bill credits, to its First Colony customers, and Sydnor must file a report with the Commission Staff, on or before September 1, 1999, showing that all refunds have been lawfully made pursuant to that Order.

THE COMMISSION, upon consideration of the application and representations of Sydnor and having been advised by its Staff, is of the opinion and finds that the above-described transfer of utility assets of the three water systems described to James City County in order to avoid condemnation proceedings by the County would neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Sydnor Hydrodynamics, Inc., is hereby granted approval to transfer to James City County the three water systems as described herein.

2) Sydnor shall file a report of the action taken pursuant to the approval granted herein with the Commission's Director of Public Utility Accounting of the Commission on or before August 31, 1999, subject to extension by the Commission's Director of Public Utility Accounting, such report to include the date of transfer to James City County and the sales price.

3) Sydnor will complete making refunds required by the First Colony Rate Order within fourteen days from the date of closing the transaction with James City County. On or before September 1, 1999, Sydnor shall file with the Commission Staff the document referenced in paragraph 9 of the Commission's First Colony Rate Order showing that all refunds have been lawfully made pursuant to that order and itemizing the costs of the refund and the accounts charged.

4) There appearing nothing further to be done in this matter, the same be, and it hereby is, dismissed.

CASE NO. PUA990036
AUGUST 2, 1999

PETITION OF
CFW COMMUNICATIONS COMPANY
and
NETACCESS, INC.

For approval for the acquisition by CFW Communications Company of NetAccess, Inc., and its wholly owned subsidiary

ORDER GRANTING APPROVAL

On June 11, 1999, CFW Communications Company ("CFW") and NetAccess, Inc. ("NetAccess"), (collectively, "Applicants") filed a petition with the Commission under the Utility Transfers Act. In the petition, CFW and NetAccess request approval for CFW to acquire NetAccess and its wholly owned subsidiary, NA Communications, Inc.

As described in the petition, CFW is a regional communications company organized under the laws of the Commonwealth of Virginia. Through its subsidiaries, CFW provides a broad range of products and services to business and residential customers located throughout central and western Virginia and West Virginia, including local telephone, cellular and paging, digital PCS, directory assistance, and competitive local telephone access. Included in the subsidiaries is CFW Telephone. NetAccess, headquartered in Abingdon, Virginia, provides dial-up and dedicated Internet access services, digital subscriber line service, web hosting, Internet site design services and private network connectivity via frame relay, ISDN, and wide area Ethernet service throughout its service area, including Knoxville, Tennessee, the Tri-Cities area of Tennessee, and all of Southwest Virginia extending to Roanoke and Lynchburg, Virginia. NetAccess's wholly owned subsidiary, NA Communications, Inc. (the "Telephone Subsidiary"), is a public service company certificated to provide competitive local exchange service within the Commonwealth of Virginia.

CFW entered into a Purchase Agreement (the "Agreement") with NetAccess through which CFW purchased newly issued NetAccess stock resulting in a ten per cent ownership interest in NetAccess for a price of $600,000. In addition, CFW obtained an option to purchase the remainder of the outstanding NetAccess stock at a later date. As consideration for the sale of the remaining stock, CFW agreed to pay to the shareholders of NetAccess in the year 2001 an additional amount of $5,400,000 plus additional earn-out and reciprocal compensation payments in the year 2000, based upon the financial performance of NetAccess in the year 2000. By exercising the option, CFW will become the sole shareholder of NetAccess, and NetAccess will become a wholly owned subsidiary of CFW. Furthermore, by acquiring Net Access, CFW indirectly will acquire the Telephone Subsidiary as well.

Applicants represent that, after completion of the proposed stock transfer, at least through December 31, 2000, NetAccess will retain its corporate existence and will continue to operate in a manner consistent with its past practices. Moreover, at least until December 31, 2000, CFW agrees to vote its stock in NetAccess to elect two individuals selected by the shareholders of NetAccess and reasonably acceptable to CFW to the Board of Directors of NetAccess. CFW and NetAccess, therefore, represent that neither the management style nor operation of NetAccess is expected to change.

THE COMMISSION, upon consideration of the petition and representations of CFW Communications Company and NetAccess and having been advised by its Staff, is of the opinion that the above-described disposition and acquisition of the shares of NetAccess will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§56-88.1 and 56-90 of the Code of Virginia, the above-described disposition and acquisition of the shares of stock of NetAccess, Inc., and the indirect transfer of control of NA Communications, Inc., is hereby approved as described herein.

2) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA990037
SEPTEMBER 9, 1999

APPLICATION OF
THE POTOMAC EDISON COMPANY, d/b/a ALLEGHENY POWER

For approval of a contract with an affiliated interest

ORDER GRANTING APPROVAL

On June 14, 1999, The Potomac Edison Company, d/b/a Allegheny Power, ("Allegheny Power" or "Applicant") filed an application with the Commission pursuant to Chapter 4 of Title 56 of the Code of Virginia requesting authority for Allegheny Power to enter into an agreement with its affiliate, Allegheny Communications Connect, Inc. ("ACC"). That agreement ("Agreement") would permit Allegheny Power to purchase telecommunications, information, and related services ("Services") from ACC as it may from time to time require. ACC will also provide these Services and other related services to unaffiliated customers as part of a telecommunications network constructed by ACC.

In the application, Applicant states that ACC is a wholly owned subsidiary of Allegheny Power. It is a Delaware corporation and an exempt telecommunications company ("ETC") under §34(a)(1) of the Public Utility Holding Company Act of 1935[1], as amended by §103 of the Telecommunications Act of 1996 ("the Telecom Act").

ACC currently provides engineering and technical services to wireless providers to assist them in locating and constructing their facilities. ACC also intends to provide wholesale communications services to telephone companies, other communications services providers, cable companies, and Internet service providers.

As an initial transaction pursuant to the Agreement, Allegheny Power intends to purchase Services from ACC to connect generating stations, substations, and office facilities owned by Allegheny Power in Virginia and elsewhere. Allegheny Power states that these Services will serve as a vital link in its telecommunications contingency plan for its year 2000 corporate readiness program.

Under the terms of the Agreement, Allegheny Power will not be offering any Services to ACC so that no facilities owned by Allegheny Power will be affected by the Agreement. Allegheny Power represents that the Agreement does not subject Allegheny Power or its customers to the business risk associated with the development and use of any Services in the future.

The pricing provision of the Agreement calls for Allegheny Power to pay ACC the market price for Services so long as those Services are priced at the lowest market price at which Services are provided to a third party, provided that more than fifty percent (50%) of ACC's revenues is attributable to the sale of Services to third parties whether utilities or not. If fifty percent (50%) or less of ACC's Services is sold to third parties or if ACC does not sell a particular service to a third party, then the price for that Service will be at the lower of the market price or ACC's costs. Allegheny Power represents that, since more than fifty percent (50%)of ACC's revenues are attributable to the sale of Services to third parties, Allegheny Power will pay ACC the lowest market price at which similar Services are provided to a third party. Allegheny Power represents that it will pay at least twenty percent less (20%) for Services from numerous other providers. Allegheny Power states that this will assure that its customers will benefit directly from transactions under the Agreement and that the Agreement will contribute to lower customer rates.

THE COMMISSION, upon consideration of the application and representations of Allegheny Power and having been advised by its Staff, is of the opinion and finds that the pricing of Services from ACC to Allegheny Power should be at the lower of cost (to include a reasonable return) or the market price for such services. Otherwise, the Commission finds that the Agreement is in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Allegheny Power is hereby granted approval to enter into the Agreement between Allegheny Communications Connect, Inc., and The Potomac Edison Company, d/b/a Allegheny Power, under the terms and conditions as described herein as long as pricing for Services is at the lower of cost (to include a reasonable return) or the market price for such services.

2) Any changes in the terms and conditions of the Agreement from those contained herein shall require Commission approval.

3) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia.

4) The Commission shall have the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not the Commission regulates such affiliate.

5) The approval granted herein shall in no way be deemed to assure recovery of any costs in connection with the Agreement for ratemaking purposes.

6) Should ACC desire to provide intraLATA telecommunications services in Virginia, ACC must file an application with the Commission for authority to provide such services.

7) The Agreement approved herein shall be included in Allegheny Power's Annual Report of Affiliate Transactions filed with the Director of Public Utility Accounting of the Commission.

---

[1] ACC received Federal Communications Commission status as an "exempt telecommunications company" on June 14, 1996.

8) If Annual Informational and/or General Rate Case Filings are not based on a calendar year, then Allegheny Power shall include the information contained in the Annual Report of Affiliate Transactions in such filings.

9) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA990038
AUGUST 20, 1999

JOINT PETITION OF
TELIGENT OF VIRGINIA, INC.,
TELIGENT, INC.,
and
TELIGENT SERVICES, INC.

For approval of transfer of control of Teligent of Virginia, Inc., from Teligent, Inc., to Teligent Services, Inc., a wholly owned subsidiary of Teligent, Inc.

ORDER GRANTING APPROVAL

Teligent of Virginia, Inc. ("TVI"), and Teligent, Inc. ("Teligent"), and Teligent Services, Inc. ("TSI"), (collectively, "Joint Petitioners") have filed a joint petition with the Commission under the Utility Transfers Act. In the joint petition, Joint Petitioners request approval to transfer control of TVI from Teligent to TSI. As stated in the joint petition, TVI holds certificates to provide telecommunications services in Virginia.

Teligent currently is the parent of TVI. TSI has been established as a wholly owned subsidiary of Teligent. TSI will become the direct parent of TVI and will serve as the operating company in states other than Virginia. Direct control of TVI will be held by TSI with ultimate control remaining with Teligent.

THE COMMISSION, upon consideration of the joint petition and representations of Joint Petitioners and having been advised by its Staff, is of the opinion and finds that the above-described transfer of control will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, Joint Petitioners are hereby granted approval of the proposed transfer of control of Teligent of Virginia, Inc., from Teligent, Inc., to Teligent Services, Inc., as described herein.

2) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA990039
SEPTEMBER 7, 1999

JOINT APPLICATION OF
GTE SOUTH INCORPORATED
and
GTE CONSOLIDATED SERVICES INCORPORATED

For approval of affiliate transactions pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On June 15, 1999, GTE South Incorporated ("GTE South," the "Company") and GTE Consolidated Services Incorporated ("CSI") (collectively, the "Applicants," the "Companies") filed a joint application under Chapter 4 of Title 56 of the Code of Virginia for approval of certain affiliate transactions. The Applicants request approval of a Master Service Agreement (the "Agreement") between CSI and GTE Telephone Operating Companies ("GTOCs"), which includes GTE South.

GTE South, a Virginia corporation and wholly owned subsidiary of GTE Corporation ("GTE"), provides local exchange, access, and intraLATA toll service within its certificated areas in Virginia, Alabama, Illinois, Kentucky, North Carolina, and South Carolina. GTE Consolidated Services Incorporated, a Delaware corporation, provides operational services including billing, telemarketing, and managed solutions to customer communications network services and equipment. CSI is a wholly owned subsidiary of GTE. As such, CSI and GTE South are affiliated entities.

Under the proposed Agreement, CSI will manage GTE South's billing functions, manage its teleservices and face-to-face sales programs, and will provide telecommunications solutions to customers. CSI will manage and provide these services through the following three (3) work groups: the Center of Excellence ("COE") for Telemarketing, the National Billing Organization ("NBO"), and Network Integration Services ("NIS"). The initial term of the Agreement is January 1, 1999, through December 31, 1999, and will continue from year-to-year.

Pursuant to the proposed Agreement, the COE for Telemarketing will manage the teleservices and face-to-face programs in order to maximize profitable product sales. GTE South and CSI represent that COE for Telemarketing will achieve economies of scale by negotiating larger and lower cost per

unit contracts with telemarketing agents. The Applicants state that billing functions currently existing in several business units[1] within GTE will be moved to the National Billing Organization. The NBO will manage many billing functions that are essential to the operation of a telecommunications provider. Such functions include bill production and distribution, payment processing and collection, and fraud investigation. The Companies state that using shared resources to manage billing within a single national organization will lower cost and increase efficiency.

As stated in the joint application, Network Integration Services is being established to provide telecommunications solutions to customers who demand such level of service. Services provided include fault, performance, and configuration management services. As further stated in the joint application, NIS will generate new revenue opportunities and allow GTE the ability to offer the best and most, cost effective, managed services solutions.

The Companies represent that all costs charged or allocated for services or products provided to the GTOCs will be fully distributed. The Companies further represent that, where possible, 100% of the direct costs will be identified and billed to the appropriate business unit. In cases where costs cannot be identified, costs will be allocated to the various business units based on an appropriate cost driver. Total GTOCs costs will then be allocated to the appropriate jurisdiction using the existing, appropriate, general office allocation factors.

Furthermore, NIS will bill each GTE Telephone Operating Company ("GTOC") only for services provided on behalf of each specific GTOC and will not allocate its fixed costs to the GTOCs. Additionally, CSI and NIS will absorb any losses that may result from insufficient sale of services. As such, any business risk is with CSI, and not GTE South.

As represented in the joint application, approval of the Agreement will not result in GTE South providing any subsidy to CSI or any non-regulated entity of GTE. Applicants represent that the proposed Agreement is beneficial to the Company's ratepayers in that it will lower the overall cost of doing business. As stated in the Agreement, efficiencies and synergies can be achieved by centralizing and standardizing certain operational functions under one business unit.

THE COMMISSION, upon consideration of the joint application and representations of the Applicants and having been advised by its Staff, is of the opinion and finds the above-described affiliate transactions to be in the public interest and should, therefore, be approved. The joint application should be approved as long as pricing to GTE South is at the lower of cost or market. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, GTE South and CSI are hereby granted prospective approval of the Master Service Agreement under the terms and conditions described herein subject to the condition that goods and services shall be received at the lower of cost or market.

2) The approval granted herein shall in no way be deemed to include the recovery of any costs or charges for ratemaking purposes.

3) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia.

4) Should there be any changes in the terms and conditions of the Master Service Agreement between GTOCs and CSI from those contained herein, Commission approval shall be required for such changes.

5) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission.

6) GTE South shall include this Agreement in its Annual Report of Affiliate Transactions to be filed with the Director of Public Utility Accounting of the Commission by no later than May 1 of each year, subject to extension by the Commission's Director of Public Utility Accounting.

7) If Annual Informational and/or General Rate Case Filings are not based on a calendar year, then the Company shall include the affiliate information contained in the Annual Report of Affiliate Transactions in such filings.

8) There appearing nothing further to be done in this matter, it is hereby dismissed.

[1] The term business unit is used to describe major operations within GTE Corporation that deliver a common group of products and services. Network Services, Internetworking, and Long Distance Service and Wireless are all examples of such business units.

CASE NO. PUA990040
OCTOBER 5, 1999

APPLICATION OF
READ MOUNTAIN WATER COMPANY, INC.

For authority to sell its assets to the County of Roanoke

ORDER GRANTING AUTHORITY

On June 16, 1999, Read Mountain Water Company, Inc. ("Read Mountain," the "Company"), filed an application under the Utility Transfers Act requesting authority to sell all of its assets to the County of Roanoke, Virginia ("Roanoke County," the "County"). The Company agrees to sell, and the County agrees to buy Read Mountain's real estate and personal property.

By letter dated June 29, 1999, the County notified the customers of Read Mountain of the proposed acquisition and the resulting 22% rate increase for a customer with average usage. On August 12, 1999, the Commission issued an Order For Notice And Comment And Request For Hearing

("Order"). In Compliance with the Order, the Company provided customer notice on August 27, 1999. There were no requests for hearing or comments filed.

As stated in the application, the proposed purchase price of the property is $600,000.00 cash, as adjusted pursuant to the agreement. The December 31, 1998, net book value of the property, as reported in Company's Annual Report, is $340,143.00.

The Company represents, in its application, that the purchase of Read Mountain by the County will provide water customers with a backup water source. As further represented by the Company, the purchase will provide consolidated water and sewer bills as some customers already receive sewer service from Roanoke County. The Company states that the County intends to use its current standard rates and does not anticipate an increase in rates within the next ten years.

THE COMMISSION, upon consideration of the application and representations of the Company and having been advised by its Staff, is of the opinion and finds that the above-described sale of Read Mountain Water Company, Inc.'s, assets will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and, therefore, should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Read Mountain is hereby granted authority to sell and transfer its assets to Roanoke County at a price of $600,000.00, as adjusted pursuant to the agreement described herein.

2) The Company shall file a Report of Action, with the Commission, by no later than December 8, 1999. The Report of Action shall contain the date of transfer, sales price, and accounting entries reflecting the transfer.

3) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUA990041
AUGUST 24, 1999

JOINT APPLICATION OF
MCI WORLDCOM, INC., WORLDCOM NETWORK SERVICES, INC.,
MFS COMMUNICATIONS COMPANY, INC., MCI COMMUNICATIONS CORP.,
MCI TELECOMMUNICATIONS CORP., WORLDCOM TECHNOLOGIES, INC.,
VIRGINIA WORLDCOM, INC., MCIT OF VIRGINIA, INC.,
and
WORLDCOM TECHNOLOGIES OF VIRGINIA, INC.

For approval of utility transfers and related transactions and for authority to change names

ORDER GRANTING APPROVAL

On July 1, 1999, MCI WorldCom, Inc. ("MCI WorldCom"), and its operating subsidiaries, WorldCom Network Services, Inc. ("WNS"), MFS Communications Company, Inc. ("MFSCC"), MCI Communications Corp. ("MCIC"), MCI Telecommunications Corp. ("MCIT"), WorldCom Technologies, Inc. ("WT"), Virginia WorldCom, Inc. ("VWI"), MCITV of Virginia ("MCITV"), and WorldCom Technologies of Virginia, Inc. ("WTV"), (collectively, "Applicants" or "the MCI WorldCom Companies") filed a completed joint application with the Commission under the Utility Transfers Act. In the joint application Applicants request approval to reorganize the existing corporate structure and to complete a series of internal transactions in order to consolidate Applicants' long distance operations. These actions will result in the transfer of control of Virginia telecommunications companies and will consolidate several related companies that currently provide intrastate long distance telecommunications services in Virginia.

In Case No. PUA970052, the Commission approved the merger of MCIC and WorldCom, Inc. ("WorldCom"). MCI WorldCom now serves millions of consumers with long distance, local, Internet, data, and other communications services. MCI WorldCom is a publicly held Georgia corporation whose principal offices are located in Clinton, Mississippi, and is the ultimate parent of the MCI WorldCom Companies. MCI WorldCom's operating subsidiaries are authorized to provide telecommunications services in all fifty states.

MCIC is a holding company for a number of entities including MCIT. MFSCC is currently a holding company for a number of entities including WT and WTV. WT is a Delaware corporation whose operations include the provision of telecommunications services. WTV, a subsidiary of WT, is a Virginia corporation that provides intrastate telecommunications services in Virginia. The operations of WNS include the provision of long distance telecommunications services primarily to other carriers. VWI, a subsidiary of WNS, is a Virginia corporation that provides intrastate telecommunications services in Virginia. MCIT's operations include the provision of long distance service to end-users and to other carriers. MCITV, a subsidiary of MCIT, is a Virginia corporation that provides intrastate telecommunications services in Virginia.

In the joint application Applicants request specific approval for the following transactions:

1) Applicants propose to merge MFSCC, a holding company, into MCIC, also a holding company. After the merger, MFSCC will no longer exist as a legal entity.

2) Applicants propose to transfer the stock of WT, owner of WTV, from MCIC to MCIT, owner of MCITV, so that WT will become a subsidiary of MCIT.

3) Applicants propose to merge WNS, owner of VWI, into MCIT. Because WNS will no longer exist as a legal entity, Applicants also seek to cancel WNS' operating authority.

4) Applicants propose to transfer MCIT's retail operations to WT. Following the transfer, regulated intrastate telecommunications services currently provided by MCIT will be provided by WT.

5) After all of the above transactions have taken place, Applicants propose to rename the surviving entities to reflect the WorldCom/MCI merger. WT will be renamed MCI WorldCom Network Services, Inc. MCIT will be renamed MCI WorldCom Network Services, Inc. MCITV will be renamed MCI WorldCom Network Services of Virginia, Inc.

As described in the joint application, the main result of the proposed reorganization is that WT, under the new name of MCI WorldCom Communications, Inc., will provide retail long distance service to its existing customers and to customers formerly served by MCIT. MCIT, under the new name of MCI WorldCom Network Services, Inc., primarily will provide long distance service to other carriers formerly served by WNS. MCITV and WTV will continue to provide service in Virginia and will be renamed MCI WorldCom Telecommunications of Virginia, Inc., and MCI WorldCom Technologies of Virginia, Inc., respectively.

Applicants represent in the application that the proposed reorganization is an internal administrative action needed to implement further the previously approved merger of WorldCom and MCIC. Following the MCI/WorldCom merger, MCIT, WT, and WNS have been providing intrastate interexchange telecommunications services to end-users. WNS and MCIT have been providing interexchange service to other carriers.

Following the proposed reorganization, MCIT, under the new name of MCI WorldCom Network Services, Inc., will provide interexchange service primarily to other carriers. WT, under the new name of MCI WorldCom Communications, Inc., will continue to provide interexchange service and, in many states, local service to end-users. The redundant operations of WNS will cease to exist.

Applicants state that the proposed reorganization will have no adverse impact on consumers in Virginia and that, by approving the transfer of control and reorganization, adequate service to the public at just and reasonable rates will not be impaired or jeopardized. Interexchange service will continue to be provided over the same transmission facilities and infrastructure MCI WorldCom currently is using. Customer service will continue to be provided by the same teams of representatives. Applicants represent that they will provide affected customers notice of the change in the name of their telecommunications services provider in accordance with Commission regulations. MCI WorldCom also will make the appropriate tariff changes.

In the joint application, Applicants represent that the combining of redundant WNS and MCIT network facilities will result in significant efficiencies and will, therefore, achieve savings in designing and operating the long distance network and in procuring the required equipment and facilities.

THE COMMISSION, upon consideration of the joint application and representations of Applicants and having been advised by its Staff, is of the opinion and finds that the above-described internal reorganization and transfers of control, will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved. Applicants will, however, need to make the appropriate filings with the Clerk of the Commission to reflect the name changes referenced herein. Accordingly,

IT IS ORDERED THAT:

1) *Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, Applicants are hereby granted approval of the proposed internal reorganization* and related transfers of control as described herein.

2) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA990041
SEPTEMBER 27, 1999

JOINT APPLICATION OF
MCI WORLDCOM, INC., WORLDCOM NETWORK SERVICES, INC.,
MFS COMMUNICATIONS COMPANY, INC., MCI COMMUNICATIONS CORP.,
MCI TELECOMMUNICATIONS CORP., WORLDCOM TECHNOLOGIES, INC.,
VIRGINIA WORLDCOM, INC., MCIT OF VIRGINIA, INC,
and
WORLDCOM TECHNOLOGIES OF VIRGINIA, INC.

For approval of utility transfers and related transactions and for authority to change names

CORRECTING ORDER NUNC PRO TUNC

By motion filed on September 22, 1999, counsel for MCI WorldCom, Inc. ("MCI WorldCom"), and its operating subsidiaries, WorldCom Network Services, Inc. ("WNS"), MFS Communications Company, Inc. ("MFSCC"), MCI Communications Corp. ("MCIC"), MCI Telecommunications Corp. ("MCIT"), WorldCom Technologies, Inc. ("WT"), Virginia WorldCom, Inc. ("VWI"), MCITV of Virginia ("MCITV"), and WorldCom Technologies of Virginia, Inc. ("WTV"), (collectively, the "MCI WorldCom Companies" or "the Applicants") requests the Commission to amend its August 24, 1999, Order Granting Approval ("the Order") in the above-captioned proceeding. The MCI WorldCom Companies note that such amendments are necessary to reflect accurately certain internal reorganization transactions and the name changes associated with those transactions.

In their motion, the Applicants reference certain inconsistencies in their joint application relating to the names of the resulting companies and specify the desired corrections to the Order. Applicants specifically request certain changes to paragraph 5 on page 3 and the last sentence of the last full paragraph of page 3.

NOW THE COMMISSION, having considered the matter, is of the opinion that the Applicants' request for an amending order should be denied. We will, however, correct our order issued on August 24, 1999, nunc pro tunc, to reflect the correct names of the companies resulting from certain reorganization transactions. Accordingly,

IT IS ORDERED THAT:

(1) The second sentence in paragraph 5 on page 3 of our August 24, 1999, Order in the above captioned proceeding hereby is corrected to reflect WT being renamed MCI WorldCom Communications, Inc., rather than MCI Network Services, Inc.

(2) The last sentence in the last full paragraph on page 3 of the Order referencing that MCITV and WTV will continue to provide service in Virginia hereby is corrected to reflect that MCITV will be renamed MCI WorldCom Network Services of Virginia, Inc., rather than MCI WorldCom Telecommunications of Virginia, Inc., and that WTV will be renamed MCI WorldCom Communications of Virginia, Inc., rather than MCI WorldCom Technologies of Virginia, Inc.

CASE NO. PUA990042
AUGUST 26, 1999

JOINT PETITION OF
MEDIA GENERAL, INC.,
and
COX COMMUNICATIONS, INC.

For prior approval of acquisition and disposition of control pursuant to Chapter 5, Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On July 20, 1999, Media General, Inc., and Cox Communications, Inc. ("Cox Communications"), (collectively, "Petitioners") filed a joint petition with the Commission under the Utility Transfers Act requesting prior approval of the proposed acquisition and disposition of control of a telephone company. As requested in the joint petition, Cox Communications proposes to acquire from Media General, Inc., all of the issued and outstanding shares of stock of Media General Telecommunications, Inc. ("Media General Telecommunications"). Cox Communications will become the sole shareholder of Media General Telecommunications.

As described in the joint petition, Media General Telecommunications is a Virginia public service company and a wholly owned subsidiary of Media General, Inc., a Virginia corporation. Media General Telecommunications is a certificated local exchange and interexchange carrier in Virginia. Cox Communications is a Delaware corporation whose wholly owned subsidiary, Cox Virginia Telecom, Inc., a Virginia public service corporation, is also a certificated local exchange carrier and interexchange carrier in Virginia.

In the joint petition, Petitioners state that Media General Telecommunications currently owns no facilities and has not begun operations. Media General Telecommunications has not yet submitted tariffs for Staff approval.

THE COMMISSION, upon consideration of the joint petition and representations of Petitioners and having been advised by its Staff, is of the opinion and finds that the above-described acquisition and disposition of control of Media General Telecommunications will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, Petitioners are hereby granted approval of the proposed transfer of control of Media General Telecommunications from Media General, Inc., to Cox Communications as described herein.

2) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUA990044
NOVEMBER 1, 1999

JOINT PETITION OF
IXC COMMUNICATIONS, INC.
and
CINCINNATI BELL INC.

For approval of a transfer of control under § 56-88.1 of the Code of Virginia

ORDER GRANTING APPROVAL

On August 13, 1999, IXC Communications, Inc. ("IXC"), and Cincinnati Bell Inc. ("CBI") (collectively "Petitioners") completed the filing of a joint petition for approval under § 56-88.1 of the Code of Virginia ("Virginia Code") of a transaction under which CBI will acquire control of IXC's subsidiary, IXC Communications Services of Virginia, Inc. ("IXC-CSV"), from IXC. IXC-CSV holds a certificate of public convenience and necessity to provide interexchange telecommunications services in Virginia.

By Commission Order Extending Time for Review dated October 8, 1999, the Commission extended its review period through November 11, 1999. No comments were filed in this case.

Cincinnati Bell Inc. ("CBI") is a holding company offering, through its subsidiaries, diversified telecommunications services. Its principal subsidiaries include the following: Cincinnati Bell Telephone Company, Cincinnati Bell Long Distance, Inc., Cincinnati Bell Supply Company, Cincinnati Bell Directory, Inc., and Cincinnati Bell Wireless Company. IXC Communications Services of Virginia, Inc. ("IXC-CSV"), is a Virginia public service company and is a wholly owned subsidiary of IXC Communications Services, Inc. ("IXC-CSI"). IXC-CSI provides long distance switched and dedicated private line telecommunications services and is a wholly owned subsidiary of IXC Communications, Inc. ("IXC"). In addition to IXC-CSI, IXC subsidiaries Telecom One and Eclipse Telecommunications are resellers of long distance telecommunications services to retail end-users, and subsidiary IXC Internet markets a full line of data/Internet products and services.

Pursuant to the Agreement and Plan of Merger ("the Agreement") entered into between CBI and IXC, the ultimate corporate parent of IXC-CSV, IXC will be acquired by CBI in a merger transaction and will become a structurally separate, wholly owned subsidiary of CBI. After the acquisition, IXC-CSV will continue to operate under its own authorization and will continue to provide telecommunications services to its current customers under existing service arrangements.

THE COMMISSION, upon consideration of the joint petition and representations of Petitioners and having been advised by its Staff, is of the opinion and finds that the above-described transfer of control of IXC-CSV from IXC to CBI will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and, therefore, should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to Virginia Code §§ 56-88.1 and 56-90, Petitioners are hereby granted approval of the proposed transfer of control of IXC Communications Services of Virginia, Inc., from IXC Communications, Inc., to Cincinnati Bell Inc. as described herein.

2) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA990046
DECEMBER 21, 1999

PETITION OF
VIRGINIA-AMERICAN WATER COMPANY
and
UNITED WATERWORKS, INC.

For authority pursuant to the Utility Transfers Act, §§ 56-88 *et. seq.* of the Code of Virginia

ORDER GRANTING AUTHORITY

On August 25, 1999, Virginia-American Water Company ("Virginia-American") and United Waterworks, Inc. ("United Waterworks"), (collectively referred to as "Petitioners") filed a completed petition with the Commission requesting authority pursuant to the Utility Transfers Act, §§ 56-88 *et. seq.* of the Code of Virginia ("Virginia Code"), to acquire United Waterworks' wholly owned Virginia subsidiary, United Water Virginia, Inc. ("United Water Virginia," "UWV"). On September 23, 1999, the Commission issued an order directing Petitioners to provide notice and permitting interested persons to comment and to request a hearing.

There were no requests for hearing. There was, however, a filing of correspondence between counsel for Corrotoman-by-the-Bay Water System to Petitioners' counsel regarding asset ownership issues for the Corrotoman-by-the Bay Water System.[1]

As stated in the petition, Virginia-American is a public service company that provides water services to approximately 50,000 customers located in Alexandria, Dale City, Hopewell, portions of Prince William County, Prince George County, and the Fort Lee military reservation in Virginia. It is a wholly owned subsidiary of American Water Works Company ("American," "AWW").

American is a Delaware corporation headquartered in Voorhees, New Jersey. Through its subsidiaries, American provides water and wastewater services to approximately 2.4 million customers in twenty-three (23) states.

United Waterworks is a wholly owned subsidiary of United Water Resources, a utility holding company that owns and operates water utilities in nineteen (19) states and Canada. United Waterworks is the parent of United Water Virginia, a public service company certificated within the Commonwealth of Virginia. United Water Virginia provides water and wastewater services to approximately 1,800 customers within sixteen (16) separate systems located east of the Rappahannock River in Westmoreland, Northumberland, Lancaster, King William, and Essex Counties.

Pursuant to a Stock Purchase Agreement (the "Agreement") between United Waterworks and Virginia-American dated July 12, 1999, United Waterworks has agreed to sell and Virginia-American has agreed to purchase all of the issued and outstanding shares of common stock of United Water Virginia. Virginia-American has agreed to pay to United Waterworks approximately $2,300,000, as adjusted to reflect total shareholders' equity as of the date of closing. According to the terms of the Agreement, Petitioners contemplate Virginia-American being the sole shareholder of United Water Virginia, and United Water Virginia, therefore, will become a wholly owned subsidiary of Virginia-American. After the proposed transfer of stock, United Water

[1] The ownership issues are being litigated in a proceeding before the Lancaster County Circuit Court in which a Motion for Declaratory Judgment was filed on November 10, 1999. Since this application involves the transfer of stock, the issues raised regarding ownership of assets do not appear to have an effect on this case.

Virginia will continue to operate as a water utility in Virginia. Petitioners represent that the purchase price to be paid by Virginia-American was determined through arms-length negotiations between the two non-affiliated entities and is based on the book value of the equity of United Water Virginia.

As represented by Petitioners, neither the provision of service nor the rates charged customers will change as a result of the transfer. United Water Virginia will continue to provide service to its customers except that, rather than the stock being directly owned by United Waterworks and ultimately owned by United Water Resources, all stock of United Water Virginia will be owned directly by Virginia-American and ultimately owned by American. As indicated previously, Petitioners represent that rates will not change as a result of the transfer. The Commission will have the same regulatory authority over United Water Virginia after the transfer. Petitioners represent that the transfer of stock will have no adverse economic impact in Virginia, and United Water Virginia's existing five (5)-year capital budget plan will remain in place.

THE COMMISSION, upon consideration of the application and representations of Petitioners and having been advised by its Staff, is of the opinion and finds that the proposed transfer of United Water Virginia's stock from United Waterworks to Virginia-American will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and, therefore, should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to Virginia Code § 56-89 and § 56-90, the disposition and acquisition of the shares of United Water Virginia, Inc., as set forth in this petition is hereby approved.

2) Petitioners shall file a report of action detailing the price paid for the shares of United Water Virginia, Inc., and the date the transfer was accomplished.

3) The authority granted herein shall have no ratemaking implications.

4) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA990049
NOVEMBER 19, 1999

JOINT APPLICATION OF
GTE SOUTH INCORPORATED
GTE SERVICE CORPORATION
and
AG COMMUNICATION SYSTEMS CORPORATION

For approval of an affiliate transaction pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On August 24, 1999, GTE South Incorporated ("GTE South," the "Company"), GTE Service Corporation (the "Service Corporation"), and AG Communication Systems Corporation ("AGCS") (collectively, the "Applicants") filed a joint application under Chapter 4 of Title 56 of the Code of Virginia for approval of an affiliate transaction. The Applicants request approval of a Generic Software and Infrastructure Hardware Deployment Agreement with AGCS (the "Agreement").

GTE South is a Virginia corporation that provides local exchange, access, and intraLATA toll service within its certificated areas in Virginia, Alabama, Illinois, Kentucky, North Carolina, and South Carolina. The Service Corporation is a New York corporation providing technical, financial, and other advisory services for various GTE affiliated companies including GTE South. The Service Corporation and GTE South are both wholly owned subsidiaries of GTE Corporation ("GTE").

AGCS manufactures central office switching systems, comprised of hardware and software, which allow telephone companies to provide telecommunications services to their customers. AGCS is a joint venture between GTE and Lucent Technologies, Inc. GTE has a minority interest in AGCS and owns 19.99% of the joint venture. GTE South and AGCS are affiliated entities.

Pursuant to the terms and conditions of the Agreement, AGCS will provide, and the Service Company will purchase, annually, certain GTD-5 hardware and software for a term of three (3) years for a total price of $174,000,000.00. The Applicants state that the Agreement will allow GTE to maintain all GTD-5 switches with current generic software. As a result, GTE will be able to offer services universally in jurisdictions where such switches are located.

As represented in the application, costs associated with this Agreement will be allocated based on the number of GTD-5 switches located in each state or jurisdiction. It is further represented that since there are no such switches located in Virginia, the Agreement will have no impact on Virginia ratepayers. As further represented by the Applicants, the Agreement will not affect GTE South's Virginia jurisdictional business but will likely exceed the $3 million threshold established in the Order Granting Limited Exemption in Case No. PUA970043.

THE COMMISSION, upon consideration of the application and representations of the Applicants and having been advised by its Staff, is of the opinion and finds the above-described affiliate transaction to be in the public interest and should, therefore, be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, GTE South, the Service Corporation, and AGCS are hereby granted approval of the Generic Software and Infrastructure Hardware Deployment Agreement under the terms and conditions described herein.

2) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia.

3) Should there be any changes in the terms and conditions of the Agreement from those contained herein, Commission approval shall be required for such changes.

4) Should any costs ever be allocated to Virginia, GTE South shall notify the Commission of such allocations. In such case, GTE South shall show that it is paying the lower of cost or market for its share of the costs.

5) The approval granted herein shall in no way be deemed to include the recovery of any costs or charges for ratemaking purposes.

6) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission.

7) GTE South shall include this Agreement in its Annual Report of Affiliate Transactions to be filed with the Director of Public Utility Accounting of the Commission by no later than May 1 of each year, subject to extension by the Commission's Director of Public Utility Accounting.

8) If Annual Informational and/or General Rate Case Filings are not based on a calendar year, then the Company shall include the affiliate information contained in the Annual Report of Affiliate Transactions in such filings.

9) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA990050
NOVEMBER 19, 1999

JOINT APPLICATION OF
GTE SOUTH INCORPORATED
GTE SERVICE CORPORATION
and
AG COMMUNICATION SYSTEMS CORPORATION

For approval of an affiliate transaction pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On August 24, 1999, GTE South Incorporated ("GTE South," the "Company"), GTE Service Corporation (the "Service Corporation"), and AG Communication Systems Corporation ("AGCS") (collectively, the "Applicants") filed a joint application under Chapter 4 of Title 56 of the Code of Virginia for approval of an affiliate transaction. The Applicants request approval of a Software License Agreement with AGCS (the "Agreement").

GTE South is a Virginia corporation that provides local exchange, access, and intraLATA toll service within its certificated areas in Virginia, Alabama, Illinois, Kentucky, North Carolina, and South Carolina. The Service Corporation is a New York corporation providing technical, financial, and other advisory services for various GTE affiliated companies including GTE South. The Service Corporation and GTE South are both wholly owned subsidiaries of GTE Corporation ("GTE").

AGCS manufactures central office switching systems, comprised of hardware and software, which allow telephone companies to provide telecommunications services to their customers. AGCS is a joint venture between GTE and Lucent Technologies, Inc. GTE has a minority interest in AGCS and owns 19.99% of the joint venture. GTE South and AGCS are affiliated entities.

Pursuant to the terms and conditions of the Agreement, AGCS will license software to GTE for a total license fee of $50,000,000.00. The Applicants represent that the software associated with this Agreement will enable GTE to continue to offer up to date telecommunications services in jurisdictions where GTE-5 switches are located. Applicants further represent that costs associated with this Agreement will be allocated based on the number of GTD-5 switches located in each state or jurisdiction. The Applicants represent that since there are no GTD-5 switches located in Virginia, the Agreement will have no impact on Virginia ratepayers. As stated in the application, the Agreement will not affect GTE South's Virginia jurisdictional business but will likely exceed the $3 million threshold established in the Order Granting Limited Exemption in Case No. PUA970043.

THE COMMISSION, upon consideration of the application and representations made in the application and having been advised by its Staff, is of the opinion and finds the above-described affiliate transaction to be in the public interest and it should, therefore, be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, GTE South, the Service Corporation, and AGCS are hereby granted approval of the Software License Agreement under the terms and conditions described herein.

2) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia.

3) Should there be any changes in the terms and conditions of the Agreement from those contained herein, Commission approval shall be required for such changes.

4) Should any costs be allocated to Virginia in the future, GTE South shall notify the Commission of such allocations. In such case, GTE South shall show that it is paying the lower of cost or market for its share of the costs.

5) The approval granted herein shall in no way be deemed to include the recovery of any costs or charges for ratemaking purposes.

6) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission.

7) GTE South shall include this Agreement in its Annual Report of Affiliate Transactions to be filed with the Director of Public Utility Accounting of the Commission by no later than May 1 of each year, subject to extension by the Commission's Director of Public Utility Accounting.

8) If Annual Informational and/or General Rate Case Filings are not based on a calendar year, then the Company shall include the affiliate information contained in the Annual Report of Affiliate Transactions in such filings.

9) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA990051
NOVEMBER 1, 1999

JOINT APPLICATION OF
GTE SOUTH INCORPORATED
and
GTE WIRELESS SERVICE CORPORATION

For approval of affiliate transactions pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On August 24, 1999, GTE South Incorporated ("GTE South," the "Company") and GTE Wireless Service Corporation ("GTEWSC") (collectively, the "Applicants") filed a joint application under Chapter 4 of Title 56 of the Code of Virginia ("Virginia Code") for approval of affiliate transactions.

GTE Wireless Service Corporation ("GTEWSC") is a Delaware corporation. It provides financial, legal, technical, and other advisory services to the subsidiaries of GTE's cellular companies (i.e., operational services including billing, telemarketing, and managed solutions). GTEWSC is a wholly owned subsidiary of GTE Wireless Incorporated, which is a wholly owned Tier 1 subsidiary of GTE Corporation ("GTE"). As such, GTEWSC is an affiliate of GTE South.

The Applicants request approval of a Commercial Mobile Radio Service ("CMRS") Star Information PLUS (*SIP) Service Agreement (the "Agreement"). Under the proposed Agreement, GTE South will provide *SIP to GTEWSC. *SIP is an enhanced directory assistance wholesale product, which provides for call completion. *SIP provides a range of features and functions that may be customized by GTEWSC to meet its general and specific market needs. GTE South represents that services will be provided to affiliates and non-affiliates. Additionally, services will be offered on a non-discriminatory basis to other CMRS providers, as was the case in the original agreement and its subsequent amendment.

The Agreement will expire on June 23, 2002, but will continue from month-to-month provided that neither party has terminated it. The Company represents that the Agreement was executed to enable GTE South to provide enhanced directory assistance services to Wireless subscribers including the option of call completion for a *SIP Service listing. This Agreement supersedes the previous CMRS *Star Information Plus Service Agreement and the Amendment approved by the Commission in Case Nos. PUA960023 and PUA970037, respectively.

GTE South represents that this is a national contract replacing an expiring regional contract. As such, there is no change in the services provided, just an increase in geographic coverage (national).

THE COMMISSION, upon consideration of the application and representations made by the Applicants and having been advised by its Staff, is of the opinion and finds the above-described affiliate transactions to be in the public interest and should, therefore, be approved as long as the transactions are priced at the higher of fully distributed cost, plus a reasonable return, or the market price. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to Virginia Code § 56-77, GTE South and GTEWSC are hereby granted approval of the CMRS *Star Information PLUS Service Agreement under the terms and conditions described herein provided that such transactions are priced at the higher of fully distributed cost, plus a reasonable return, or the market price.

2) The approval granted herein shall not preclude the Commission from exercising the provisions of Virginia Code §§ 56-78 and 56-80.

3) Should there be any changes in the terms and conditions of the Agreement from those contained herein, Commission approval shall be required for such changes.

4) Services shall be offered on a non-discriminatory basis at the same rates to non-affiliates as to affiliates.

5) The approval granted herein shall have no ratemaking implications.

6) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission.

7) The Order granting approval herein shall supersede the Orders in Case Nos. PUA960023 and PUA970037.

8) GTE South shall include this Agreement in its Annual Report of Affiliate Transactions to be filed with the Director of Public Utility Accounting of the Commission by no later than May 1 of each year, subject to extension by the Commission's Director of Public Utility Accounting.

9) If Annual Informational and/or General Rate Case Filings are not based on a calendar year, then the Company shall include the affiliate information contained in the Annual Report of Affiliate Transactions in such filings.

10) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA990052
NOVEMBER 17, 1999

APPLICATION OF
APPALACHIAN POWER COMPANY

For authority for modifications to an existing Service Agreement

ORDER GRANTING APPROVAL

On September 1, 1999, Appalachian Power Company ("APCO," "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act. The Applicant requests approval to modify an existing Service Agreement (the "Agreement") between APCO and American Electric Power Service Corporation ("Service Corporation," "Affiliate"). APCO and Service Corporation are wholly owned subsidiaries of American Electric Power Company, Inc. ("AEP"), a holding company. As such Service Corporation and APCO are affiliates.

On May 13, 1980, the Commission issued an Order in Case No. PUA800020 approving a Service Agreement between APCO and Service Corporation. Service Corporation, a New York corporation, currently provides services under various service agreements to AEP, eight (8) electric utility companies[1] (the "Electric Utility Companies"), and various active and inactive non-utility companies, (collectively, "Clients"). Services provided under the existing Service Agreement are listed in Article III of Schedule A of the Service Agreement. The Service Agreement does not provide any expiration date but provides for termination upon not less than one year's written notice by either party.

On February 19, 1997, the Commission issued an Order in Case No. PUA960054 granting authority to amend Schedule A of the original Service Agreement. The amendment reflected a realignment of business groups and support services rendered to those groups. The realignment established four (4) functional business groups. Schedule A was amended to revise the structure of the groups and the allocation ratios used to bill costs to the Electric Utility Companies and other affiliates.

As stated by Applicant, in order to more accurately reflect the companies' operations, APCO has proposed several changes to Schedule A of the existing Service Agreement. Schedule A has been amended to add new allocation ratios and business groups. Applicant represents that Service Corporation's application to the Securities and Exchange Commission for approval of the changes to Schedule A was approved by Order dated April 14, 1999. The revisions to Schedule A are as follows:

(a) Six (6) new allocation ratios for functional services have been added to the previous seventeen- (17) ratios.

(b) Section F of Schedule A has been revised to delete the Number of Invoices Processed Ratio. This ratio has been included in Section E.

(c) Article III of Schedule A has been revised to add eleven (11) additional methods of allocation to the Accounting Group.

(d) Article III of Schedule A has also been revised to add four (4) new business groups (Consumers Service Group, Corporate Development Group, Energy Pricing and Regulatory Services Group, and Marketing – Energy Services and Power Market Group).

(e) Article III of Schedule A has been revised to expand the methods of allocation in several groups.

APCO represents that the Service Corporation will provide all services at cost. APCO further represents that each work order will specify the Client(s) to be charged. Where more than one Client is to be charged, the allocation method of such charges will be determined in the following manner:

(a) Costs accumulated on job, project, or functional work orders for services performed for a single Client will be billed to that Client.

(b) Costs accumulated on job or project work orders for services performed for two (2) or more Clients will be allocated among and billed to such Clients. The appropriate method of allocation will be determined by Service Corporation at the time each such work order is initiated.

---

[1] The eight (8) electric utility companies are: AEP Generating Company, APCO, Columbus Southern Power Company, Indiana Michigan Power Company, Kentucky Power Company, Kingsport Power Company, Ohio Power Company, and Wheeling Power Company.

(c) Costs accumulated on functional work orders for services of a general nature, which are applicable to all Clients or to a class or classes of Clients, will be allocated among and billed to such Clients by application of one or more of twenty-three (23) allocation ratios[2].

NOW THE COMMISSION, upon consideration of the application and representations of the Applicant and having been advised by its Staff, is of the opinion and finds that the above-described modifications to the Service Agreement will be in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Appalachian Power Company is hereby granted approval to modify the Service Agreement as described herein.

2) Any further modifications to the Service Agreement shall require Commission approval.

3) The approval granted herein shall in no way be deemed to include the recovery of any costs or charges in connection with the approval granted herein for ratemaking purposes.

4) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

5) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission.

6) Applicant shall include this agreement in its Annual Report of Affiliate Transactions filed with the Director of Public Utility Accounting of the Commission by no later than May 1 of each year, for the preceding calendar year, subject to extension by the Director of Public Utility Accounting of the Commission.

7) If Annual Informational and/or General Rate Case Filings are not based on a calendar year, then Appalachian shall include the affiliate information contained in the Annual Report of Affiliate Transactions in such filings.

8) There appearing nothing further to be done in this matter, it hereby is dismissed.

---

[2] The twenty-three allocation options are: Kwh sales ratio, client load ratio, number of electric customers ratio, number of client employees ratio, number of company employees by group ratio, plant investment ratio, level of construction ratio, level of construction – production ratio, level of construction – transmission ratio, level of construction – distribution ratio, tons of coal acquired ratio, computer resource unit ratio, coal company combination ratio, coal – fired kilowatt hours generation ratio, transmission and sub-transmission pole mile ratio, plant megawatt capability ratio, number of stores transaction ratio, data processing staff job hours ratio, fossil plant combination ratio, number of invoices processed ratio, useable square footage group ratio, total annual cost ratio, and number of energy trading transactions ratio.

CASE NO. PUA990053
DECEMBER 6, 1999

APPLICATION OF
APPALACHIAN POWER COMPANY
and
AEP COMMUNICATIONS, LLC

For approval of affiliate agreement

ORDER GRANTING APPROVAL

On September 9, 1999, Appalachian Power Company ("APCO") and AEP Communications, LLC ("AEPC"), (collectively "Applicants") filed an application with the Commission under the Public Utilities Affiliates Act. In the application, Applicants request approval of a Master Site Agreement ("MSA") to include individual Site Agreements between Applicants.

Pursuant to the MSA, AEPC will license undeveloped utility property known as the greenfield sites from APCO and other American Electric Power Company, Inc. ("AEP"), operating companies for the siting and construction of communications towers and equipment. Applicants state that, through this application, AEPC and APCO seek to enhance competition in the Commonwealth of Virginia's telecommunications markets and further the Congressional mandate set forth in the Public Utility Holding Company Act ("PUHCA") amendments made by the Telecommunications Act of 1996.

As stated in the application, the MSA will govern the specific terms and conditions under which Applicants will enter into license agreements for particular greenfield sites. Under the MSA, an individual site agreement will be executed as a license for each site. The utilities, in this case APCO, will retain sole discretion to approve or deny requests for siting of new towers. AEPC will be responsible for obtaining and complying with federal, state, and local ordinances concerning the construction, zoning, and operation of tower facilities. APCO will not use eminent domain to obtain land and zoning for sites to be licensed by AEPC under the MSA.

As stated by Applicants, the proposed annual fee for each site is $10,200 per year per site over the life of the license to be paid in monthly installments. There are provisions for volume discounts should AEPC license multiple sites. Applicants represent that the proposed annual fee structure is derived from analogous site agreements between AEP utilities and unaffiliated third parties. As such, Applicants represent that the proposed fee represents the prevailing market price. Applicants represent that the MSA will have no effect on electric service.

THE COMMISSION, upon consideration of the application and representations of Applicants and having been advised by its Staff, is of the opinion and finds that the above-described Master Site Agreement is in the public interest and should, therefore, be approved as long as Appalachian Power Company charges the higher of the book value of the underlying land or the market price. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Appalachian Power Company is hereby granted approval for the Master Site Agreement including individual Site Agreements that will be entered into pursuant to the Master Site Agreement under the terms and conditions and for the purposes described herein provided that Appalachian Power Company charges the higher of the book value of the underlying land or the market price for such license fees.

2) Should there be any changes in the terms and conditions of the MSA from those contained herein, Commission approval shall be required for such changes.

3) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia.

4) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not the Commission regulates such affiliate.

5) The approval granted herein shall have no ratemaking implications.

6) Appalachian Power Company shall include the Master Site Agreement in its Annual Report of Affiliate Transactions. In addition to information currently required in such report, Appalachian Power Company shall include for transactions involving the MSA copies of all executed Site Agreements describing the particulars of the site as shown in the application and the book value of the underlying land relative to the proposed license fee.

7) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA990054
SEPTEMBER 14, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of adopting additions and amendments to the Commission's rules governing the filing of rate increase applications

ORDER ESTABLISHING PROCEEDING

The Commission has determined that modifications and amendments may be needed to its Rules Governing Utility Rate Increase Applications and Annual Informational Filings ("Rate Case Rules"), adopted in Case No. PUE820056[1] and modified in Case No. PUE850022.[2] The Commission is of the further opinion that amendments or additions may also be necessary to its Rules Governing Streamlined Rate Proceedings and General Rate Proceedings for Electric Cooperatives Subject to the State Corporation Commission's Rate Jurisdiction, 20 VAC 5-200-21 ("Coop Rules"), adopted in Case No. PUE930054.[3]

The rules promulgated in these cases establish filing requirements and other obligations for public utilities, including investor-owned electric, natural gas, telephone, certain water and sewer companies, and electric cooperatives, that seek increases in their regulated operating revenues. The Commission is of the opinion that the Commission Staff should investigate what changes are needed to the current rules, including any required by recently enacted legislation, and should report any recommended amendments to the existing rules as part of the report ordered below. As is evident from the dates of the cases set out in the footnotes, the rules have been in effect for a considerable period of time and much has changed within the public utility industry and in the Code of Virginia since the rules were last comprehensively examined.

In particular, the 1999 Session of the Virginia General Assembly enacted S.B. 1269, the Virginia Electric Utility Restructuring Act ("Act"), which became the law of the Commonwealth on July 1, 1999.[4] The Act added a new chapter to Title 56 of the Code of Virginia, consisting of sections numbered 56-576 through 56-595. This new law extensively altered the manner in which electric utility service will be provided in the Commonwealth and

[1] Commonwealth of Virginia, ex rel State Corporation Commission, Ex parte: In the matter of adopting revised rules governing Financial Operating Review and utility rate case filings, 1982 S.C.C. Ann. Rep. 629.

[2] Commonwealth of Virginia, ex rel State Corporation Commission, Ex parte: In the matter of adopting certain amendments to the Rules Governing Utility Rate Increase Applications, 1985 S.C.C. Ann. Rep. 478.

[3] Commonwealth of Virginia, ex rel. State Corporation Commission, Ex parte: In re: Investigation of the rules governing electric cooperative rate cases and rate regulation of electric cooperatives, 1996 S.C.C. Ann. Rep. 247.

[4] The General Assembly also enacted H.B. 2438, which completely replaced Chapter 9 of Title 56 of the Code of Virginia, regarding the organization, powers and regulation of electric cooperatives.

also the manner in which such service will be regulated, both during and following the transition period established in the Act. For example, new § 56-582 requires the Commission to establish rate caps for each electric utility, including the electric cooperatives, but permits certain utilities to make an application to the Commission prior to January 1, 2001, for modification of the current capped rate. Section 56-582 states that "such rate application and the Commission's approval shall give due consideration, on a forward-looking basis, to the justness and reasonableness of rates to be effective for a period of time ending as late as July 1, 2007." Our existing Rate Case Rules and Coop Rules may not provide for all such forward-looking adjustments.

New § 56-581 further requires the Commission to regulate the rates for the transmission of electric energy, to the extent not pre-empted from doing so by federal law, and for the distribution of electric energy to retail customers on an unbundled basis. The establishment of rates for these services will require the submittal of information different, and in different format, from that required by the current rules, which permit the Commission to establish rates on a bundled basis. Consequently, amendments to and supplements of the Rate Case Rules and Coop Rules appear to be necessary. As set out above, the Commission is of the opinion that a comprehensive review of the rules is now timely. Accordingly,

IT IS ORDERED THAT:

(1) The Commission Staff shall, on or before November 9, 1999, file a report recommending any proposed amendments and additions to the Rate Case Rules and Coop Rules, including those necessary for the Commission to carry out its duties under the Act.

(2) On or before December 21, 1999, any interested party may file an original and fifteen (15) copies of any comments on the proposals contained in the Staff's report, or request for hearing on the proposals contained in the Staff's report. Any request for hearing should state with specificity the issues proposed to be addressed at a public hearing and the evidence expected to be offered therein. If no sufficient request for hearing is received, the Commission may act upon the pleadings filed in this matter.

(3) On or before October 8, 1999, the Commission's Division of Public Utility Accounting shall cause a copy of the following notice to be published in newspapers having general circulation throughout the state:

NOTICE OF PROPOSED AMENDMENTS TO RULES ESTABLISHED
BY THE STATE CORPORATION COMMISSION FOR THE FILING
OF RATE INCREASE APPLICATIONS BY PUBLIC UTILITIES,
COOPERATIVES AND TELEPHONE COMPANIES

On September 14, 1999, the State Corporation Commission entered an order directing its Staff to investigate and propose amendments and additions to its Rules Governing Utility Rate Increase Applications and Annual Informational Filings ("Rate Case Rules") and to its Rules Governing Streamlined Rate Proceedings and General Rate Proceedings for Electric Cooperatives Subject to the State Corporation Commission's Rate Jurisdiction, ("Coop Rules").

The Commission is of the opinion that a comprehensive review of these rules is necessary in light of sweeping changes in the public utility industries and amendments to the Code of Virginia that have occurred since the rules were last reviewed comprehensively. In particular, the enactment of the Virginia Electric Utility Restructuring Act, which became effective July 1, 1999, extensively altered the manner in which electric utility service will be provided and regulated in the Commonwealth.

The Commission Staff is ordered to file its report, proposing any changes or amendments to the rules, on or before November 9, 1999. Changes to the rules may have an effect on the filing by any public utility of a request for a rate increase, including electric, natural gas, telephone, electric cooperative and certain water and sewer companies.

Any interested party may obtain a copy of the Staff's report by requesting same in writing from the Clerk of the Commission at the address listed below.

Any interested party may comment upon the Staff's proposals, or request a hearing on the Staff's proposals, by filing an original and fifteen copies of the comment or request with Joel H. Peck, Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia, 23218, on or before December 21, 1999, making reference in such filing to Case No. PUA990054.

Any request for hearing must state with specificity the issues to be addressed at a public hearing and the evidence the party proposes to introduce at such hearing. If no sufficient request for hearing is received, the Commission may act upon the pleadings filed in this case without conducting a hearing.

VIRGINIA STATE CORPORATION COMMISSION

(4) This matter is continued for further orders of the Commission.

CASE NO. PUA990055
DECEMBER 6, 1999

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY
and
VPS COMMUNICATIONS, INC.

For approval of affiliate transaction pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On September 10, 1999, Virginia Electric and Power Company ("Virginia Power,") and VPS Communications, Inc. ("VPSC"), (collectively referred to as "the Companies") filed an application with the Commission under the Public Utilities Affiliates Act requesting (1) that the Commission find that a Pole Attachment Agreement ("the Agreement") entered into between the Companies on July 1, 1998, did not require the Commission's prior approval pursuant to the Public Utilities Affiliates Act, or (2) that the Commission enter an order approving the Agreement, *nunc pro tunc*, to the July 1, 1998, effective date.

The Companies represent that the Agreement does not require Commission approval pursuant to the Public Utilities Affiliates Act. They state that the services provided by the Agreement fall within the scope of the Affiliate Services Agreement approved in Case No. PUC960136, and, therefore, the Agreement does not need separate prior approval by the Commission.

On October 5, 1999, Counsel for Cavalier Telephone, L.L.C. ("Cavalier"), filed a Notice of Protest wherein Cavalier expressed concern that the "implementation and operation" of the Agreement would result in "actual or potential discrimination in favor of VPSC." In that pleading Cavalier, referenced its written comments filed in Case No. PUC990078 and the concerns noted in that case.[1]

On October 28, 1999, Cavalier filed a Supplement to Notice of Protest and Request for Hearing. Cavalier requested a hearing for the purpose of hearing public comment and reiterated its concern over the terms under which Virginia Power is making pole attachments available to VPSC and to other parties. Cavalier noted that its concerns may not be adequately addressed by looking at the text of the two pole attachment agreements and that implementation of the agreements is its main concern.

The Agreement for which approval is requested governs the use of Virginia Power's poles by its affiliate, VPSC, to attach its cables, appliances, and wires to Virginia Power's electric distribution poles. As compensation, VPSC will pay to Virginia Power an initial attachment fee of $50.00 per pole, plus an additional $20.00 per pole per year for three years. These payments total $110.00 for an attachment that is in place for the full contract term of three years. Unless earlier terminated, the Agreement will continue in effect until December 31, 2000. The Agreement, by its terms, does not provide for renewal of the Agreement. Nothing in the Agreement, however, precludes Virginia Power and VPSC from agreeing to renew the Agreement on mutually acceptable terms. It is stated in the application that the services to be provided by Virginia Power pursuant to the Agreement will enable VPSC to install its own fiber-optic network and to provide facilities-based interexchange and local exchange telecommunications services to customers residing within the Commonwealth of Virginia.

Virginia Power states that the rental amount to be paid by VPSC under the terms of the Agreement ensures that Virginia Power's reimbursement is identical to the rate offered by Virginia Power to other similar telecommunications companies during the period in which the Agreement was executed. Virginia Power states that the Agreement is in the public interest because Virginia Power is treating its affiliate, VPSC, no differently from any other telecommunications carrier that wishes to attach to Virginia Power's poles. It is further stated that the Agreement will not adversely affect Virginia Power's customers. Virginia Power states that revenues from the Agreement will benefit its electric customers just as those customers benefit from the revenues generated by pole attachment agreements with non-affiliated entities. Virginia Power also states that permitting VPSC to attach to its poles is consistent with and advances the objectives of the Telecommunications Act of 1996.

THE COMMISSION is of the opinion that the services provided under the separate Pole Attachment Agreement are not covered under the Affiliate Services Agreement approved in Case No. PUC960136 and, therefore, require prior approval under Chapter 4 of Title 56 of the Code of Virginia. We note the concerns raised by Cavalier and its request for hearing. While we will not schedule a hearing in this proceeding, we believe Cavalier's concerns merit our attention. With the assurance provided by the Companies and the conditions detailed herein, we find that the Pole Attachment Agreement is in the public interest and should, therefore, be approved on a prospective basis, subject to certain conditions as described below. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Virginia Power is hereby granted prospective approval of the Pole Attachment Agreement with its affiliate, VPS Communications, Inc., through December 31, 2000, under the terms and conditions and for the purposes as described herein provided that Virginia Power charges VPSC the higher of cost or market for pole attachments.

2) Should Virginia Power wish to continue operating under the Agreement beyond December 31, 2000, prior Commission approval shall be required for such continuation.

3) Virginia Power shall offer and provide service to non-affiliates that request to attach to Virginia Power's poles on terms and conditions that are at least as favorable as those offered or provided to VPSC. Virginia Power shall not discriminate in favor of VPSC in the application for such services or in its implementation of any agreements.

---

[1] In that proceeding, Cavalier objected to, among other things, excessive charges such as application fees, engineering fees, make-ready costs, and annual rental fees.

4) Virginia Power shall, for each application for pole attachment permits submitted by telecommunications companies in Virginia, including affiliates, maintain in its records the following information to be provided to Staff upon request.

   (a) the date Virginia Power received the application;

   (b) the total amount and description of all application and processing fees;

   (c) the total amount and description of all engineering, surveying, and related charges to include calculations and number of attachments involved;

   (d) the total amount and description of all make-ready charges, the calculation of such charges, and the number of attachments involved;

   (e) the total amount and description of any other charges or costs to include calculations and number of attachments involved;

   (f) the date when Virginia Power accepted or denied the application or, if applicable, requested a new re-routed application; and

   (g) any other information requested by Staff regarding such applications.

5) The approval granted herein shall have no ratemaking implications.

6) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia.

7) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not the Commission regulates such affiliate.

8) Virginia Power shall include the Pole Attachment Agreement in its Annual Report of Affiliate Transactions filed with the Director of Public Utility Accounting of the Commission.

9) Staff shall monitor applications submitted to Virginia Power for pole attachment permits by telecommunications companies in Virginia, including affiliates, and shall request information from Virginia Power deemed necessary by Staff to effectively monitor such pole attachments.

10) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA990058
DECEMBER 2, 1999

JOINT APPLICATION OF
GTE SOUTH INCORPORATED
and
GTE COMMUNICATIONS CORPORATION

For approval to enter into an agreement relating to the resale of long distance services pursuant to the Affiliates Act, §§ 56-76 et seq. of the Code of Virginia

ORDER GRANTING APPROVAL

On September 24, 1999, GTE South Incorporated ("GTE South," the "Company") and GTE Communications Corporation ("GTECC") (collectively, the "Applicants") filed a joint application under Chapter 4 of Title 56 of the Code of Virginia ("Virginia Code") for approval of a Sales and Marketing Agreement (the "Agreement"). GTE South is a Virginia corporation authorized to do business in Alabama, Illinois, Kentucky, North Carolina, South Carolina, and Virginia. The Company provides local exchange, access, and intraLATA toll service within its certificated areas in Virginia. GTE South is a wholly owned subsidiary of GTE Corporation ("GTE").

GTE Long Distance ("GTELD") is a division of GTECC. GTELD is a non-facilities based reseller of certain interLATA and interstate long distance telecommunications services. GTECC, organized in the State of Delaware, is a wholly owned subsidiary of GTE. As such, GTE South and GTECC are affiliates.

GTECC and the GTE Network Services companies, ("GTE Network Services") including GTE South, request approval to enter into a Sales and Marketing Agreement (the "Agreement") authorizing GTE Network Services to be a nonexclusive agent to market and sell GTELD's telecommunications services. Pursuant to the Agreement, GTE South will be an agent of GTELD for the purpose of jointly marketing GTE South's local and intraLATA toll services, along with GTELD's long distance telecommunications services.

For an initial term of three (3) years, GTE South will promote and sell GTELD's long distance telecommunications services at rates, charges, and categories to be set by GTELD. Thereafter, the Agreement will automatically renew for additional one-year periods, unless it is otherwise terminated. GTE South represents that the proposed Agreement will make additional long distance products and services available to GTE South's customers. GTE South further represents that, when combined with its efforts to promote intraLATA and local services, customers in GTE South's certificated areas will have the option of having all of their local and long distance services (intraLATA, intrastate interLATA, and interstate services) provided through one arrangement with GTE South.

Currently, GTE South does not provide agency services to non-affiliates. As stated in the application, services will be provided at the higher of cost or market. The Applicants state that all associated transactions pertaining to the Agreement will be recorded in non-regulated (below-the-line) expense and non-regulated revenue accounts. Applicants further state that all costs will be charged to the accounts and budget centers that have incurred the costs.

GTE South previously provided sales and marketing services to GTELD under a previous three-year Agreement approved by the Commission in Order dated May 31, 1996, in Case No. PUA960016. That Agreement expired in May 1999. The proposed Agreement will supersede the Agreement in Case No. PUA960016.

THE COMMISSION, upon consideration of the application and representations of Applicants and having been advised by its Staff, is of the opinion and finds the above-described affiliate agreement to be in the public interest and it should, therefore, be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to Virginia Code § 56-77 GTE South and GTECC are hereby granted approval of the Sales and Marketing Agreement under the terms and conditions described herein.

2) The approval granted herein shall not preclude the Commission from exercising the provisions of Virginia Code §§ 56-78 and 56-80.

3) Should there be any changes in the terms and conditions of the Agreement from those contained herein, Commission approval shall be required for such changes.

4) Should any costs be allocated to regulated expense and/or regulated revenue accounts in the future, GTE South shall show that it is providing services at the higher of fully distributed cost or market.

5) Approval granted herein shall be for an initial term of three (3) years from the date of Commission approval, and any renewals or extensions shall require Commission approval.

6) The approval granted herein shall have no ratemaking implications.

7) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission.

8) GTE South shall include this Agreement in its Annual Report of Affiliate Transactions to be filed with the Director of Public Utility Accounting of the Commission by no later than May 1 of each year, subject to extension by the Commission's Director of Public Utility Accounting.

9) If Annual Informational and/or General Rate Case Filings are not based on a calendar year, then the Company shall include the affiliate information contained in the Annual Report of Affiliate Transactions in such filings.

10) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA990059
DECEMBER 29, 1999

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY
and
EVANTAGE, INC.

For approval of affiliate transactions pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On October 26, 1999, Virginia Electric and Power Company ("Virginia Power") and Evantage, Inc. ("Evantage"), filed a completed application with the Commission under the Public Utilities Affiliates Act requesting that the Commission approve affiliate transactions between Virginia Power, Virginia Power Services, Inc. ("VPS"), and Evantage. On December 21, 1999, the Commission issued its Order Extending Time for Review extending the period of review of issues related to the application through January 24, 2000.

As stated in the application, VPS, a wholly owned subsidiary of Virginia Power, is the sole shareholder of Evantage. Evantage was incorporated to segregate certain energy services activities of Virginia Power into a separate subsidiary.

To facilitate this segregation, Virginia Power, VPS, and Evantage entered into a Transfer Agreement pursuant to which certain contracts and assets of Virginia Power will be transferred to Evantage. By transferring certain assets and energy services activities located outside of the service territory to Evantage, Virginia Power will reduce the state income tax liability payable in other states. In addition, Virginia Power and Evantage wish to enter into a License Agreement. Pursuant to the License Agreement, Virginia Power will grant Evantage the non-exclusive right to use Virginia Power's registered service mark, "Evantage." Virginia Power requests authority, on a limited basis, as set forth in the application, to guarantee the performance by Evantage of its obligations under any contract, including any Assigned Contracts or Future Contracts assigned by Virginia Power to Evantage.

The Transfer Agreement provides that:

A) Virginia Power will contribute, transfer, and assign to VPS certain assets owned by Virginia Power and located outside of the service territory (the "Transferred Assets"). In exchange, Virginia Power will receive shares of VPS' common stock with a value equal to the net book value of the Transferred Assets.

B) Immediately following the transfer by Virginia Power, VPS will contribute, transfer, and assign the Transferred Assets to Evantage. In exchange, VPS will receive shares of Evantage's common stock with a value equal to the net book value of the Transferred Assets.

C) Virginia Power will transfer to Evantage certain leases, energy services contracts, and related agreements with parties located outside the service territory (the "Assigned Contracts").

Virginia Power will continue to enter into arrangements related to its energy services business following the filing of its application. Accordingly, the Transfer Agreement provides that Virginia Power will transfer to Evantage certain other contracts entered into or identified by Virginia Power between the filing of the application and a reasonable time after the application has been approved ("Future Contracts").

The License Agreement provides Evantage with a non-exclusive right to use Virginia Power's federally registered service mark "Evantage" in connection with the operation of Evantage's business. The License Agreement may be terminated upon ninety (90) days' notice to Evantage.

Virginia Power requests authority to guarantee Evantage's performance of its obligations under any contract provided that: (1) any such guaranties shall expire and terminate on the last day of the period beginning on the date on which the Commission grants a final order approving this application and continuing for eighteen (18) months thereafter; and (2) the aggregate amount outstanding under all such guaranties shall be limited to $50 million at any one time.

Virginia Power provided notice of this application to customers of its Evantage Division. In response to Staff interrogatories, Virginia Power represents that the transfer of the contracts proposed in this application would in no way affect its ability to serve its utility customers. Virginia Power represents that the reason for the transfer is its continued efforts to minimize its nexus in states other than Virginia, North Carolina, and West Virginia for state income tax purposes.

THE COMMISSION, upon consideration of the application and representations of Virginia Power and having been advised by its Staff, is of the opinion and finds that the Transfer Agreement, the License Agreement, and the guarantee by Virginia Power of Evantage's performance of various contractual obligations under the limited terms and conditions as described herein are in the public interest and should be approved for the stated purpose of Evantage as long as the arrangement results in tax savings to Virginia Power. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Virginia Power is hereby granted approval to enter into the Transfer Agreement and the License Agreement and to guarantee the performance by Evantage of various contracts under the limited terms and conditions as described herein as long as Evantage's business purpose does not change from that indicated herein.

2) Should Evantage enter into other types of businesses than the business purpose stated herein, Commission approval shall be required for such business purposes as long as affiliate arrangements continue to exist between Virginia Power and Evantage.

3) If there are any changes in the terms and conditions of the Transfer Agreement, the License Agreement, or Virginia Power's guarantee of Evantage's performance of its contractual obligations from those contained herein, Commission approval shall be required for such changes.

4) The approval granted herein shall have no ratemaking implications. Unless otherwise ordered by the Commission, any cost of service issues as a result of the authority granted herein shall be addressed in 2002, for the earnings test years 2000 and 2001.

5) The approval granted herein shall not preclude the Commission from exercising the provisions §§ 56-78 through 56-80 of the Code of Virginia hereafter. Further, approvals granted herein may be modified or revoked in connection with the Commission's authority and obligations under the Virginia Electric Restructuring Act, including § 56-590 of the Code of Virginia.

6) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not the Commission regulates such affiliate.

7) The affiliate transactions approved herein shall be included in the Company's Annual Report of Affiliate Transactions filed with the Commission's Director of Public Utility Accounting.

8) Virginia Power shall file monthly financial statements for Evantage with the Commission's Director of Public Utility Accounting.

9) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA990060
DECEMBER 22, 1999

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY
and
VP PROPERTY, INC.

For approval of affiliate transactions pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On October 1, 1999, Virginia Electric and Power Company ("Virginia Power," "Company") and VP Property, Inc. ("VP Property"), filed an application with the Commission under the Public Utilities Affiliates Act requesting that the Commission approve a Contribution to Capital Agreement ("Contribution Agreement") between Virginia Power, Virginia Power Services, Inc. ("VPS"), and VP Property and an Operating Agreement between Virginia Power and VP Property. On November 29, 1999, the Commission issued its Order Extending Time for Review thereby extending the period of review of issues related to the application through December 30, 1999.

As stated in the application, VPS is the sole shareholder of VP Property. VP Property was created to take ownership of certain assets owned by Virginia Power in the State of Maryland ("Maryland Property). The formation of VP Property and the transfer of the Maryland Property to VP Property are part of Virginia Power's effort to minimize Virginia Power's nexus in states other than Virginia, North Carolina, and West Virginia. Virginia Power states that by transferring the Maryland Property from Virginia Power to VP Property Virginia Power will reduce the likelihood of having its taxable income subject to Maryland state income taxes as a result of the ownership of property within that State.

Virginia Power, VPS, and VP Property entered into a Contribution Agreement. The Contribution Agreement provides for the following. Virginia Power will contribute, transfer, and assign the Maryland Property to VPS. In return, Virginia Power will receive shares of VPS' common stock with a value equal to the net book value of the Maryland Property. Immediately following the transfer by Virginia Power, VPS will contribute, transfer, and assign the Maryland Property to VP Property. In return, VPS will receive shares of VP Property's common stock with a value equal to the net book value of the Maryland Property.

As indicated in the application, since Virginia Power will need to continue using the Maryland Property after VP Property takes ownership of it, Virginia Power and VP Property entered into an Operating Agreement. The Operating Agreement provides that VP Property will make the Maryland Property available for use by Virginia Power. Virginia Power will pay VP Property an amount equal to the costs that VP Property incurs in making the Maryland Property available for use by Virginia Power.

Virginia Power represents that the transfer of the Maryland Property to a separate subsidiary will permit Virginia Power to reduce the likelihood of establishing nexus and state income tax liability in Maryland. Virginia Power represents that no additional or unnecessary costs will be imposed on Virginia Power's electric customers.

As represented by Virginia Power, the Maryland Property consists of a docking facility and public address system located at Virginia Power's Possum Point Station. Such docking facility is used for unloading heavy and light oil barges delivering fuel for use in connection with the Possum Point Units.

THE COMMISSION, upon consideration of the application and representations of Virginia Power and having been advised by its Staff, is of the opinion and finds that the Contribution Agreement and the Operating Agreement are in the public interest and should be approved for the stated purpose of VP Property as long as Virginia Power pays no more under the Operating Agreement than it would pay if Virginia Power continued to own the Maryland Property and the arrangement results in tax savings to Virginia Power. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Virginia Power is hereby granted approval to enter into the Contribution Agreement and the Operating Agreement under the terms and conditions as described herein as long as VP Property's business purpose does not change from that indicated herein, and Virginia Power pays no more under the Operating Agreement to use the Maryland Property than if Virginia Power continued to own such Property.

2) Should VP Property enter into other types of businesses than the business purpose stated herein, Commission approval shall be required for such business purposes as long as affiliate arrangements continue to exist between Virginia Power and VP Property.

3) If there are any changes in the terms and conditions of the Contribution Agreement or the Operating Agreement from those contained herein, Commission approval shall be required for such changes.

4) The approval granted herein shall have no ratemaking implications.

5) The approval granted herein shall not preclude the Commission from exercising the provisions §§ 56-78 and 56-80 of the Code of Virginia hereafter. Further, approvals granted herein may be modified or revoked in connection with the Commission's authority and obligations under the Virginia Electric Utility Restructuring Act, including § 56-590 of the Code of Virginia.

6) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not the Commission regulates such affiliate.

7) The Contribution Agreement and the Operating Agreement shall be included in the Company's Annual Report of Affiliate Transactions filed with the Commission's Director of Public Utility Accounting.

8) Virginia Power shall file monthly financial statements for VP Property with the Commission's Director of Public Utility Accounting.

9) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA990061
DECEMBER 21, 1999

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY
and
VIRGINIA POWER SERVICES, INC.

For approval of affiliate transaction pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On October 1, 1999, Virginia Electric and Power Company ("Virginia Power," "the Company") and Virginia Power Services, Inc. ("VPS"), filed an application with the Commission under the Public Utilities Affiliates Act requesting that the Commission approve an Affiliate Services Agreement amendment between Virginia Power and VPS. By Order Extending Time for Review issued November 19, 1999, the Commission extended its period of review of issues in this case through December 30, 1999.

As stated in the application, Virginia Power Services, Inc. ("VPS"), is a general business corporation organized under the laws of the Commonwealth of Virginia and is a wholly owned subsidiary of Virginia Electric and Power Company ("Virginia Power," "the Company"). VPS was created to facilitate the efficient utilization of Virginia Power resources to provide unregulated services to third parties while segregating that activity from the Company's traditional utility operations. Virginia Power and VPS have entered into an Affiliate Services Agreement ("the Services Agreement") approved by the Commission in Case No. PUA970007. The Services Agreement contains a list of services to be provided by Virginia Power to VPS for the benefit of VPS and some or all VPS Subsidiaries. It has since been determined that it would be beneficial for Virginia Power to be able to provide additional services.

Virginia Power proposes to amend the Services Agreement to add VP Property, Inc., and Evantage, Inc. Services to be provided to VPS by Virginia Power to support VP Property, Inc., will be limited to those approved in Case No. PUA970007. No services will be provided by VP Property, Inc., through VPS to support Virginia Power.

In addition to services approved in Case No. PUA970007, the following additional services will be provided to VPS by Virginia Power to support Evantage, Inc.: construction services including labor and equipment in connection with projects of Evantage, Inc., requiring construction or installation of equipment; ongoing administration of contracts of Evantage, Inc.; consulting services to Evantage, Inc., or its customers in the areas of fuel management, energy savings, engineering, and environmental compliance; fuel support services to Evantage, Inc., relating to the procurement, storage, transportation, and delivery of natural gas, coal, and fuel oil commodities for the benefit of Evantage or its customers; and operation and maintenance services including labor and equipment in connection with specific projects of Evantage, Inc. Services to be provided by Evantage, Inc., through VPS to support Virginia Power include business development services related to the marketing of services, identification of new business opportunities, and market research; project management services related to specific projects of VPS or Virginia Power; and engineering and design service including the provision of engineering products.

The Company states that the approvals requested in this application are in the public interest for the following reasons:

1) Such approvals will allow for Virginia Power to segregate certain nontraditional activities into a separate subsidiary.

2) The creation of VP Property, Inc., and Evantage, Inc., to hold assets and to perform certain activities in states outside of Virginia Power's service territory is designed to minimize Virginia Power's nexus with such states and thereby reduce the amount of state income tax liability which will be payable as a result of such activities.

3) No additional or unnecessary costs will be imposed on Virginia Power's electric customers.

As approved in Case No. PUA970007, the payment for services provided by Virginia Power to VPS for the benefit of VPS and its subsidiaries will be at full cost. As indicated in this application and in Case No. PUA970007, most of the services are general corporate services for which the Company represents there is no ascertainable market value.

THE COMMISSION, upon consideration of the application and representations of the Company and having been advised by its Staff, is of the opinion and finds that above-described amendments to the Company's existing Affiliate Services Agreement approved in Case No. PUA970007 are in the public interest and should be approved subject to the following conditions.

While we find that the business purposes of VP Property, Inc., and Evantage, Inc., as described in the application filed herein are permitted, we note, however, that the business purposes of additional subsidiaries may not comply with the restrictions of §13.1-620 D of the Code of Virginia. As such, we direct, as we did in Case No. PUA970007, Virginia Power to continue to report to the Commission the addition of subsidiaries to the Services Agreement. We direct Staff to review the business activities of such additional subsidiaries.

We further find, that the services provided by Virginia Power to VPS, for which a market exists, are to be priced at the greater of cost or market, and the services provided by VPN through VPS to Virginia Power are to be priced at the lower of cost or market.

There may be occasions when services will be exchanged for which there will be no market price. Where such circumstances exist, Virginia Power shall include evidence or documentation in its annual report of its unsuccessful attempts to acquire such market price. The determination of market price shall be an ongoing process using methods such as competitive bids, appraisals, catalog listings, replacement cost of assets, and sales to third parties. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Virginia Electric and Power is hereby granted approval of the amendments to its existing Affiliate Services Agreement approved in Case No. PUA970007 as described herein to include the services to be provided by Virginia Power to VPS to benefit VPS Subsidiaries and the services to be provided by Virginia Power through VPS to VP Property, Inc., and Evantage, Inc., and provided to Virginia Power by Evantage, Inc., through VPS. However, pricing of services provided by Virginia Power to VPS to support VP Property, Inc., and Evantage, Inc., for which a market exists, shall be priced at the higher of cost or market. Pricing of such services to Virginia Power shall be priced at the lower of cost or market. Where no market exists, such documentation of attempts to determine a market price shall be included in Virginia Power's Annual Report of Affiliate Transactions.

2) The Company shall continue to file monthly financial statements of Virginia Power Services, Inc., and Virginia Power Nuclear Services Company with the Commission's Director of Public Utility Accounting.

3) Should any of the terms and conditions of the Affiliate Services Agreement change from those contained herein, Commission approval shall be required for such changes.

4) The addition of any additional Virginia Power subsidiaries to the Affiliate Services Agreement shall be reported to the Commission within thirty days of such addition, in the form of an Appendix to the Services Agreement. Such Appendix shall include a detailed description of the purpose for which the new subsidiary was formed.

5) The approval granted herein shall have no ratemaking implications.

6) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

7) The Commission reserves the authority, pursuant to § 56-79 of the Code of Virginia to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission.

8) The Affiliate Services Agreement shall continue be included in the Company's Annual Report of Affiliate Transactions filed with the Commission's Director of Public Utility Accounting.

CASE NO. PUA990063
DECEMBER 29, 1999

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to sell public service corporation property

ORDER GRANTING AUTHORITY

On October 6, 1999, Virginia Electric and Power Company ("Virginia Power," the "Company") filed an application under the Utility Transfers Act requesting authority to sell public service corporation property. The Company agrees to sell and Obaugh Ford, Inc. ("Obaugh Ford"), agrees to buy seven (7) concrete light poles and associated underground wiring ("Utility Assets"). The Utility Assets are currently used to provide lighting to Obaugh Ford, an automobile dealership in Virginia.

Paul Obaugh wishes to re-lamp the light poles, and, therefore, contacted Virginia Power concerning his interest in purchasing the utility assets. Pursuant to a letter of agreement dated May 5, 1999, the parties mutually agreed that Virginia Power will sell and convey and Paul Obaugh will purchase and acquire the concrete poles and associated underground wiring for Obaugh Ford.

The original cost of the lighting fixtures to be transferred is $6,368.00. The parties mutually agreed, as a result of arms length bargaining, to a purchase price of $8,618.00. Of the total purchase price for the lighting facilities, $5,398.00 represents the break even sales price, $1,220.00 for rearrangement costs of the facilities, $1,000.00 for engineering costs, and $1,000.00 for legal and administrative expenses.

THE COMMISSION, upon consideration of the application and representations of the Company and having been advised by its Staff, is of the opinion and finds that the above-described sale of Utility Assets will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and, therefore, should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Virginia Electric and Power Company is hereby granted authority to sell and transfer Utility Assets to Obaugh Ford for $8,618.00 pursuant to the agreement described herein.

2) The Company shall file a Report of Action with the Commission by no later than March 17, 2000. The Report of Action shall contain the date of transfer, sales price, and accounting entries reflecting the transfer.

3) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUA990065
DECEMBER 21, 1999

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to engage in affiliate transactions and for approval of affiliate agreements

ORDER GRANTING AUTHORITY

On October 4, 1999, Washington Gas Light Company ("Washington") filed an application with the Commission pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Virginia Code"). In the application, Washington specifically requests authority to enter into a series of ground leases with affiliated entities and to enter into service agreements with affiliates.

Washington requests authority to enter into a series of ground leases in order to develop a parcel of property that Washington owns at 12th and M Streets, S. E., in Washington, D.C., which has been known as the East Station. In pursuit of this development Washington has executed a non-binding letter of intent with Lincoln Property Company ("Lincoln"), the proposed developer. Negotiations with Lincoln are continuing.

The East Station property ("Maritime Plaza") will be developed in five phases over a five to ten year period. Washington would lease the ground for each phase to a project entity ("PE") for a ninety-nine year term. The PE would be a limited liability company ("LLC"). At the time the ground lease is executed, each PE would be composed of a single member, which would itself be an LLC. The LLC would be composed of a Washington subsidiary and a Lincoln affiliate, each with a fifty per cent share. At a later time, the PE would admit as a new member the provider of the equity capital for that phase, at which time the subsidiary's effective share would be reduced to below fifty per cent. Both the LLC and the PE would be affiliates of Washington. Washington plans to incorporate up to five subsidiaries, each of which will be a member of an LLC. Each new subsidiary's sole business would be to participate in an LLC and PE. The purpose of creating the LLCs is to provide Washington with protection from legal liabilities and to achieve the best possible financial terms and conditions on the lease and subsequent use of the property.

Washington also requests authority to enter into a Service Agreement with each of the subsidiaries in order to provide basic support services for those organizations. These services will be the same type of support services as Washington offers to its other affiliates and as previously approved by the Commission.

Washington believes that the development will provide benefits to all parties. Washington states that ratepayers in Virginia will not be damaged by the proposed affiliate arrangements because Washington is protected from losses from the projects through the affiliated structure of the project development entities. Washington's ground leases are unsubordinated to any other liens against the projects. Should any projects go into default, the loans to the PE/LLC would come second to the obligations of the ground lease with any liabilities belonging to the affiliate, not Washington. If the development does not occur according to schedule, Washington has the right to terminate its agreement with Lincoln for the use of the land.

THE COMMISSION, upon consideration of the application and representations of Washington and having been advised by its Staff, is of the opinion and finds that the above-described affiliate transactions and affiliate agreements are in the public interest and should, therefore, be approved subject to the ground lease rent and the pricing of services under the Service Agreement at the greater of market or cost. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to Virginia Code § 56-77, Washington Gas Light Company is hereby granted authority to enter into a series of ground leases and the service agreements under the terms and conditions as described herein provided that the ground rent and prices for services rendered under the Service Agreement are at the greater of market or cost.

2) Thirty days after execution of any ground leases pursuant to the authority granted herein, Washington shall file a report with the Commission's Director of Public Utility Accounting showing the determination of market data and that all pricing of ground rent is at the greater of market or cost.

3) Should there be any changes in the terms and conditions of the ground leases or service agreement from those described herein, Commission approval shall be required for such changes.

4) The authority granted herein shall have no ratemaking implications.

5) Retail customers of Washington shall be properly compensated for any profits from the Maritime Plaza development.

6) The authority granted herein shall not preclude the Commission from exercising the provisions of Virginia Code §§ 56-78 and 56-80.

7) The Commission reserves the authority to examine the books and records of any affiliate in connection with the authority granted herein whether or not the Commission regulates such affiliate.

8) Washington shall include the affiliate transactions and affiliate agreements authorized herein in its Annual Report of Affiliate Transactions filed with the Commission's Director of Public Utility Accounting.

9) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA990066
NOVEMBER 15, 1999

APPLICATION OF
COMM SOUTH COMPANIES OF VIRGINIA, INC.,
COMM SOUTH COMPANIES, INC.,
and
TOPP TELECOM, INC.

For approval of a transfer of control

ORDER GRANTING APPROVAL

On October 12, 1999, Comm South Companies of Virginia, Inc. ("Comm South of Virginia"), Comm South Companies, Inc. ("Comm South"), and Topp Telecom, Inc. ("Topp"), (collectively referred to as "Applicants"), filed an application with the Commission pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Virginia Code") for approval of a transfer of control of Comm South of Virginia from the current stockholders of Comm South to Topp. Applicants also request expedited consideration of the application.

As stated in the application, Comm South is a privately held Texas corporation. Comm South provides resold local telecommunications services. Comm South Companies of Virginia, Inc. ("Comm South of Virginia"), is a Virginia public service company incorporated on January 27, 1999, and is a wholly owned subsidiary of Comm South. Comm South of Virginia has a certificate to provide competitive local telecommunications services in Virginia. Topp Telecom, Inc. ("Topp"), is a Florida corporation and provides prepaid wireless services in the United States. Topp operates as a cellular reseller in all fifty states, the District of Columbia, Puerto Rico, and the U. S. Virgin Islands, providing local cellular numbers to customers at any location in the United States with cellular coverage.

Applicants request authority to transfer control of Comm South of Virginia from the current shareholders of Comm South to Topp pursuant to a Stock Purchase Agreement entered into among Applicants on June 22, 1999. After the transfer of control, Comm South will become a wholly owned subsidiary of Topp. Applicants represent that, although the transfer will result in a change in control of Comm South, it will not involve a change in the manner in which services will be provided to the customers of Comm South or its subsidiary, Comm South of Virginia. Both companies will operate with their current names, and Comm South of Virginia will provide service to Virginia customers under its tariff filed with the Commission.

THE COMMISSION, upon consideration of the application and representations of Applicants and having been advised by its Staff, is of the opinion and finds that the above-described transfer of control of Comm South of Virginia from the stockholders of Comm South to Topp as described herein will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and, therefore, should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to Virginia Code §§ 56-88.1 and 56-90, Applicants are hereby granted approval of the proposed transfer of control of Comm South Companies of Virginia, Inc., to Topp Telecom, Inc., as described herein.

2) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA990068
DECEMBER 29, 1999

JOINT PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY and VIRGINIA NATURAL GAS, INC.,
Principal Petitioners
and
DOMINION RESOURCES, INC., DOMINION RESOURCE SERVICES, INC., DOMINION CAPITAL, INC.,
DOMINION ENERGY, INC., VIRGINIA POWER SERVICES ENERGY CORP., INC.,
CNG TRANSMISSION CORPORATION, CNG INTERNATIONAL CORPORATION,
CNG RETAIL SERVICES CORPORATION, CNG POWER SERVICES CORPORATION, and
CONSOLIDATED NATURAL GAS SERVICE COMPANY, INC.
Affiliate Petitioners

For certain exemptions from the requirements of § 56-77A of the Code of Virginia of 1950, as amended, and for approval and termination of agreements under Chapter 4, Title 56, Code of Virginia of 1950, as amended

ORDER APPROVING, IN PART, AND DENYING, IN PART, PETITIONERS' REQUESTS

On October 22, 1999, Virginia Electric and Power Company ("Virginia Power") and Virginia Natural Gas, Inc. ("VNG"), Principal Petitioners, and Dominion Resources, Inc. ("DRI"), Dominion Resources Services, Inc. ("DRI Services"), Dominion Capital, Inc., and its subsidiaries ("DCI") and Dominion Energy, Inc., and its subsidiaries ("DEI"), Virginia Power Services Energy Corp., Inc. ("VPSE"), CNG Transmission Corporation ("CNG Transmission"), CNG International Corporation ("CNG International"), and CNG Retail Services Corporation ("CNG Retail"), CNG Power Services Corporation ("CNG Power") and Consolidated Natural Gas Service Company, Inc. ("CNG Service"), Affiliate Petitioners, (collectively, the "Petitioners"), filed an application with the State Corporation Commission pursuant to § 56-77B of the Code of Virginia ("Code") requesting exemptions from the prior approval and filing requirements of § 56-77 for certain agreements between the Principal Petitioners and certain of the Affiliate Petitioners or, alternatively, approval of the agreements filed with the application. The Petitioners also request termination of certain existing agreements and services under the Virginia Utility Affiliates Act, Chapter 4 of Title 56 of the Code.

The Petitioners specifically request (1) a general exemption for Virginia Power under Code § 56-77B from the prior approval requirements of subsection A of § 56-77 through July 1, 2007; (2) if the general exemption is not approved, an exemption under Code § 56-77B from the prior approval requirements of subsection A or, in the alternative, an approval effective as of closing of the merger between DRI and Consolidated Natural Gas Company ("CNG") for certain existing agreements to which Virginia Power and subsidiaries of CNG are counterparties and certain existing agreements to which VNG and subsidiaries of DRI are counterparties; (3) if the general exemption is not granted, approval of (a) a new agreement among DRI Services, CNG Service, and the members of the DRI corporate family for the provision of centralized services; (b) a new agreement for Virginia Power to provide support services to DRI Services; and (c) a new agreement for the provision of ancillary services among subsidiaries of DRI; and (4) termination of certain existing service agreements between Virginia Power and VNG and their affiliates.

Virginia Power is a Virginia public service corporation that provides electric service to customers in its service territory in Virginia and North Carolina. Virginia Power is a wholly owned subsidiary of Dominion Resources, Inc.

VNG is a public service corporation that provides natural gas service to customers in its service territory in Virginia. VNG is a whollyowned subsidiary of CNG, which is a registered holding company as defined in the Public Utility Holding Company Act of 1935 ("1935 Act") and is subject to regulation by the Securities and Exchange Commission ("SEC").

DRI is a "holding company" as defined in the 1935 Act but is exempt under Section 3 (A)(1) of the 1935 Act from essentially all regulation by the SEC. DRI Services, DCI, and DEI are direct subsidiaries of DRI. VSPE is a subsidiary of Virginia Power and an indirect subsidiary of DRI.

CNG Transmission, CNG International, CNG Retail, CNG Power, and CNG Service are direct subsidiaries of CNG.

The specific requests of the Petitioners are discussed below.

Virginia Power Request for Exemption:

Virginia Power requests an exemption from the prior approval requirements of § 56-77A of the Code through July 1, 2007. Virginia Power states that § 56-77B of the Code authorizes the Commission to exempt individual public service companies from all or any part of the prior approval requirements of subsection A "if the Commission determines that such an exemption is in the public interest." Furthermore, Virginia Power states that an exemption should be granted because the very reason for the Affiliates Act – the protection of monopoly utility customers against cross-subsidies and unjust benefits to affiliates – no longer applies to them as the result of: (1) Case No. PUE960296 in which a stipulation establishing a program of rate reductions, regulatory cost recoveries, and a rate freeze through February 28, 2002, was approved; and (2) the enactment of § 56-582 of the Code, a part of the Virginia Electric Utility Restructuring Act ("Restructuring Act"), in which the General Assembly established a program of rate caps for Virginia incumbent electric utilities during the period January 1, 2001, through July 1, 2007. Therefore, under the terms of the Commission's Order in Case No. PUA960296 and the Restructuring Act, Virginia Power states that it will be unable to increase its base rates for the effects of any transactions with affiliates until 2007, at the earliest.

In addition, Virginia Power states that granting the requested exemption would remove only the prior approval requirements of § 56-77A, and it would continue to file its affiliate agreements with the Commission. Virginia Power also states that granting the requested exemption will not reduce the effect of other provisions of the Restructuring Act, which were designed to promote effective competition by protecting against abuse of relationships between utilities and their functionally separate units and affiliates.[1]

[1] Code § 56-590C authorizes the Commission to develop regulations prohibiting cost-shifting or cross-subsidies, anticompetitive behavior or self-dealing and discriminatory behavior by utilities toward nonaffiliated units and to establish codes of conduct detailing permissible relations between functionally separate

The Merger:

The Petitioners state that DRI and CNG entered into the Amended and Restated Agreement and Plan of Merger, dated May 11, 1999, under which DRI will acquire all of the stock of CNG in exchange for a combination of DRI common stock and cash. DRI and CNG filed a Joint Petition under the Virginia Utility Transfers Act, Chapter 5 of Title 56 of the Code, with the Commission on April 5, 1999, in Case No. PUA990020. On August 9, 1999, DRI, CNG, and VNG entered into a Stipulation with the Commission's Staff ("Stipulation") resolving the issues presented by the Joint Petition in which, among other things, DRI and CNG agreed to divest VNG within one year after the merger is closed, or spin VNG off within an additional three-month period. On September 17, 1999, the Commission issued an order approving the merger in Case No. PUA990020, subject to the VNG divestiture and the conditions contained in the Stipulation, together with certain directives contained in the Order. That Order was subsequently amended on September 27, 1999. The SEC approved the merger by order dated December 15, 1999. On December 21, 1999, this Commission issued an order which stated that the SEC Order was not inconsistent with the Commission Orders of September 17, 1999 and September 27, 1999.

As a result of the Orders in Case No. PUA990020 and SEC approval of the merger, the Petitioners request prior approval from the Commission (or exemption under § 56-77B of the Code) for the following agreements:

A. certain existing agreements to which Virginia Power and subsidiaries of CNG are counterparties and certain existing agreements to which VNG and subsidiaries of DRI are counterparties;

B. a new agreement among DRI Services, CNG Service, and the members of the DRI corporate family, which after the merger will include CNG and its subsidiaries, for the provision of centralized services;

C. a new agreement for Virginia Power to provide support services to DRI Services;

D. a new agreement for the provision of ancillary services between subsidiaries of DRI; and

E. termination of certain existing service agreements between Virginia Power and VNG and their affiliates.

A. Covered Existing Agreements

The Petitioners state that upon the closing of the DRI/CNG merger: (1) existing contracts or arrangements between Virginia Power and CNG, or any affiliate of CNG; and (b) existing contracts or arrangements between VNG and DRI, or any affiliate of DRI, that fall within the requirements of § 56-77 of the Code ("Covered Existing Agreements") will require Commission approval under the Affiliates Act. The Petitioners further state that the CNG affiliate counterparties to the Covered Existing Agreements with Virginia Power are CNG, CNG International, CNG Retail, and CNG Power, and the DRI affiliate counterparties to the Covered Existing Agreements with VNG are Virginia Power and DRI. In addition, the Petitioners state that most of the Covered Existing Agreements are agreements for variable quantities of regulated electric or gas services at rates that are either specifically approved or are capped by federal or state regulatory authorities. In addition, the Petitioners state that all of the Covered Existing Agreements were entered into before an affiliated relationship, as defined in the Affiliates Act, existed between the parties and were entered into for value on an arms-length basis.

The Petitioners also advised that there is a payment dispute involving one of the Covered Existing Agreements. The dispute is between Virginia Power and Chesapeake Paper Products Company and relates to which party is responsible for the payment of between $60,000 to $100,000 to VNG for preliminary engineering costs under the West Point Lateral Pipeline Project.

Virginia Power and VNG request an exemption under § 56-77B of the Code from the prior approval requirements of § 56-77. In the alternative, Virginia Power and its CNG affiliate counterparties and VNG and its DRI affiliate counterparties request approval under the Affiliates Act for the Covered Existing Agreements, effective as of the closing of the merger.

B. DRI Services Agreement

The Petitioners state that DRI has provided certain centralized services to Virginia Power (See Exhibit A) since 1986 under a Cost Allocation and Services Agreement ("CASA") dated July 1, 1986, and approved by the Commission in an Order issued June 30, 1986, in Case No. PUE830060. The Petitioners also state that DRI has provided transportation services to Virginia Power (DRI aircraft) under an Intercompany Transportation Agreement dated October 29, 1993, and approved by the Commission in an Order issued January 14, 1994, in Case No. PUA930029. The Petitioners further state that since 1986 Virginia Power has provided certain services to DRI under the CASA with Commission approval. In addition, Virginia Power currently provides: (1) certain joint insurance programs ("Insurance Services") for itself, DRI, and the unregulated subsidiaries of DRI, including DEI, DCI, and their respective subsidiaries under a Commission Order issued May 24, 1996, in Case No. PUA950050; and (2) administration of certain employee benefit plans for itself, DRI, and the unregulated subsidiaries of DRI, including DEI, DCI, and their respective subsidiaries ("Employee Benefit Services"), under a Commission Order issued May 24, 1996, in Case No. PUA950051. In addition to the aforementioned services provided to DRI and its subsidiaries, Virginia Power also provides certain services to its wholly owned subsidiaries.

Furthermore, the Petitioners state that registered holding companies are prohibited from performing services for or selling goods to their subsidiaries under the 1935 Act. In addition, subsidiaries of a registered holding company that are operating utility companies are prohibited from performing services for, or selling goods to, their affiliates except under certain limited circumstances or with SEC approval. However, the Petitioners state that one of the benefits of a holding company structure is the potential that the subsidiaries can operate more efficiently by sharing the cost of centralized services. In order for registered holding companies to take advantage of such efficiencies, the SEC has authorized registered holding companies to establish a service company subsidiary to provide centralized services to the registered holding company and its subsidiaries (1935 Act, § 13(b) and Rule 88). CNG established such a subsidiary, CNG Service, to perform centralized services for CNG and its subsidiaries. As such, when VNG became a subsidiary of CNG

---

units. Subsections D and E of that section require approval of "covered transactions," as defined in § 56-576, and require that such transactions shall not lessen competition in competitive or noncompetitive markets for electric services or jeopardize or impair the safety or reliability of electric service in Virginia or the provisions of noncompetitive electric service at just and reasonable rates.

in 1990, it entered into its own agreement for services from CNG Service ("VNG Service Agreement"). Also at that time, the VNG Service Agreement became subject to regulation by this Commission under the Affiliates Act because CNG Service was an affiliated interest of VNG.

The Petitioners also state that, as a registered holding company, DRI will be required to adhere to the same restrictions regarding the provision of services to subsidiaries that have been applicable to CNG (which will continue to be a registered holding company). In addition, DRI will no longer be able to provide services to Virginia Power or to other DRI subsidiaries as it has done under the CASA. Accordingly, DRI has established a new subsidiary, DRI Services, to provide centralized services to DRI and its subsidiaries, including the services provided by DRI to Virginia Power under the CASA and the Intercompany Transportation Agreement. Also, in order to centralize all such services, DRI Services proposes to provide services historically provided by Virginia Power to DRI under the CASA and to DRI and its unregulated subsidiaries under the Insurance Services and Employee Benefit Services agreements.

The Petitioners state that the proposed DRI Services Agreement describes the services that will be offered by DRI Services and CNG Service and the method for allocating costs, and it tracks closely both the structure and content of the VNG Service Agreement including the cost allocation methodology, which has been previously approved by the Commission. As required by Condition I (A) (ii) of Commission Order dated September 17, 1999, the agreement states that neither Virginia Power, VNG, nor any other DRI affiliate subject to regulation by the Commission shall have any obligation under such contract except to the extent this Commission has approved such obligation. The Petitioners further state that when DRI begins operations as a registered holding company its management and employees and its pre-merger subsidiaries will have no experience under the 1935 Act with the operations of a centralized service company such as CNG Service. They further state that CNG Service will have no experience with the provision of services to the types of business operations owned by DRI. Therefore, it is not realistic for CNG Service to attempt, at the outset, to furnish all centralized services to DRI and its pre-merger subsidiaries. Accordingly, the Petitioners are proposing that DRI Services operate under the DRI Services Agreement in tandem with CNG Service, because DRI and each subsidiary of the combined company will be able to obtain from either DRI Services or CNG Service those services that meet that entity's needs. Furthermore, the Petitioners state that the services selected will be provided on essentially the same terms that have been previously approved by both the SEC and this Commission with respect to the provision of services within the CNG system.

The Petitioners also state that, after the formation of DRI Services, Virginia Power will continue to finance its operations at the power company level off its own balance sheet.

The Petitioners further state that the DRI Services Agreement would replace the CNG Service Agreement.[2] Virginia Power and VNG would execute their own versions of the DRI Services Agreement, and the existing VNG Service Agreement would be terminated. The Petitioners also state that DRI and each subsidiary will have the option of obtaining services from unaffiliated entities.

Therefore, Virginia Power and VNG, as Principal Petitioners, and DRI Services and CNG Service, as Affiliate Petitioners, request approval of the DRI Services Agreement under the Affiliates Act so that Virginia Power and VNG may enter into their respective versions of the agreement without the need to file for further Commission approval. They also propose that the DRI Services Agreement be effective as to DRI and its current subsidiaries as of January 1, 2000, but not effective as to CNG and its subsidiaries until the DRI/CNG merger is closed. Thus, during the period between January 1, 2000, and the date that the merger is closed, Virginia Power would receive centralized services from DRI Services only, and VNG would receive centralized services from CNG Service only.

C. Virginia Power Support Agreement

Virginia Power and DRI Services state that in order to centralize the provision of services within the combined company the services proposed to be provided by DRI Services will include those historically provided by Virginia Power to DRI and its subsidiaries. Until DRI Services is fully organized and gains experience in providing centralized services, it will be necessary for Virginia Power to provide those services to DRI Services which will, in turn, provide the services to those companies selecting them under the DRI Services Agreement. The Virginia Power Support Agreement has been modeled closely on the structure and content of the DRI Services Agreement. Virginia Power and DRI Services state that the Virginia Power Support Agreement includes a description of the services available from Virginia Power to DRI Services and utilizes the same method for allocating costs as used in the DRI Services Agreement. As required by Condition I (A) (ii) of Commission Order dated September 17, 1999, the agreement states that neither Virginia Power, VNG, nor any other DRI affiliate subject to regulation by the Commission shall have any obligation under such contract except to the extent this Commission has approved such obligation.

Virginia Power, as Principal Petitioner, and DRI Services, as Affiliate Petitioner, request the Commission to approve the proposed agreement with an effective date of January 1, 2000.

D. Ancillary Services Agreement

The Petitioners state that, although the DRI Services Agreement will provide an effective and efficient means for providing centralized services to DRI and its subsidiaries, they also anticipate that there will be a need for individual DRI subsidiaries to obtain services on an ancillary basis directly from and provide such ancillary services directly to other DRI subsidiaries when it would be more timely and efficient than to do so to obtain such services from non-affiliates. The proposed agreement describes certain ancillary services that may be provided among subsidiaries and the costing methodology for such services. As required by Condition I (A) (ii) of Commission Order dated September 17, 1999, the agreement states that neither Virginia Power, VNG, nor any other DRI affiliate subject to regulation by the Commission shall have any obligation under such contract except to the extent this Commission has approved such obligation.

The Petitioners also state that the proposed Ancillary Agreement has been modeled closely on the structure and content of the DRI Services Agreement. In order to provide ancillary services to another subsidiary, the providing subsidiary would complete and execute an agreement with the receiving subsidiary and proceed to provide ancillary services without making a separate filing for prior Commission approval.

---

[2] It is anticipated that the proposed DRI Services Agreement will be used during a transition period while the combined company gains experience and determines the best approach to unifying centralized services within one service company. When that decision is made, a new agreement for centralized services will be filed with the Commission for approval.

The Petitioners request approval of the proposed Ancillary Services Agreement so those DRI subsidiaries may utilize the agreement for the indicated purposes without filing for separate prior approval for each agreement executed.

E. Termination of Certain Agreements

The Petitioners state that the DRI Services Agreement and the Virginia Power Support Agreement will replace the CASA and the Intercompany Transportation Agreement as well as the Insurance Services and Employment Benefit Services provided by Virginia Power to DRI and its unregulated subsidiaries. Accordingly, Virginia Power, as Principal Petitioner, and the counterparties to these agreements and services, as Affiliate Petitioners, request that such agreements and services be terminated coincident with the time the DRI Services Agreement becomes effective as to DRI and its current subsidiaries.

NOW THE COMMISSION, upon consideration of the application and representations of Petitioners and having been advised by its Staff, is of the opinion and finds that certain of the above described transactions are in the public interest and should be approved, subject to the conditions detailed herein. We believe, however, that it is premature to exempt any affiliate transactions from prior approval at this time given the directives of the Restructuring Act concerning affiliates, and before our development of rules and regulations required by the Act.[3] We will, therefore, deny the Petitioners' request for such exemption.

We will also deny the Petitioners' request for approval of the Ancillary Services Agreement. As the Petitioners explained in support of the DRI Services Agreement, an advantage of a holding company is the centralized procurement of services for DRI affiliates including Virginia Power and VNG. Services needed by Virginia Power and VNG may be obtained from other affiliates through the DRI Services Agreement. Furthermore, there was no showing that the Ancillary Services Agreement and the agreements that could flow from it were needed at this time. Accordingly,

IT IS ORDERED THAT:

1) Virginia Electric and Power Company's request for an exemption from the prior approval requirements of § 56-77A of the Code through July 1, 2007, is hereby denied.

2) The Covered Existing Agreements, as specifically included in the Joint Petition (Exhibits 2A-2Q), are approved under the Affiliates Act effective as of the closing of the merger. In addition, the Petitioners shall advise the Commission's Division of Public Utility Accounting in writing when the dispute between the parties over the payment to VNG (between $60,000 to $100,000) has been resolved.

3) No change in the terms and conditions of the Covered Existing Agreements (Exhibits 2A-2Q) included in the Joint Petition, shall be made without prior Commission approval.

4) Pursuant to Code § 56-77, the DRI Services Agreement is approved with the agreed modifications between Staff and Petitioners, effective as to DRI and its current subsidiaries as of January 1, 2000, but said agreement shall not be effective as to CNG and its subsidiaries until the DRI/CNG merger is closed.

5) Pursuant to Code § 56-77, the Virginia Power Support Agreement is approved as filed and is effective as of January 1, 2000.

6) No changes in the terms and conditions of the DRI Services Agreement or Virginia Power Support Agreement shall be made without prior Commission approval.

7) The approval granted herein for the DRI Services Agreement and Virginia Power Support Agreement shall not preclude the Commission from exercising its authority under the provisions of Code §§ 56-78 through 56-80 hereafter. Further, the approvals granted herein may be modified or revoked in connection with the Commission's authority and obligations under the Restructuring Act, including Code § 56-590.

8) All services provided by DRI Services and/or CNG Service to Virginia Power and/or VNG shall be at the lower of cost or market. Appropriate documentation of such transactions shall be made available for Staff review upon request.

9) All services provided by Virginia Power or VNG to DRI Services and/or CNG Service shall be at the higher of cost or market. Appropriate documentation of such transactions shall be made available for Staff review upon request.

10) Virginia Power and VNG shall have the burden of proving that all goods and services received from DRI Services, CNG Service or any other affiliate have been procured on the most favorable terms and conditions reasonably available in the market, which shall include a showing that such goods or services could not have been procured at a lower cost from non-affiliate sources or that Virginia Power or VNG could not have provided the services or goods to itself at a lower cost.

11) Virginia Power and VNG shall have the burden of proving that all goods and services provided to DRI Services, CNG Service or any other affiliate have been provided on the most favorable terms and conditions reasonably available in the market, which shall include a showing that such goods or services have been provided at the higher of cost or market.

12) The approval granted herein shall have no ratemaking implications. Unless otherwise ordered by the Commission, any future cost of service issues as a result of the authority granted herein shall be addressed in 2002, for the earnings test years 2000 and 2001.

13) The Petitioners request for approval of a separate Ancillary Services Agreement is hereby denied.

[3] For example, Code § 56-590.C. anticipates that the Commission will have rules and regulations specifically addressing cost-shifting or cross-subsidies between functionally separate units, anti-competitive behavior or self-dealing between or among functionally separate units, and discriminatory behavior toward nonaffiliated units.

14) DRI Services and Virginia Power personnel shall meet with the Commission's Division of Public Utility Accounting staff on a quarterly basis, starting with the first full quarter after the merger closing, to advise on types of services and activities being provided, costs incurred, savings realized, organizational structure changes, and any other related issues. The meetings shall continue until such time as the Public Utility Accounting staff believes the meetings are no longer necessary and shall so advise the Commission.

15) The Petitioners' requests for termination of the Intercompany Transportation Agreement as well as the Insurance Services and Benefit Services provided by Virginia Power to DRI and its unregulated subsidiaries are approved effective with the merger closing.

16) 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. Virginia Power shall include in all general rate proceedings and Annual Informational Filings evidence that the pricing policies stated herein have been followed.

17) Pursuant to the Commission's Order of September 17, 1999, the Petitioners shall not assert, in any future proceeding, that the Commission's ratemaking authority is preempted by federal law with respect to the Commission's retail ratemaking treatment of any charges from any affiliate to Virginia Power or VNG or from Virginia Power or VNG to any affiliate.

18) The transfer or assignment by Virginia Power or VNG after the merger of any real or personal property to DRI Services, CNG Service or any other DRI affiliate shall require Commission approval in accordance with Code § 56-77.

19) Pursuant to the Stipulation approved by the Commission's Order of September 17, 1999, the Petitioners shall bear the full risk of any preemptive effects of the 1935 Act, and Petitioners shall take all such actions as the Commission finds necessary to hold Virginia ratepayers harmless from rate increases, or foregone opportunities for rate decreases.

20) Virginia Power and VNG shall include all transactions under all agreements approved in the Joint Petition in The Annual Report of Affiliated Transactions to be filed with the Director of Public Utility Accounting of the Commission by no later than May 1 of each year.

21) Such report shall include all agreements with affiliates regardless of the amount involved and shall supersede all other affiliate reporting requirements previously ordered.

22) Compensation for the use of capital shall be stated separately in each billing to an affiliate. An annual statement to support the amount of compensation for use of capital billed for the previous twelve months and how it was calculated shall be included in The Annual Report of Affiliated Transactions to be filed with the Director of Public Utility Accounting of the Commission by no later than May 1 of each year.

23) Virginia Power and VNG shall keep their accounting books and records in a manner that will allow all components of the cost of capital to be easily identified.

24) The Petitioners shall not create joint Virginia Power/DRI lines of credit or implement guarantees, collateralization, or support agreements between Virginia Power and DRI or its subsidiaries without prior Commission approval. Further, prior Commission approval shall be required for any proposed money pool arrangement.

25) If the 1935 Act is repealed, amended, or replaced by future legislation, the Petitioners shall meet with the Commission Staff after passage of such legislation and negotiate in good faith whether and how any transactions approved in the Joint Petition have been affected by such legislation and whether they should be revised or terminated. In the event the Petitioners and Staff are unable to reach agreement, the unresolved issues shall be submitted to the Commission for resolution.

26) Virginia Power and VNG shall file with the Commission's Division of Public Utility Accounting a copy of all documents or reports filed with the SEC under the 1935 Act by DRI, DRI Services or CNG Service and of all orders issued by the SEC directly affecting Virginia Power's and VNG's accounting practices.

27) Virginia Power and VNG shall have copies of its market price studies for services received from and services provided to DRI Services and/or CNG Service available for Staff review upon request.

28) This matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA990069
DECEMBER 13, 1999

APPLICATION OF
KENTUCKY UTILITIES COMPANY, d/b/a OLD DOMINION POWER COMPANY

For approval of the transfer of its interest in two 164-megawatt combustion turbines

ORDER GRANTING APPROVAL

On October 15, 1999, Kentucky Utilities Company, d/b/a Old Dominion Power Company ("KU/ODP", "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act requesting approval of the transfer of its interest in two 164-megawatt combustion turbines ("the CTs"). As stated in the application, the CTs were purchased from Asea Brown Boveri in October 1998 by LG&E Capital Corp. ("Capital Corp."), an unregulated affiliate of KU/ODP. Capital Corp. began construction on the two (2) units at KU/ODP's E. W. Brown Generating Station in Mercer County, Kentucky ("the Brown Facility").

As stated in the application, the purchase of the CTs by Capital Corp. was necessitated by (1) the need of KU/ODP and Louisville Gas and Electric Company ("LG&E"), a regulated affiliate of KU/ODP, to meet native load requirements for the summer of 1999; (2) the conditions in the marketplace for combustion turbines and purchase power; and (3) Kentucky regulatory law. Due to the market conditions for CTs, KU/ODP was not able to acquire the CTs subject to obtaining regulatory approvals in time to meet 1999 summer peak demand conditions.

On February 11, 1999, KU/ODP and LG&E filed a joint application with the Kentucky Public Service Commission (the "Kentucky Commission") for a certificate of convenience and necessity for the acquisition of the CTs from Capital Corp. On July 23, 1999, the Kentucky Commission issued its Order granting the certificate, and the two CTs were accepted for commercial operation effective August 8, 1999, and August 11, 1999. In connection with the Kentucky Commission certificate case, KU/ODP and LG&E filed a copy of an appraisal report showing that the fair market value of the CTs exceeded the actual book cost to construct the CTs. As indicated in the application, the assets were, therefore, transferred at cost because cost was lower than the fair market value. By bill of sale effective July 23, 1999, Capital Corp. transferred title to the CTs to LG&E Energy Corp. ("LG&E Energy"). The bill of sale transferred a sixty-two per cent (62%) interest to KU/ODP and a thirty-eight per cent (38%) interest to LG&E.

KU/ODP requests Commission approval of the transfer from LG&E Energy Corp. to KU/ODP at cost of the sixty-two (62) per cent interest in the two 164-megawatt combustion turbines at the E.W. Brown Generating Station in Mercer County, Kentucky.

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 KU/ODP's interest in the CTs from LG&E Corp. to KU/ODP at cost was in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, KU/ODP is hereby granted approval of the transfer at cost from LG&E to KU/ODP of sixty-two per cent (62%) interest in the two 164-megawatt combustion turbines at its E. W. Brown Generating Station in Mercer County, Kentucky, as described herein.

2) The approval granted herein shall have no ratemaking implications.

3) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia.

4) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not the Commission regulates such affiliate.

5) Applicant shall include the transfer approved herein in its Annual Report of Affiliate Transactions filed with the Commission's Director of Public Utility Accounting.

6) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA990070
DECEMBER 29, 1999

APPLICATION OF
WINTERGREEN VALLEY UTILITY COMPANY, L.P.

For authority to transfer control of public utility

ORDER GRANTING APPROVAL

On October 26, 1999, Wintergreen Valley Utility Company, L.P. ("WVUC," the "Company"), filed an application under Chapter 5 of Title 56 of the Code of Virginia for authority to transfer control of WVUC. The Company specifically requests authority to sell its general partner's 99.9995% partnership interest to High Country Utility Company, L.L.C., and its limited partner's .0005% partnership interest to certain individuals and to The Donovan Foundation.

WVUC is a Virginia limited partnership. WVUC's only partners are Wintergreen Development, Inc. ("WDI"), the general partner, and L. Stanley Hardy ("Mr. Hardy"), the sole limited partner. WDI owns 99.9995% partnership interest and Mr. Hardy owns .0005% partnership interest. The Company provides water and sewerage services to portions of the Stoney Creek subdivision in Nelson County, Virginia.

WDI plans to sell its general partnership interest to High Country Utility Company, L.L.C. Mr. Hardy plans to sell his limited partnership interest to Richard C. Carroll, Peter V. Farley, Timothy C. Hess, Kyle T. Lynn, and The Donovan Foundation. High Country Utility Company, L.L.C., is a Delaware limited liability company, and Richard C. Carroll, Peter V. Farley, Timothy C. Hess, and Kyle T. Lynn are all residents of Virginia. The Donovan Foundation is a charitable foundation registered in the state of New York.

As stated in the application, WDI is currently insolvent, and its assets were foreclosed by Wachovia, N.A. As a result, the Company states that a transfer of control is necessary to insure that service quality will not deteriorate. WVUC represents that it will continue to own all utility assets after the transfer of control. The Company further represents that the transfer is not anticipated to change the cost or quality of water and sewerage services to current or to potential customers.

The purchase price for the partnership interests is $350,000.00. WVUC represents that the proposed sales price of $350,000.00 was determined based on competing offers and profitability of operations. The Company represents that upon payment of the above referenced price, Wachovia, N.A., will release all liens on the property owned by WVUC and the partnership interests which secures indebtedness in excess of $6,000,000.00.

THE COMMISSION, upon consideration of the application and representations of the Company and having been advised by its Staff, is of the opinion and finds that the above-described transfer of control will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, Wintergreen Valley Utility Company, L.P., is hereby granted approval to transfer control of its general partnership interest to High Country Utility Company, L.L.C., and its limited partnership interest to Richard C. Carroll, Peter Farley, Timothy C. Hess, Kyle T. Lynn, and The Donovan Foundation under the terms and conditions described herein.

2) The approval granted herein shall have no ratemaking implications.

3) Wintergreen Valley Utility Company, L.P., shall file a Report of Action with the Commission on or before March 23, 2000, subject to extension by the Commission's Director of Public Utility Accounting. Such report shall contain the date of transfer and the sales price.

4) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA990071
DECEMBER 22, 1999

PETITION OF
WASHINGTON GAS LIGHT COMPANY
and
SHENANDOAH GAS COMPANY

For authority pursuant to the Public Utilities Affiliates Act, §§ 56-76 *et. seq.* of the Code of Virginia, the Utility Transfers Act, §§ 56-88 *et. seq.* of the Code of Virginia, and the Utility Facilities Act, §§ 56-265.1 *et seq.* of the Code of Virginia, to merge Shenandoah Gas Company with and into Washington Gas Light Company

ORDER GRANTING AUTHORITY

On October 6, 1999, Washington Gas Light Company ("Washington") and Shenandoah Gas Company ("Shenandoah") (collectively "the Petitioners") filed a petition with the Commission under the Public Utilities Affiliates Act, §§ 56-76 *et. seq.* of the Code of Virginia ("Virginia Code"), the Utility Transfers Act, Virginia Code §§ 56-88 *et. seq.*, and the Utility Facilities Act, Virginia Code §§ 56-265.1 *et seq.*, to merge Shenandoah Gas Company with and into Washington Gas Light Company pursuant to Articles of Merger.

As described in the petition, the merger will be tax free to Shenandoah, and Shenandoah's assets will be carried forward at their recorded values on Washington's corporate books. Separate divisional books of account will be maintained for the Shenandoah Division until the rates and costs of service for the two companies are merged in the future.

As stated in the petition, employees of Shenandoah will become employees of Washington on the effective date of the merger. The Petitioners represent that this change will have no impact on Shenandoah's costs as Shenandoah's employees will continue with Washington at their current wage levels. Shenandoah employees currently participate in the same benefit programs as those of Washington and will continue to do so after the merger. The Boards of Directors of both companies have approved the merger. As represented in the petition, shareholder approval is not required since the transaction will constitute the merger of a wholly owned subsidiary into its corporate parent. The Petitioners represent that the merger will not impair or jeopardize the provision of adequate service to the public at just and reasonable rates. The petition states that the Petitioners will develop a plan in the future to merge base rates and purchased gas charges.

In connection with the proposed merger, the Petitioners request the Commission to:

1) waive the requirement set forth in the Commission's Final Order issued in Case No. PUE970616 that Shenandoah file a depreciation study by the earlier of its next rate filing, or by March 18, 2001, on the condition that the merger of Shenandoah into Washington is completed, and require, instead, that Washington complete and file a depreciation study for its Virginia jurisdictional operations, including the Shenandoah Division, by September 30, 2001;

2) authorize Washington upon completion of the merger to cancel the Service Agreement between Shenandoah and Washington approved by the Commission in the Order Granting Authority issued August 9, 1998, in Case No. PUA880021 and to exclude transactions between Washington and the Shenandoah Division from the Annual Report of Affiliate Transactions filed with the Commission's Director of Public Utility Accounting effective for the year in which the merger is consummated and each year thereafter;

3) authorize Washington to file a final report of action related to cash advances made by Washington to Shenandoah pursuant to the authority granted in the Commission's Order Granting Authority issued August 19, 1999, in Case No. PUF990017 within ninety (90) days of the completion of the merger showing the required information only for the period beginning October 1, 1999, through the effective date of the merger;

4) authorize Washington, following completion of the merger, to file a single Annual Informational Filing for Washington and the Shenandoah Division using a twelve months' test period for the period ending December 31st of each year following completion of the merger and showing separately the per books results of operations for Washington and the Shenandoah Division until the rates of Washington and the Shenandoah Division are merged, combining all other schedules where appropriate and using the cost of capital methodology determined in Washington's last rate case for the calculation of capital structure and cost of equity;

5) authorize Washington to file a separate Form 2 for Washington and the Shenandoah Division in the year in which the merger becomes effective and to file a single, combined Form 2 with the Commission thereafter; and

6) reissue Certificate Nos. G-44b, G-54a, G-55b in the name of Washington Gas Light Company.

THE COMMISSION, upon consideration of the petition and representations of the Petitioners and having been advised by its Staff, is of the opinion and finds that the merger of Shenandoah Gas Company with and into Washington Gas Light Company will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved subject to certain conditions and requirements as set forth below. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to Virginia Code §§ 56-76 *et seq.* and Virginia Code §§ 56-88 *et seq.*, Washington Gas Light Company and Shenandoah Gas Company are hereby granted authority for Shenandoah to merge with and into Washington with Washington as the surviving entity as described herein, subject to the following conditions:

   a) that the initial merger creates the Shenandoah Division with the same rates, tariffs, depreciation rates, and schedules as are currently approved for Shenandoah Gas Company;

   b) that Washington file a plan with anticipated filing and implementation dates for the merging of rates, terms, conditions, and purchased gas adjustments for the two divisions that includes opportunity for customer review and comment and request for hearing if necessary;

   c) that request for amended certificates including necessary copies of the amended maps for the service territory and transmission and generation facilities is filed showing the merged company name; and

   d) that the merged company file amended tariffs showing the merged company name and retaining the Shenandoah Division as a separate set of tariffs.

2) In connection with the authority granted herein for the merger of Shenandoah with and into Washington, the requirement set forth in the Commission's Final Order issued in Case No. PUE970616 that Shenandoah complete and file a depreciation study with the Commission by the earlier of its next rate filing, or March 18, 2001, be waived on the condition that the merger of Shenandoah with and into Washington is completed. Instead, Washington will be required to file a depreciation study for its Virginia jurisdictional operations, including the Shenandoah Division, by September 30, 2001.

3) Pursuant to Virginia Code §§ 56-76 *et seq.*, Washington is hereby granted authority to cancel the Service Agreement between Washington and Shenandoah approved by the Commission by Order Granting Authority issued August 9, 1988, in Case No. PUA880021 and to exclude from the Annual Report of Affiliate Transactions transactions between Washington and the Shenandoah Division subsequent to the effective date of the merger for the year in which the merger is completed and thereafter.

4) In connection with the authority granted herein, Washington shall file a final report of action related to cash advances made by Washington to Shenandoah pursuant to the authority granted by Order Granting Authority issued August 19, 1999, in Case No. PUF990017 within ninety (90) days after completion of the merger, showing the required information only for the period beginning October 1, 1999, through the effective date of the merger.

5) Until such time as the tariffs of Washington and the Shenandoah Division are merged, Washington shall maintain separate books and records for the two jurisdictions as they existed prior to the date of the merger.

6) Washington shall be required to track all costs and related savings or benefits derived from the merger for Washington and the Shenandoah Division.

7) Washington shall be required to provide a list of all Washington and Shenandoah Division regulatory assets and liabilities before and after the merger.

8) Until such time as Washington and the Shenandoah Division merge their tariffs, Washington and the Shenandoah Division shall each file a separate Form 2 with the Commission.

9) Until such time as Washington and the Shenandoah Division merge their tariffs, separate rate of return schedules will be required for Washington and the Shenandoah Division and Annual Informational Filing Schedules 3, 6, 7, 8, 11, 12, 13, 14, 16, and 17 shall continue to be filed separately. In addition, the Washington and the Shenandoah Division schedules shall continue to employ each jurisdictional entity's previously approved adjustments and cost of equity range. The use of a common test period as requested by the Petitioners, the twelve months ending December 31st, is proper. Washington and the Shenandoah Division shall each use an end of test period capital structure.

10) The authority granted herein shall have no ratemaking implications.

11) The Applicants shall file a Report of Action providing the date the merger was consummated.

12) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA990074
DECEMBER 29, 1999

JOINT PETITION OF
THE ASSOCIATED GROUP, INC.
and
LIBERTY AGI, INC.

For approval of the acquisition of more than twenty-five per cent (25%) of the stock in Teligent, Inc., the direct parent of Teligent of Virginia, Inc., by Liberty AGI, Inc.

ORDER GRANTING APPROVAL

On November 12, 1999, The Associated Group, Inc. ("Associated"), and Liberty AGI, Inc. ("LAGI"), (collectively, the "Petitioners") filed a joint petition with the Commission pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia ("Virginia Code"). In the joint petition, Petitioners request approval for LAGI to acquire Associated, which currently holds an approximately 39.5% interest in Teligent, Inc. ("Teligent"), the parent company of Teligent of Virginia, Inc. ("TVI"). TVI is a telephone company subject to Commission jurisdiction and holds certificates to provide telecommunications services in Virginia.

As described in the joint petition, TVI is a wholly owned subsidiary of Teligent and acts as Teligent's operating company to provide telecommunications services to customers in Virginia. Teligent, through TVI, provides service to customers in Virginia using its own facilities.

Associated is a Delaware corporation engaged primarily in owning and operating broadcasting and telecommunications-related businesses. Associated, through its wholly owned subsidiary, Microwave Services, Inc. ("MSI"), currently owns an approximately 39.5% equity interest in Teligent and has the right, through MSI, to elect a majority of Teligent's current board members.

LAGI is a member of the Liberty Media Group ("LMG"), which is a tracking stock group of AT&T Corp. ("AT&T") consisting principally of the assets and businesses of Liberty Media Corporation ("Liberty") and its subsidiaries as well as certain other indirect subsidiaries of AT&T, including LAGI. [1] LMG holds interests in a broad range of video programming, communications, technology, and Internet-related businesses in the United States and abroad.

Pursuant to an Agreement and Plan of Merger (the "Merger Agreement"), LAGI will acquire Associated, including Associated's approximately 39.5% equity interest in Teligent. As a result of the merger, LAGI will obtain an indirect 39.5% equity interest in Teligent, and therefore indirect ownership of TVI.

THE COMMISSION, upon consideration of the joint petition and representations of Petitioners and having been advised by its Staff, is of the opinion and finds that the above-described transaction in which Liberty AGI, Inc., will acquire The Associated Group, Inc., will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to Virginia Code § 56-88.1, the acquisition by Liberty AGI, Inc., by The Associated Group, Inc., which currently holds approximately a 39.5% equity interest in Teligent, Inc., the parent company of Teligent of Virginia, Inc., is hereby approved.

2) There appearing nothing further to be done in this matter, it hereby is dismissed.

---

[1] A "tracking stock" is a security that has been used by certain diversified entities and generally reflects the businesses or assets of a separate group or business segment of the issuer. The tracking stock in this case is a series of common stock of AT&T. The business or asset that is tracked by the stock often is referred to as a "group", and in this case that group is LMG.

DIVISION OF COMMUNICATIONS

CASE NO. PUC940009
NOVEMBER 2, 1999

APPLICATION OF
GTE SOUTH INCORPORATED (Contel, Virginia)

Annual Informational Filing

ORDER DIRECTING PARTIAL REFUND

On July 6, 1999, the Staff of the State Corporation Commission ("Staff") filed a motion requesting that the Commission require GTE South Incorporated (Contel, Virginia) ("Contel") to refund to its customers $3,202,282 plus interest for excessive earnings in the year 1993, pursuant to the provisions of Paragraph 20 of the Commission's Experimental Plan for Alternative Regulation of Virginia Telephone Companies ("Plan").

The Commission issued an Order on July 16, 1999, directing that notice be published inviting the filing of comments and requests for hearing. On August 9, 1999, Contel filed its Response to Staff Reports and Staff Motion for Notice and Refund ("Response"). On August 26, 1999, Contel filed its Affidavit of publication of notice as prescribed by the Commission's Order of July 16, 1999. No other filings were received.

Contel's Response proposed, with the Staff's agreement, to make a bifurcated refund, because the refund's final amount depends on the resolution of the jurisdictional separations issue now on appeal at the Virginia Supreme Court in Record No. 991964, S.C.C. Case No. PUC950019. Pending resolution of the appeal, Contel proposes refunding to its customers $1,242,800, which is the amount set forth in the Staff's 1993 CAM/AIF Report filed August 16, 1995, before adjustment for the separations modification. Contel proposes that this partial refund be completed within 180 days following this Order. If the Virginia Supreme Court upholds the Commission's separations adjustment in the appeal of Case No. PUC950019, the balance of the refund will be made promptly pursuant to a Commission Order.

The Commission finds the agreement for a bifurcated refund should be approved, and Contel should proceed with the first part of the refund.

IT IS THEREFORE ORDERED THAT:

(1) GTE South Incorporated (Contel, Virginia) shall refund to its ratepayers $1,242,800 of excessive earnings for 1993, plus accrued interest, within 180 days following the date of this Order.

(2) Interest upon such refund shall be computed from January 1, 1993, until the date refunds are made, at an average prime rate for each calendar quarter. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin or the Federal Reserve's Selected Interest Rates ("Selected Rates") (Statistical Release G.13), for the three months of the preceding calendar quarter.

(3) The interest shall be compounded quarterly.

(4) Refunds shall be distributed to 1993 customers based on each customer's proportion of 1993 billed revenues to the total, with respect to Basic, Discretionary, and Potentially Competitive Services.

(5) The refunds ordered above may be accomplished by credit to each customer's account for current customers. Contel should attempt to make refunds to former customers by mailing a check for refunds of $1 or more to the last known address of the customer. Contel need not mail checks for refunds less than $1 to former customers; however, Contel shall prepare and maintain a list of the former accounts which are due refunds of less than $1, and if such former customers contact Contel and request their refunds, those refunds shall be made promptly. For customers who have outstanding balances, Contel may use such balances to offset the credit or refund to the extent such balances are undisputed. To the extent that an outstanding balance of such a customer is disputed, no offset shall be permitted. All unclaimed refunds shall be handled in accordance with Virginia Code § 55-210.6:2.

(6) On or before June 1, 2000, Contel shall file with the Division of Communications a report and associated workpapers explaining how all refunds have been lawfully made pursuant to this Order.

(7) Contel shall bear all costs of the refund directed in this Order.

(8) This matter is continued pending the Virginia Supreme Court's decision in the appeal of S.C.C. Case No. PUC950019.

CASE NO. PUC940009
NOVEMBER 19, 1999

APPLICATION OF
GTE SOUTH INCORPORATED (Contel, Virginia)

Annual Informational Filing

ORDER GRANTING PETITION FOR RECONSIDERATION

On November 2, 1999, the Commission entered an Order Directing Partial Refund ("Order") requiring GTE South Incorporated (Contel, Virginia) ("Contel") to make a partial refund to its customers for excessive earnings during 1993. The amount of the refund was set at $1,242,800, plus interest accrued from January 1, 1993, to the date the refund is made. The refund is to be completed within 180 days following the date of the Order.

On November 12, 1999, Contel filed a Petition for Reconsideration requesting that the Order be amended to provide that interest on the refund would be calculated from July 1, 1993. Contel requests this revision to account for the fact that it did not have the use of all overearnings for the entire year of 1993.

The Commission finds that the Petition for Reconsideration complies with Rule 8:9 of the Commission's Rules of Practice and Procedure and determines that the Petition for Reconsideration should be granted. Therefore, the interest on the $1,242,800 refund should be accrued from July 1, 1993, until the date refunds are made. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The Petition for Reconsideration filed by Contel on November 12, 1999, is hereby granted.

(2) Contel is hereby ordered to accrue interest on the partial refund ordered, from July 1, 1993, consistent with the findings above.

(3) This matter is continued, pending the Virginia Supreme Court's decision in the appeal of S.C.C. Case No. PUC950019.

CASE NO. PUC940010
DECEMBER 15, 1999

APPLICATION OF
GTE SOUTH INCORPORATED (Southwest, Virginia)

Annual Informational Filing

FINAL ORDER

On July 20, 1999, GTE South Incorporated (Southwest, Virginia) ("Southwest" or "the Company") filed its Motion to Declare Rates Not Subject to Refund and to Close Proceeding for the year 1993, covered in its Annual Informational Filing ("AIF"). As indicated in said Motion, the Company and the Staff of the Commission agreed that this proceeding should be closed without the requirement of refunds and further agreed that in doing so, the Company should not be deemed to have conceded or waived its rights to continue to object to decisions made by the Commission in the Company's final rate order, issued in Case No. PUC950019.[1]

By Order of August 9, 1999, the Commission prescribed notice and invited comments or requests for hearing concerning Southwest's motion, which were due on or before September 15, 1999. The 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 and pursuant to the agreement between the Company and Staff, the Commission finds that the Staff Report, Supplemental Staff Report, and Second Supplemental Staff Report, filed on August 16, 1995, November 29, 1995, and December 9, 1998, respectively, should be received into the record as evidence without the necessity of a hearing.

The only issue before the Commission is to determine whether Southwest earned in excess of its authorized range of return on equity for Potentially Competitive, Discretionary, and Basic services for the year 1993. The authorized range of return on equity prescribed by paragraph 18 of the Experimental Plan was 12% to 14%.[2] The Second Supplemental Staff Report reflects an intrastate tariffed services' return on equity of 7.57%. Since that return is beneath the 14% limit of the Experimental Plan and has not been contested, the Commission finds that during 1993, Southwest earned less than the authorized maximum return on equity. Accordingly,

---

[1] The return on equity determined in the Second Supplemental Staff Report of December 9, 1998, reflects the Commission's finding regarding jurisdictional separations which is among the findings now under appeal to the Virginia Supreme Court in Record No. 991964. The other issues under appeal have no effect on the return on equity in the Second Supplemental Staff Report.

[2] The Experimental Plan was promulgated in the Final Order issued on December 15, 1988, in Case No. PUC880035.

IT IS ORDERED:

(1) Southwest's tariffed rates for the year 1993 are hereby made permanent for that year only. Such rates are no longer subject to refund as provided in paragraphs 19 and 20 of its Experimental Plan.

(2) There being nothing further to come before the Commission, this matter is dismissed and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUC950009
DECEMBER 16, 1999

APPLICATION OF
GTE SOUTH INCORPORATED (Southwest, Virginia)

Annual Informational Filing

FINAL ORDER

Pursuant to the Commission's Order Prescribing Notice, issued August 9, 1999, in this case, GTE South Incorporated (Southwest, Virginia) ("Southwest" or "the Company") was directed to publish and serve notice of its 1994 Annual Informational Filing ("AIF"). An opportunity to file comments on the Company's AIF and the Staff's Report thereon was also given. No person filed comments or requested a hearing.

The Modified Plan,[1] which became effective January 1, 1994, specifies the applicable return on equity range to be 10.55% to 12.55% for 1994 (Paragraph 18). The Staff's Report reflects a calculation for intrastate tariffed services' return on equity of 4.11%. This return on equity indicates that the Company's 1994 earnings were not in excess of those specified by the Modified Plan.

Pursuant to the Company's Motion to Declare Rates Not Subject To Refund And To Close Proceeding ("Motion"), the Company and the Staff of the Commission ("Staff") agreed that this proceeding should be closed and the rates for 1994 made permanent without the requirement of refunds; the Company and the Staff further agreed that in doing so, the Company should not be deemed to have conceded or waived its rights to continue to object to decisions made by the Commission in the Company's final rate order issued in Case No. PUC950019.[2]

Proof of publication of the prescribed notice was filed September 15, 1999. In the absence of any requests for hearing and pursuant to the agreement between the Company and Staff, the Commission finds that Staff's Report filed on December 9, 1998, should be received into the record as evidence without the necessity of a hearing.

The only issue before the Commission is to determine whether Southwest earned in excess of its authorized range of return on equity for Potentially Competitive, Discretionary, and Basic services during 1994. The authorized range of return on equity prescribed by Paragraph 18 of the Modified Plan was 10.55% to 12.55%. The Staff's Report reflects an intrastate tariffed services' return on equity of 4.11%. Since that return is below the permitted range of return, the Commission finds that during 1994, Southwest earned less than the authorized maximum return on equity. Accordingly,

IT IS ORDERED:

(1) Southwest's tariffed rates for 1994 are hereby made permanent for that year only. Such rates are no longer subject to refund as provided in Paragraph 20 of its Modified Plan.

(2) There being nothing further to come before the Commission, this matter is dismissed and the record developed herein shall be placed in the file for ended causes.

---

[1] The Company filed its 1994 AIF pursuant to the Commission's Final Order of December 17, 1993, in Case No. PUC920029, which established the Modified Plan for Alternative Regulation of Virginia Local Exchange Telephone Companies.

[2] The return on equity determined in the Staff's Report of December 9, 1998, reflects the Commission's finding regarding jurisdictional separations, which is among the issues now under appeal to the Virginia Supreme Court in Record No. 991964. Other issues under appeal have no effect on the return on equity in the Staff's Report.

CASE NO. PUC950019
APRIL 26, 1999

APPLICATION OF
GTE SOUTH INCORPORATED

For revisions to its local exchange, access and intraLATA long distance rates

FINAL ORDER

On September 22, 1997, GTE South, Incorporated ("GTE") filed revised tariffs together with its proposed Local Calling Plan ("LCP") rates and implementation schedule, as directed by the Commission's Order of August 7, 1997. By Order of November 7, 1997, the Commission authorized GTE to implement its LCP according to its proposed schedule.

The revised tariffs became effective for services (other than LCP) rendered on and after October 7, 1997, subject to further Commission review, modification, and refund, if necessary, to bring those tariffs into compliance with the Commission's Order of August 7, 1997. In addition, GTE has filed tariffs as each phase of the LCP was implemented, and the process was completed in July of 1998. However, the Staff subsequently determined that GTE's grandfathered Centrex customers were unable to obtain LCP service. GTE filed tariff changes to offer LCP service to grandfathered Centrex customers on September 11, 1998, and those changes became effective October 8, 1998.

The Commission has now determined that GTE's rates comply with the August 7, 1997, Order and no refunds to customers are required.

Accordingly, IT IS ORDERED THAT:

(1) The rates filed by GTE pursuant to the Commission's Order of August 7, 1997, are in compliance with that order and GTE is absolved from any liability to refund money to customers as a result of its tariff filings.

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

CASE NO. PUC950019
AUGUST 10, 1999

APPLICATION OF
GTE SOUTH INCORPORATED

For revisions to its local exchange, access and intraLATA long distance rates

OPINION

On August 7, 1997, the Commission issued its Order addressing GTE South Incorporated's ("GTE's") proposed rates under GTE's Alternative Regulatory Plan ("Plan"), approved in Case No. PUC930036, and finding GTE's characterization of its filing under the Plan incorrect. This Order further accepted the adjustments recommended by the Hearing Examiner, with the exceptions noted therein.[1] The August 7th Order also accepted Staff's recommended local calling plan ("LCP") proposal with modifications noted. The additional cost to GTE for implementation of the LCP was ordered recovered by reducing the amount of the revenue decrease that would have otherwise been ordered for GTE's Toll and Switched Access rates. This case was continued generally to review the scheduled implementation of GTE's LCP[2] and to review all tariff revisions that were required in the August 7th Order, and that were made subject to further review and refund by that Order.

On April 26, 1999, the Commission issued its Final Order in this Case which determined that the rates of GTE complied with the Commission's Order of August 7, 1997, and, further, absolved GTE from any liability to refund money to customers as a result of its tariff filings.

On May 17, 1999, GTE filed its Notice of Appeal. The reasons upon which GTE's tariffed rates are approved in the Final Order of April 26, 1999, are set forth in the Commission's earlier Orders, including our Order of August 7, 1997.

---

[1] The Hearing Examiner issued his Report in the above-captioned Case on March 14, 1997, in which he found that the application of GTE South Incorporated ("GTE") "cannot be evaluated as a revenue neutral rate filing under Paragraph 11.B" of GTE's Plan. The Hearing Examiner thus evaluated GTE's application under Paragraph 11.A of the Plan to determine if GTE's proposed rates were just and reasonable. He found that they were not and recommended a reduction of $26,939,818 in GTE's gross annual revenues to render the rates just and reasonable.

[2] On October 20, 1997, an Order Inviting Comments was issued on the LCP filings called for in the August 7, 1997, Order. The only comments were filed by the Office of the Attorney General, Division of Consumer Counsel, on October 31, 1997. On November 7, 1997, the Commission issued its Order Authorizing Local Calling Plan.

CASE NO. PUC960113
APRIL 29, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
MCIMETRO ACCESS TRANSMISSION SERVICES OF VIRGINIA, INC.

For approval of an amendment to interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On January 29, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA") and MCImetro Access Transmission Services of Virginia, Inc. ("MCImetro") filed an amendment ("Amendment") to their interconnection agreement for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. The Amendment reflects that the parties have entered into a directory assistance license agreement for the rates, terms and conditions for access to BA-VA's Directory Database.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, MCImetro, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA and MCImetro indicated that a copy of the Amendment was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by February 19, 1999, and none were received.

We find that the Amendment should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Amendment is directly binding only on BA-VA and MCImetro. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The Amendment to the interconnection agreement submitted by BA-VA and MCImetro is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Amendment to the interconnection agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC960117
MAY 14, 1999

PETITION OF
AT&T COMMUNICATIONS OF VIRGINIA, INC.

For arbitration of unresolved issues from interconnection negotiations with GTE South, Inc. pursuant to § 252 of the Telecommunications Act of 1996

ORDER APPROVING INTERCONNECTION AGREEMENT

On December 11, 1996, the Commission entered its Order Resolving Outstanding Interconnection Disputes and Requiring Filing of Interconnection Agreement requiring GTE South, Inc. ("GTE") and AT&T Communications of Virginia, Inc. ("AT&T") to submit an interconnection agreement within thirty (30) days. Subsequently, the parties requested and received several extensions to this filing date. On June 24, 1997, GTE and AT&T submitted to the Commission an "Issues Binder" requesting resolution of numerous provisions upon which the parties still did not agree.

On April 14, 1999, AT&T and GTE submitted a draft interconnection agreement including only two remaining disputed contractual provisions. On May 7, 1999, AT&T submitted an Amended Motion of AT&T on Interconnection Agreement Between AT&T and GTE, eliminating the request that the Commission resolve the two issues. Since the parties reached agreement regarding the text for those two provisions, AT&T and GTE submitted a final Interconnection, Resale and Unbundling Agreement ("Agreement"), also on May 7, 1999.

Both parties state that there are no disputes remaining between them with regard to appropriate contract language to implement the Commission's decisions in this arbitration proceeding. GTE, however, continues to assert its right to recover historic costs and its position that the Commission's decisions in this proceeding do not provide GTE with the cost recovery to which it is entitled under applicable law. Therefore, GTE does not join in AT&T's request that the Commission approve the agreement.

This Agreement now includes both the negotiated and arbitrated provisions as a single package, and the Commission can now review all portions to assure compliance with §§ 251 and 252 of the Act. Notwithstanding GTE's unwillingness to join in the request for approval, the Commission approves the Agreement and finds that it complies with §§ 251 and 252 of the Act. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by AT&T and GTE is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of a subsequent revision or amendments to the Agreement.

CASE NO. PUC960135
JUNE 3, 1999

JOINT PETITION OF
MCIMETRO ACCESS TRANSMISSION SERVICES OF VIRGINIA, INC.,
AT&T COMMUNICATIONS OF VIRGINIA, INC.,
SPRINT COMMUNICATIONS, L.P.,
UNITED TELEPHONE-SOUTHEAST, INC.,
CENTRAL TELEPHONE COMPANY OF VIRGINIA,
MFS INTELENET OF VIRGINIA, INC.,
and
TELEPORT COMMUNICATIONS GROUP

For regional implementation of permanent local number portability

ORDER CLOSING CASE

A joint petition was filed by the above-captioned petitioners ("joint petitioners") on October 7, 1996, requesting regional implementation of permanent local number portability. By order dated January 13, 1997, the Commission invited any party desiring to file comments on the joint petition to do so by February 13, 1997, and comments were received from a number of the joint petitioners and from Bell Atlantic-Virginia and the United States Department of Defense ("DOD"). The comments of the DOD emphasized the need for a multi-state approach to interim number portability to avoid "inefficient and uneconomical . . . routing of calls through the public switched network."

Subsequent to the receipt of these comments, several industry developments have occurred regarding implementation of permanent local number portability, obviating the continuation of this docket. Specifically, the Mid-Atlantic Carrier Acquisition Company, L.L.C., has been formed by interested carriers to advance permanent local number portability on a regional basis. Further, the FCC has opened a docket to manage the deployment of permanent local number portability. Due to these developments, no party to the instant case has requested further Commission action for two years and the Commission finds that this case should be closed.

Accordingly, IT IS ORDERED THAT this case be, and hereby is, DISMISSED from the docket of active cases.

CASE NO. PUC960160
FEBRUARY 12, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

For approval of its Statement of Terms and Conditions under § 252(f) of the Telecommunications Act of 1996

ORDER PERMITTING WITHDRAWAL OF STATEMENT

On December 20, 1996, Bell Atlantic-Virginia ("BA-VA" or "Company") filed an application for approval of its Statement of Terms and Conditions ("Statement") under § 252(f) of the Telecommunications Act of 1996 ("Act"). The Act requires a State commission to approve or reject such statements within 60 days, unless the time for review is extended by the applicant. BA-VA agreed to several extensions.

On January 20, 1999, BA-VA, by counsel, filed a letter with the Commission indicating its intent to withdraw the Statement. In support of its request, BA-VA noted that the case had "become less relevant as BA-VA completed negotiations with various competitive local exchange companies on individual interconnection contracts." Further, BA-VA noted that the Statement had "also become out-of-date because no attempt has been made to update it as on-going events and knowledge gained from these new contracts and implementation of interconnection impacted the language in the original Statement."

NOW THE COMMISSION, being sufficiently advised, is of the opinion that BA-VA's request to withdraw the Statement should be granted.

Accordingly, IT IS ORDERED THAT:

(1) The Statement of Terms and Conditions Under Section 252(f) of the Telecommunications Act of 1996, filed by Bell Atlantic-Virginia, Inc., on December 20, 1996, shall be withdrawn; and

(2) This matter is dismissed and the papers transferred to the file for ended causes.

CASE NO. PUC970005
APRIL 15, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: To determine prices Bell Atlantic-Virginia, Inc. is authorized to charge Competitive Local Exchange Carriers in accordance with the Telecommunications Act of 1996 and applicable State law

FINAL ORDER

A. Background and Procedural History

On November 19, 1998, the Virginia State Corporation Commission ("Commission") entered an Order ("Revision Order") in this matter directing Bell Atlantic-Virginia, Inc. ("BA-VA") to re-run its Switching Cost Information System model using the criteria and directives of the Revision Order and to submit the results and accompanying work papers to the Commission, Staff, and all parties on or before December 11, 1998. The Revision Order also allowed for comments to be filed on or before December 21, 1998, relating only to the issue of whether BA-VA correctly implemented the directives of that Order. A suggested re-formulation of the distribution cable fill factor submitted by AT&T Communications of Virginia, Inc. ("AT&T") was denied in the Revision Order.

BA-VA filed the results of its re-run cost studies on December 11, 1998, together with copies of an updated schedule of unbundled network element ("UNE") prices. Comments were filed on December 21, 1998, by the Commission Staff concluding that the revised prices submitted by BA-VA properly reflected the directives of the Revision Order. No further comments have been filed in this matter.

On January 25, 1999, the United States Supreme Court ("Court") handed down its decision in AT&T Corp. vs. Iowa Utilities Board, 119 S.Ct. 721, __ U.S. __ (1999). The Court reinstated the pricing rules adopted by the Federal Communications Commission ("FCC") in its First Report and Order, CC Docket Number 96-98, released August 8, 1996. The FCC's pricing rules had been stayed and were eventually vacated by the decision of the Eighth Circuit Court of Appeals in Iowa Utilities Board vs. FCC, 120 F.3d 753 (8th Cir. 1997) during our consideration of this case. Heretofore, the Commission's consideration of pricing matters had been based upon the statutory criteria of the Telecommunications Act of 1996, and specifically §§ 251 and 252 of Title 47 of the U. S. Code ("TA 96" or "Act"). The Commission has made extensive use of the FCC's First Report and Order as a source of information pertinent to pricing decisions. Now that the FCC rules have been reinstated, the Commission has reviewed its Order of May 22, 1998, ("Inputs Order") and the Revision Order, and we are satisfied that our actions in this case are compatible with the Act and the reinstated FCC rules.

While the Supreme Court did vacate the FCC's Rule 51.319 and remand the matter[1] to the FCC for an additional determination of essential elements that incumbent local exchange carriers ("ILECs") must unbundle, in this Order we are assuming that the original seven categories of elements will be reestablished in conformity with § 251(d)(2).

Since the Act became law we have complied with its terms. We have, for example, conducted arbitrations and set rates in proceedings similar to the one involved in this Order, and we have approved negotiated agreements. Parties in two cases sought review of our actions, and the United States District Court for the Eastern District of Virginia has twice held that, as a result of carrying out our duties, we have waived the sovereign immunity of the Commonwealth of Virginia.[2] We cannot and do not waive such immunity by our actions.

The Virginia Constitution provides that this Commission ". . . shall have the power and be charged with the duty of regulating the rates, charges, and services . . . of . . . telephone . . . companies."[3] Enactments of the General Assembly also impose obligations on the Commission.[4] No other agency, state or federal, has such power or is charged with such duties with respect to telephone service in Virginia. Nothing in the Virginia Constitution, nor in Virginia statutory law, allows us to ignore our duties. Similarly, nothing in the Virginia Constitution, nor in Virginia statutory law, either directly or indirectly, allows us to waive the sovereign immunity of Virginia and to subject the Commonwealth to suit in federal court. As interpreted by the United States District Court for the Eastern District of Virginia, however, Congress, by enacting §§ 252(e)(4)-(6) of the Act, has presented us with what the court describes as a "voluntary" choice. In fact, it is a Hobson's choice; we may either ignore our Constitutional duty to regulate the "rates, charges and services" of telephone companies in Virginia, or we may carry out our duty and, by so doing, subject the Commonwealth to federal suit.[5] We can neither voluntarily waive our Constitutional and statutory regulatory duty, nor voluntarily waive Virginia's sovereign immunity.

---

[1] Slip op. at p. 25.

[2] GTE South, Inc. v. Morrison, et al., No. 3:97CV493, slip op. at 4-5 (E.D.Va., Nov. 7, 1997) and MCI Telecommunications of Virginia, Inc. v. Bell Atlantic-Virginia, Inc., No. 3:97CV629, slip op. at 5 (E.D.Va., Dec. 24, 1997).

[3] Va. Const. art. IX, § 2.

[4] For example, even prior to the passage of the Act, the Virginia General Assembly had charged us to take action with respect to the development of a competitive market for local telephone service in Virginia. In 1995, the Assembly enacted Va. Code § 56-265.4:4 C 1-3, authorizing the Commission to "grant certificates to applicants proposing to furnish local exchange telephone service in the service territory of another certificate holder." That section also directed the Commission to "promulgate rules necessary to implement this subsection. These rules shall (i) promote and seek to assure the provision of competitive services to all classes of customers throughout all geographic areas of the Commonwealth by a variety of service providers; . . ."

[5] The U.S. District Court for the Middle District of Louisiana has recently ruled that this is no choice at all and that the 11th Amendment provides immunity from suit under the Act. AT&T Communications v. BellSouth Telecommunications, 1999 W.L. 181674 (M.D. La., March 29, 1999). As the District Court explains, "The option of either consenting to federal regulation and waiving immunity or losing the previously held power to regulate a local exchange carrier is not a choice that this court sees as voluntary." Slip op. at 7. The District Court concluded that under the 11th Amendment the Louisiana Public Service Commission is immune from suit under § 252(e)(6) of the Act. We believe the BellSouth Court is correct and that our actions today are not properly subject to review by a federal district court pursuant to the Act.

We enter this Order to carry out our obligations under the Constitution and laws of Virginia and the Act in order to promote and protect the interest of the Commonwealth and her citizens. We cannot and we do not waive the sovereign immunity of the Commonwealth of Virginia. Nothing in this Order should be construed, by implication or otherwise, to waive the Commonwealth's 11th Amendment right of sovereign immunity.

The Commission today restates and, where necessary, expands discussion of the decisions made in its Orders of May 22, 1998, and November 19, 1998. In this Order, we are adopting the rates filed by BA-VA on December 11, 1998, and attached hereto as Appendix A. The rates determined herein shall be applied prospectively in existing BA-VA arbitrated interconnection agreements.[6] We do not determine rates for the Statement of Generally Available Terms and Conditions because it was withdrawn on January 20, 1999.[7]

B. Economic Principles and Selection of Economic Model

The principles of total, forward-looking, long-run incremental costs are appropriate for determining prices for UNEs. The application of these principles reflects BA-VA's existing wire center locations and the most efficient technology that can reasonably be employed in the immediate future. An appropriate allocation of shared costs and common overhead costs, excluding retailing costs, has been included in the UNE prices.

Even though there was agreement among the parties and the Staff on the basic principles,[8] there was wide disagreement concerning their precise application in the cost studies. The Commission's application of these principles is based on a balanced and careful consideration of all the evidence in the record of this proceeding. We have not relied on decisions or results from other states except to the extent they are analyzed and supported in this record.

We are of the opinion that a forward-looking costing principle can reflect expected actual conditions, based on the record before us. We have reflected such conditions in our decision on switching investment determinations, where add-on equipment purchases are recognized; our decision on customized routing, where expenditures due to the presence of analog switching are recognized; our decision on service-order costs, where a mechanized procedure phase-in is recognized; and elsewhere in the decisions set out below. Such decisions are necessary for the resulting prices to be just and reasonable.

The BA-VA system of models has been modified as specified in Sections C through I, including the use of an 8.01% common overhead factor.[9]

C. Recurring Investment-Related Costs

The BA-VA system of models for recurring costs follows a two-step process: first, the investment required for a given element is determined; and, second, the recurring investment-related costs are determined by multiplying that investment by an annual cost factor produced by the CAPCOST+ model. The CAPCOST+ model has produced annual cost factors appropriate for use in all recurring cost computations now required in this proceeding to the extent that it used the inputs specified below in this section.

(1) We find that the overall, forward-looking cost of capital for BA-VA is 10.12%. This cost of capital has been determined by using a capital structure of 40% debt and 60% equity, a cost of debt of 7.6%, and a cost of equity of 11.8%. The only cost of capital proposed that would exceed the 10.12% used in the Inputs Order is that of BA-VA's witness, Dr. Vander Weide. The primary reason that his overall cost of capital was higher was the 14.9% return on equity that he proposed. The 11.8% return on equity used in the Inputs Order is at the top of the ranges presented by other cost of capital witnesses.

Dr. Vander Weide and other cost of capital witnesses used the discounted cash flow methodology. Dr. Vander Weide, however, reached a higher recommendation by using more risky industrial firms from the S&P Industrials rather than using comparable telecommunications firms.[10] Dr. Vander Weide argued that BA-VA's cost of equity must reflect that of companies operating in more risky competitive markets. We do not adopt his recommendation.

Staff Witness Oliver pointed out that equity markets are by nature forward-looking and that market prices are based upon anticipation of future performance, earnings, and risks.[11] While our decision is based on the record before us in this case, the performance of the capital markets since the hearings during the summer of 1997 has borne this out as the market price of Bell Atlantic Corporation's ("BA's") shares has continued to advance and BA's beta has remained at a level near .90. Using Staff Witness Oliver's rough approximation of an equity return, i.e., adding 400 basis points to Dr. Vander Weide's 7.6% cost of debt,[12] indicates that the 11.8% equity return determined by the Inputs Order is more than sufficient to allow BA-VA an opportunity to earn returns commensurate with those earned in business undertakings of corresponding risks and uncertainties. Such a return is consistent with the reasonable profits contemplated by § 252(d) and will allow BA-VA to continue to attract capital and maintain its financial integrity.

(2) The depreciation lives prescribed in the Inputs Order are the only ones that have been given the thorough scrutiny of a full triennial, three-way represcription, which was conducted by the company, the Staff, and the FCC in 1993.[13] During discovery, BA-VA did not produce the studies or

[6] BA-VA has negotiated the use of these rates determined in this case to be used prospectively in most, if not all, of its existing negotiated agreements.

[7] Letter filed by BA-VA on January 20, 1999, in Case No. PUC960160.

[8] See, for example: Post-Hearing Brief of AT&T, September 9, 1997, pp. 11-12; Brief of BA-VA, September 9, 1997, pp. 12-13; Post-Hearing Brief of MCIMetro, September 9, 1997, p. 2; and Post-Hearing Brief of the Commission Staff, September 9, 1997, p. 5.

[9] Exhibit Staff-173-P, p. 50.

[10] Exhibit JHV-2-R, p. 65.

[11] Exhibit Staff-173-P, Appendix I, p. 1.

[12] Transcript, pp. 2519-20.

[13] Exhibit Staff-173-P, p. 54.

analyses upon which it relied to estimate BA-VA's depreciation lives. Its witness, Dr. Vanston, referred to such studies and reports during his ore tenus testimony.[14] BA-VA was ordered to supply copies of the studies and reports. After an analysis of the studies and reports, the Staff confirmed that they were nationwide studies and not specific to BA-VA.[15] Dr. Vanston conducted no analytical study of the BA-VA proposed economic lives. Rather, his testimony was presented only to comment on the reasonableness of BA-VA's proposed lives.[16]

As an alternative, BA-VA subsequently proposed the use of its "financial reporting lives." However, these lives also have never had the scrutiny of regulatory analysis.[17] The Commission cannot base just and reasonable depreciation costs on unexamined and speculative economic lives.

(3) The planning-period input has been established as sufficient to cover the life of all vintages in the studies. This means the CAPCOST+ input for this parameter has been established at 40 years. It is essential for the CAPCOST+ levelization calculations to include all years of investment lives so that all costs generated (depreciation, cost of money, and taxes) by that investment are reflected in the levelized unit costs. The Commission is aware that 40 years is not sufficient to capture all vintages' lives in the Buildings and Conduit categories, but since CAPCOST+ will not process a planning period longer than 40 years and the excluded costs are negligible, we find that 40 years is appropriate for use in these studies.

CAPCOST+'s annual cost factors are unaffected for categories with lives less than 40 years.[18] Investment will generate capital costs only until it is retired and none thereafter. The planning period input bears no necessary relationship to any other CAPCOST+ input.[19]

(4) The survivor curve parameter specifies a rectangular shape, known as a "9 curve" in the CAPCOST+ documentation. The studies in this proceeding are intended to produce the cost of an average unit, and this is best accomplished by the use of a survivor curve input that forecasts no retirements needing to be replaced by the introduction of new investment into the study.[20] The investment in an average unit will not change during its life. The Commission's decisions in this proceeding are directed toward the determination of average unit costs/prices. Correct average unit prices should allow BA-VA to recover its costs of providing UNEs, regardless of when the units are placed and retired.[21]

(5) The number of vintages for these studies is five (5). Using 5 vintages will provide the most realistic estimate of expected plant price inflation/deflation. This also recognizes that the network being hypothetically constructed for these cost studies will not be placed instantaneously, but over a more realistic five-year period.

(6) The maintenance factors that have been used in these studies are those recommended by the Staff[22] and further adjusted by BA-VA for the rerun studies filed July 8, 1998.[23] The Staff's recommended factors as further refined by BA-VA are necessary to represent a realistic forward-looking view and to reiterate the Commission's finding in the BA-VA 1996 arbitration cases.[24]

(7) The BA-VA-proposed administration factor has been used for these cost studies because it is the most accurate and best-supported factor in this record.

(8) The BA-VA-proposed shared cost factor has been used for these cost studies because it is the most accurate and best-supported factor in this record.

(9) The CAPCOST+ treatment of present values and demand/cost inflation is acceptable; therefore, we have declined to adopt the alternative methodologies proposed by VCTA.

D. Loop Investment Determinations

Determinations of loop investments have incorporated the specifications in this section. Loop costs have been determined by incorporating the requirements of Sections B and C above.

(1) BA-VA's models have been revised as necessary to ensure results that incorporate the correct processing of each of the following methods and input values.

---

[14] Transcript, p. 469.

[15] Transcript, p. 470 and pp. 2589-90.

[16] Exhibit LKV-12, p. 2; Transcript, p. 469.

[17] Transcript, p. 2560.

[18] Staff Objection to Exhibit RLS-190, August 13, 1997; VCTA Comments, July 31, 1998, pp. 14-15.

[19] Staff Report, August 31, 1998, pp. 13-14.

[20] Exhibit Staff-173-P, p. 58.

[21] Staff Report, August 31, 1998, pp. 11-13.

[22] Exhibit Staff-173-P, pp. 56-57.

[23] Staff Report, August 31, 1998, pp. 15-16.

[24] Page 5 of Order Resolving Wholesale Discount for Resold Services entered November 8, 1996, in Case Nos. PUC960100, PUC960103, PUC960104, PUC960105, and PUC960113. 1996 S.C.C. Annual Report, pp. 222-223.

(2) The BA-VA-determined ISDN loop investment increment has been used as it now stands in this record. The BA-VA methodology for ISDN loop investment, which specifies an ISDN increment added to a two-wire loop investment and includes an 85% fill factor for ISDN electronics, has been used.

(3) The four-wire loop investment has been determined according to the Staff-recommended methodology,[25] incorporating all Commission modifications to the two-wire loop, including the use of a factor of .89 to adjust average loop length to the length of a four-wire loop.

(4) The BA-VA-determined DS-1 loop investment has been used as it now stands in this record, based on the BA-VA methodology, including the use of an 85% fill factor for the DS-1 electronics.

(5) The cost and price of xDSL (ADSL and HDSL) loops are not part of this proceeding, as determined in the March 21, 1997, Order Prescribing Additional Issues, at page 3. The Commission found at that time that these kinds of loops are not "network elements," as defined in the Act, because they were not then part of any service offered to the general public.

(6) BA-VA's proposed method for loading supporting structure (poles and conduit) investment onto the loop cable investment[26] has been used. No party or the Staff proposed an alternative to this method, and the Commission accepts the BA-VA method as the only one supported in this record.

(7) No cable fill factor, or any other fill factor, should affect land and buildings investment loadings. BA-VA's land and buildings factor[27] has been used to include those investments in loop investments, where land and buildings investment is required to house various loop electronics, but it has not been increased by any fill factor adjustment.

(8) The definitions and factors immediately below have been used to reflect the investment necessitated by spare loop facilities:

- The definition of fill factor has been established as the quotient of dividing total capacity into the amount of capacity in use and assigned for use, with divisor and dividend expressed in the units by which the network element's capacity is measured.

- Distribution cable investment has been based on a fill factor of 50%. BA-VA's model has been modified as necessary to ensure that its f2/f1 method is overridden, that distribution fill is not multiplied by feeder fill, and that a fill factor of 50% is correctly reflected in this investment.

- From the wide range of fill factors proposed in this proceeding, the Commission has selected the Staff's analysis, which determined a 50% fill factor for distribution cable. This analysis is reasonable because it means that all aerial cable capacity would be exhausted by the end of its life, which is midway between the lives of buried cable and underground cable, at the growth rate forecasted by BA-VA.[28] Such an analysis corresponds to BA-VA's current engineering practice of placing sufficient distribution cable to serve its "ultimate demand"[29] and is also consistent with its recent practice of placing two (2) pairs per living unit.[30]

- Copper feeder cable investment reflects a fill factor of 77%. We have selected the Staff's analysis to reflect a five-year feeder relief cycle based on the growth rates forecasted by BA-VA.[31]

- Fiber feeder cable investment reflects a fill factor of 90%. The Commission has applied its judgment in selecting this factor, based on the range of factors proposed by the parties and Staff.

- DLC electronics investment reflects a fill factor of 85%. We have selected the BA-VA proposal.[32]

- ISDN loop electronics investment reflects a fill factor of 85%. We have selected the BA-VA proposal.[33]

- DS-1 loop electronics investment reflects a fill factor of 85%. We have selected the BA-VA proposal.

(9) Loop investments have been determined by using a copper-fiber breakpoint of 9,000 feet. This breakpoint provides the most cost-efficient voice-grade loops[34] and ensures that market considerations of other services are excluded.

---

[25] Exhibit Staff-173-P, p. 80.

[26] Exhibit ERB-27-P, Exhibit 1, p. 7.

[27] Exhibit ERB-27-P, Exhibit 1, p. 7.

[28] Exhibit Staff-173-P, pp. 67-68.

[29] Brief of BA-VA, September 9, 1997, p. 116.

[30] Brief of BA-VA, September 9, 1997, p. 119.

[31] Exhibit Staff-173-P, p. 67.

[32] Brief of BA-VA, September 9, 1997, p. 126.

[33] Exhibit Staff-173-P, p. 80.

[34] Exhibit Staff-173-P, p. 76.

(10) BA-VA's cable costs have incorporated the TPI correction recommended by both AT&T/MCI[35] and Staff.

(11) NGDLC investment has been used as proposed by BA-VA, including the estimated mix of IDLC and UDLC proposed by BA-VA.[36] This mix is necessary to reflect the forward-looking reality of how unbundled loops will be provided.

(12) Minimum cable sizes have been used as proposed by BA-VA.

E. Loop Price Groups/NID

(1) Loop prices have been deaveraged into the three groups proposed by the Staff.[37] This arrangement is most closely related to loop costs; and, therefore, it is the best reflection in this record of the Act's requirement to base network element prices on costs.

(2) The NID is not affected by any of the loop cost parameters and is independent of the loop costs. All of the Commission's inputs have been used in running the BA-VA models and the Hatfield model, and the results are comparable. However, the Hatfield model has proven to be more convenient and expedient in producing the NID price. Therefore, we affirm the Staff's recommended methodology for determining the price of a NID.[38] The resulting monthly price is $0.44.

F. End-Office Switching Investment and Rate Structure

Determinations of end-office switching investments have incorporated the specifications in this section. End-office switching costs have been determined by incorporating the requirements of Sections B and C above.

(1) BA-VA's model reruns have ensured the correct processing of each of the following specifications.

(2) Switch port differentiation, according to port type, has been established as it now stands in this record. There has been a separate price determination for each type of port specified by BA-VA.[39] We find that the cost-based pricing specified in the Act requires these separate prices because the costs are significantly different.

(3) The usage rate for end-office switching has been established as a per-minute structure including the 26 vertical features currently offered by BA-VA. The usage investment has been determined as proposed by BA-VA and includes the currently offered 26 vertical features. We find that a proper application of the Act's definition of a network element requires the end-office switching element to include only these features.

(4) Switching equipment price discounts have been determined based on a mix of 54% replacement, 46% add-on equipment purchases. This mix reflects the pattern of equipment purchases necessary for a given switch to serve all the lines it must serve during its life.[40] The mix specifies not when these purchases will be made but only that 54% of them will be complete switch purchases (i.e., replacement). The remaining 46% may be purchased at any time, but as add-on equipment. The Commission has relied on the BA-VA line forecast, as discussed by Staff witness Dr. Hlavac,[41] as the most realistic basis for this determination.

(5) Land and buildings investment loadings have been computed by using the BA-VA-proposed factor as it stands in this record. We find that land and buildings loadings are necessary, and neither the Staff nor any party proposed an alternative. BA-VA's factor is the only one supported in this record.

(6) Vertical features investment has been determined to reflect the presence of the 26 features currently offered by BA-VA. Henceforth, before BA-VA will be permitted to offer any new vertical feature(s) to any customer, general public or carrier, thirty (30) days in advance of the offering it will be required to file with the Commission an application containing a proposed price(s) for such feature(s), developed consistent with this Order, and shall notify all certificated CLECs. In the event that a CLEC requests a new vertical feature before BA-VA plans to offer it, such request shall be treated as a new negotiation under the Act.

(7) Investment required for customized routing has been determined to be the same as that underlying the Staff-proposed prices.[42] We find that this approach is the best available reflection of the realistic forward-looking approach we have adopted in this proceeding.

(8) The End-Office switching rate structure has been established to provide separate prices for originating traffic and terminating traffic, as proposed by BA-VA.[43] We find that the cost-based pricing specified in the Act requires such a pricing structure because originating and terminating costs are significantly different.

---

[35] Exhibit MRB-132-P, p. 6.

[36] Exhibit ERB-29-R-P, p. 26.

[37] Exhibit Staff-175, pp. 17-19.

[38] Exhibit Staff-173-P, p. 82.

[39] Exhibit RWW-35, Exhibit A, p. 3.

[40] Brief of BA-VA, September 9, 1997, p. 150.

[41] Transcript, pp. 2705-8.

[42] Exhibit Staff-175, p. 29.

[43] Exhibit RWW-35, Exhibit A, p. 3.

(9) The Local Call Termination rate structure has been established to provide per-minute rates for traffic terminating in the BA-VA local calling areas. Contrary to the position of TCG,[44] we find that flat-rate, LATA-wide rates are not consistent with § 251(g) of the Act.

(10) Application of the local call termination rates shall remain the same as the Commission determined in the 1996 BA-VA arbitration cases.[45]

G. Transport Rate Structure and Rate Determination

Transport and tandem switching investment determinations have incorporated the specifications in this section, and their costs have been determined by incorporating the requirements of Sections B and C above.

(1) BA-VA's models have ensured the correct processing of each of the following specifications.

(2) The common transport price has been determined without distance sensitivity, but with a per-minute structure that reflects the average distance covered by a transmission.

(3) Dedicated transport prices have been determined with the transport facility separate from the terminal elements (e.g., multiplexing, digital cross-connect, etc.). This is necessary to comply with the Act's requirement that network elements be unbundled at "technically feasible" points.[46]

(4) Common transport has been defined as transport that is shared by more than one carrier, regardless of whether a tandem switch is involved. Common transport may exist between end offices.

(5) The Commission finds that there is no need for a combined tandem-switched transport rate. A tandem switching rate shall be applied only when a tandem switch is involved in the transport.

(6) Entrance facilities and digital cross-connect functions have been defined as separate rate elements, consistent with the BA-VA studies, to comply with § 251(c)(3) of the Act, as discussed in (3) above.

(7) "Local" call termination has been defined as pertaining to local traffic terminating in BA-VA's local calling areas, not LATA-wide areas. We find that this is necessary to be consistent with § 251(g) of the Act.

H. Other Network Elements

(1) Signaling and Databases, Operator Services (including Directory Assistance), and Operations Support Systems: Even though no substantiation was given by BA-VA for its models and pricing of elements in these areas, the Commission, lacking an alternative proposal by the other parties, accepts the BA-VA methodology, together with the Commission's requirements in Sections B and C above, that has been used to determine these prices.

(2) Daily Usage File (DUF): All DUF charges have been calculated as recurring because they are related to recurring capital costs. These charges have incorporated the Commission's requirements in Sections B and C above.

(3) Line Information Database (LIDB) and Direct Access: BA-VA's methodology, together with the Commission's requirements in Sections B and C above, has been used to determine these prices.

I. Collocation

(1) BA-VA's collocation tariff rates, filed in this case on March 26, 1997, have been established as applicable in this case, except as noted below, because no sufficient alternative was offered in this record. The Commission finds that BA-VA's cost support for these rates is insufficient to determine whether these rates are based on total, forward-looking, long-run, incremental costs.

(2) Based on the Staff's recommendation, the recurring prices for collocation elements[47] have been determined by first reducing the BA-VA-determined costs by 30%, then adding common overhead costs according to the Commission's 8.01% loading from Section B above.

(3) BA-VA shall permit collocators to provide their own physical collocation infrastructure through subcontractors, in accordance with the FCC's Rules.[48] BA-VA shall revise its collocation tariff to incorporate this requirement.

(4) BA-VA's proposed prices for Cage Construction, Room Construction, AC Outlets, and Overhead Lighting that it supplies are acceptable because collocators shall be permitted to self-provide these elements, according to (3) above.

(5) BA-VA's proposed prices for Cable Racking, Cable Installation, and Virtual Collocation have been established in this case because no other party presented evidence sufficient to alter BA-VA's estimates.

---

[44] Brief of TCG, filed September 9, 1997, p. 5.

[45] Case Nos. PUC960100, PUC960103, PUC960104, PUC960105, and PUC960113. 1996 S.C.C. Annual Report, pp. 221-222.

[46] 47 U.S.C. § 251(c)(3).

[47] Exhibit Staff-175, pp. 8-9.

[48] 47 C.F.R. § 51.323(j).

(6) This Order does not foreclose any challenge to BA-VA's intrastate collocation tariff, and it does not address compliance with the FCC's recent rules.[49]

J. Interim Number Portability

The Commission agrees with the August 31, 1998, Report of the Commission Staff ("1998 Staff Report") concerning Interim Number Portability ("INP"), pages 30-31. BA-VA suggests that INP costs be recovered solely from cost-causers, i.e., CLECs. This is contrary to § 251(e)(2) of the Act which requires that the costs be "borne by all telecommunications carriers on a competitively neutral basis as determined by the [Federal Communications] Commission."

The Commission finds that the "Rochester" approach discussed in the 1998 Staff Report is most appropriate. Under this methodology, BA-VA will annually assess a surcharge to each carrier based on its number of ported telephone numbers relative to the total number of active telephone numbers in BA-VA's local service area. BA-VA is directed to submit a proposed plan to the Commission's Staff at least forty-five (45) days prior to its proposed recovery implementation date and serve a copy upon all certificated LECs.

The Commission finds no convincing reason to establish an industry task force on INP recovery.

K. Non-Recurring Charges

Even though there was a lack of comprehensive support for many of BA-VA's proposed prices, no other party offered better-supported alternatives for these prices. BA-VA has recomputed its non-recurring charges incorporating revisions specified in the Inputs Order and an 8.01% common overhead loading.

(1) BA-VA has recomputed all of its labor rate and levelization determinations incorporating the Staff's recommendation to apply a productivity adjustment in year 1 of the data projections. The Commission's overall cost of capital of 10.12% has been used as the discount rate. These changes also have been applied to the non-recurring charges associated with the collocation elements set forth in Exhibit Staff-175 at pages 8-9.

(2) BA-VA has recomputed its service order costs as directed in the Inputs Order by adopting the Staff's recommended projections of percent manual effort (100%, 70%, 45%, 25%, and 5%) beginning with year 1 and continuing through year 5.

(3) BA-VA has recomputed its installation costs and coordinated cutover with inputs modified as follows:

- The work time labeled "assignment" has been eliminated because the Commission has determined that CLECs will be able to perform this activity for themselves.
- The work time labeled "locate terminal" has been eliminated from premises visit costs because the Commission has determined that travel time should cover this activity.
- The work time for "dispatch and closeout" has been reduced by half because the Commission has determined that the use of craft access terminals should permit such a reduction.
- The work time labeled "frame attendant" has been eliminated because the Commission has determined that this activity is covered by CSC maintenance.
- The work time labeled "RCMAC" has been eliminated because the Commission has determined that this activity is not attributable to CLECs, but it is caused by the presence of retail customers in general.

(4) All costs associated with disconnect activities have been separated from connect costs and used to create new disconnect charges for the same elements that the Staff recommended.[50] This also applies to the Intellimux elements for DS-0 and DS-1.[51]

(5) The Commission has declined to require the audit and true-up procedure recommended by the Staff.

(6) The Commission has determined that the cost of an initial directory listing is covered by other network elements, and no separate charge shall be applied to an initial directory listing; however, additional (tariffed) directory listings are not network elements as defined by § 3(29) of the Act. Such additional listings shall be provided to requesting carriers at the tariff rate less BA-VA's wholesale discount.

(7) The Commission has rejected the proposal by MFS to eliminate the price of customer-specified signaling.

Comments filed by AT&T and MCI in 1998, long after the closing of the evidentiary record herein, indicated that new evidence was available regarding BA-VA's non-recurring charges which would more accurately reflect these costs. These parties requested that the Commission make the non-recurring rates interim and open a new proceeding to establish permanent rates. The Commission allowed ample opportunity from January 1997 through the hearing dates in June and July 1997 for the parties to present all studies and evidence regarding the unbundled network elements addressed in this proceeding, and decisions were based on the extensive record filed and presented. Therefore, the Commission affirms the decisions made regarding non-

[49] In the Matters of Deployment of Wireline Services Offering Advanced Telecommunications Capability, First Report and Order and Further NOPR, CC Docket No. 98-147, released March 31, 1999.

[50] Exhibit Staff-173-P, p. 144, including the ISDN PRI port and the DID port.

[51] Exhibit Staff-175, p. 6.

recurring charges, does not accept the "new evidence" referred to by AT&T and MCI for consideration in this proceeding, and makes the non-recurring rates permanent instead of interim as requested by AT&T and MCI.

Conclusion

Based on the results and accompanying work papers filed by BA-VA and the comments filed by the Staff and various parties, it is the Commission's determination that BA-VA has followed the criteria and directives of its Orders of May 22, 1998, and November 19, 1998, and has properly implemented said directives in re-running its cost studies.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) The results of the re-run cost studies submitted by BA-VA on July 8, 1998, and December 11, 1998, are hereby accepted as appropriately reflecting the directives of the Commission's Orders of May 22, 1998, and November 19, 1998.

(2) The prices submitted by BA-VA on its updated schedule of unbundled network elements filed on December 11, 1998, and attached hereto as Exhibit A, are hereby adopted as the permanent prices for these elements.

(3) The price of a NID shall be forty-four cents ($0.44) per month.

(4) At least forty-five (45) days prior to its proposed implementation date, BA-VA shall file with the Commission's Division of Communications a plan for INP recovery consistent with the methodology described above. No industry task force on INP recovery is necessary.

(5) BA-VA shall revise its collocation tariff to incorporate the requirement of 47 C.F.R. § 51.323(j) which permits collocators to provide their own physical collocation infrastructure through subcontractors.

(6) No separate charge shall be applied for an initial directory listing, and additional listings shall be provided to requesting carriers at the tariff rate less BA-VA's wholesale discount.

(7) Before BA-VA will be permitted to offer any new vertical feature(s) to any customer, general public or carrier, thirty (30) days in advance of the offering it shall file with the Commission an application containing a proposed price(s) for such feature(s), developed consistent with this Order, and shall notify all certificated CLECs. If a CLEC requests a new vertical feature before BA-VA plans to offer it, this request shall be treated as a new negotiation under the Act.

(8) BA-VA shall follow all the directives of this Order, including those contained in the body of the Order.

THERE BEING NOTHING FURTHER to come before the Commission regarding this matter, this case shall be closed and the papers contained herein shall be placed in the file for ended causes.

NOTE: A copy of Exhibit A entitled "Cost Documentation Summary" 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. PUC970009
APRIL 14, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: Implementation of IntraLATA Toll Dialing Parity pursuant to the provisions of 47 U.S.C. § 251(b)(3)

FINAL ORDER

On February 6, 1997, the Commission commenced its investigation of implementing intraLATA toll dialing parity ("dialing parity") pursuant to the provisions of 47 U.S.C. § 251(b)(3). The Commission evaluated the dialing parity plan submitted by Bell Atlantic-Virginia, Inc. ("BA-VA") as well as plans filed by several other local exchange companies ("LECs") and ordered such plans to be approved in accordance with the Guidelines and Minimum Standards for LEC IntraLATA Toll Dialing Parity Plans, as set out in Attachment 1 to the Commission's Order Establishing Requirements and Conditionally Approving Plans, issued May 9, 1997, ("Order of May 9, 1997").[1] (Also attached to this order, hereinafter referred to as "Attachment 1".)

On November 6, 1998, the Commission issued its Order on Motion of Bell-Atlantic Virginia, Inc. to Clarify its Obligation to Implement IntraLATA Toll 1+ Presubscription, which suspended the implementation deadline of February 8, 1999, previously set by our Order of May 9, 1997.

Our suspension of the implementation deadline was premised upon the vacation of the Federal Communications Commission Order, In the Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98, second report and memo opinion (FCC, August 8, 1996)("the Dialing Parity Order") by the United States Court of Appeals for the Eighth Circuit in its decision, *People of the State of California v. FCC,* 124 F. 3d 934, 943 (Eighth Cir., 1997). That decision was reversed January 25, 1999, by the United States Supreme Court, in *AT&T Corp. v. Iowa Utilities Bd.,* 119 S. Ct. 721, 67 USLW 4104.

[1] The Commission approved the plans of BA-VA, GTE, United/Centel, MFS and TGG. With the exception of BA-VA, these companies should have already implemented dialing parity. All subsequent plans were required to be filed through a prescribed administrative procedure with the Division of Communications.

Pursuant to the United States Supreme Court decision in *Iowa Utilities Board*, the FCC released on March 23, 1999, its Order, In the Matters of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98, and Petition of Southwestern Bell Telephone Company, Pacific Bell, and Nevada Bell for Expedited Declaratory Ruling on Interstate IntraLATA Toll Dialing Parity or, in the Alternative, Various Other Relief ("Dialing Parity Implementation Schedule Order").

The FCC waived the February 8, 1999, dialing parity implementation deadline ordered in the August 8, 1996, Dialing Parity Order. In the Dialing Parity Implementation Schedule Order, the FCC established a new implementation deadline schedule as follows:

> No later than May 7, 1999, all LECs must implement intraLATA toll dialing parity plans already filed and approved by the state regulatory commission for each state in which the LECs provide telephone exchange service. LECs must implement such intraLATA toll dialing parity plans by May 7, 1999, whether or not the state regulatory commission has ordered implementation of the approved plan and notwithstanding any date subsequent to May 7, 1999, that may have been ordered by the state commission.
>
> No later than April 22, 1999, all LECs must file intraLATA toll dialing parity plans with the state regulatory commission for each state in which the LEC provides telephone exchange service if a plan has not yet been filed with such state commissions. Once a state commission has approved a plan, the LEC must implement its plan no later than 30 days after the date on which the plan is approved. Any plan that provides for the implementation of intraLATA dialing parity by a state subsequent to thirty (30) days after approval by the state commission will be deemed in violation of Commission rules.
>
> On June 22, 1999, if a state commission has not yet acted on a LEC's intraLATA toll dialing parity implementation plan, the LEC must file that plan with the Common Carrier Bureau ("Bureau"). By June 23, 1999, the Bureau will release a public notice initiating a comment cycle for the Bureau's consideration of any LEC plan filed with the Bureau. A state commission may continue to act on a plan until the Bureau has acted upon that plan. A LEC's failure to file a plan with the state commission or this Commission in the matter required by this order will be deemed a violation of this Commission's rules that will allow interested parties to seek relief pursuant to section 401(b) of the Act.

(Dialing Parity Implementation Schedule Order, ¶ 7)

Based upon the above-quoted implementation requirements of the FCC, this Commission finds that dialing parity for BA-VA should be implemented no later than May 7, 1999. LECs that have not previously submitted dialing parity plans must submit intraLATA toll dialing parity plans with the Division of Communications no later than April 22, 1999, consistent with the Commission's Order of May 9, 1997, as modified herein below.

Moreover, in light of the limited time available for implementation, the need to efficiently use Staff resources, and the number of LECs which still need to implement dialing parity, the Commission believes it is necessary to streamline the procedures for filing and review of intraLATA toll dialing plans. Therefore we will waive certain requirements of the guidelines shown in Attachment 1. Such waivers are permitted under Guideline 9 of this attachment.

The Commission first finds that specific waivers from the Commission's guidelines for BA-VA, as set out in Attachment 1, are necessary as BA-VA is the only LEC with an approved intraLATA dialing parity plan which has not implemented dialing parity and is therefore subject to the May 7, 1999, deadline. First, the customer notification timeline in Guideline 3 is waived. BA-VA shall be required to notify its customers of the availability of intraLATA dialing parity through a bill message or insert in the next available billing cycle. In addition, the timeline in Guideline 4 for carrier notification is waived and BA-VA will now be required to provide notification to all interexchange carriers of its intraLATA dialing parity implementation date no later than fifteen(15) days following the date of this Order.

All remaining LECs currently operating in Virginia which have not implemented dialing parity are required to make a filing with this Commission pursuant to the guidelines in Attachment 1, subject to certain general waivers set forth below, no later than April 22, 1999. Any such filing will be presumptively approved as of thirty(30) days prior to the implementation date unless the proposed implementation date is after July 22, 1999. Any LEC with a proposed effective implementation date after July 22, 1999[2], will be required to file its proposed intraLATA dialing parity implementation plan with the FCC pursuant to the FCC's Dialing Parity Implementation Schedule Order.[3]

The Commission has determined that a letter submitted by a LEC to the Division of Communications stating compliance with the guidelines in Attachment 1 would meet the requirement for filing an intraLATA dialing parity plan as required in Guideline 7. In addition, the requirement to file a plan with the Division of Communications at least ninety(90) days prior to the proposed implementation date is waived and LECs only need to submit their plans thirty(30) days prior to implementation. In addition, the customer and carrier notification timelines in Guidelines 3 and 4 are waived. These LECs shall notify customers and carriers at least thirty(30) days prior to implementing intraLATA dialing parity. Further, the requirement in Guideline 3 to submit the proposed customer notice to the Staff and IXCs at least thirty(30) days prior to the proposed mailing to customers is also waived. LECs will not need to

[2] The FCC's Dialing Parity Implementation Schedule Order requires a plan not acted on by a state commission by June 22, 1999, to be filed with the FCC's Common Carrier Bureau. In accordance with this Order's procedures, a LEC's plan with an implementation date of July 22, 1999, would be considered approved by this Commission as of June 22, 1999.

[3] The FCC's Dialing Parity Implementation Schedule Order does not provide for any exemption. However, this Commission believes a rural telephone carrier may petition this Commission for an exemption from the dialing parity requirements of 47 U.S.C. § 251(b)(3) pursuant to 47 U.S.C. § 251(f)(2). Any rural telephone carrier which plans to petition for such an exemption with the Commission should provide notice to this Commission by April 22, 1999, of its intent and should file its petition in accordance with the requirements on 47 U.S.C. § 251(f)(2), no later than June 22, 1999. Any rural telephone company with such exemption petition filed with the Commission as of this date is not required to file its dialing parity plan with this Commission as otherwise required for LECs as stated above.

have such notice evaluated by Staff. However, any customer notice should be nondiscriminatory and not promote the use of the LEC's own intraLATA toll services.

The Commission believes there may be LECs which have not previously submitted an intraLATA dialing plan with the Commission Staff but are currently offering 2-PIC presubscription. If any 2-PIC presubscription so implemented fails to meet the guidelines, the implementing LEC is required to bring its 2-PIC presubscription into conformance with this Order no later than May 7, 1999. To the extent there are any such LECs, they are also required to file a letter with the Division of Communications on or before April 22, 1999, providing the actual effective implementation date and a statement that intraLATA dialing parity was implemented consistent with the Commission's revised guidelines or will be so implemented no later than May 7, 1999.

Further, all LECs certificated after April 22, 1999, or those LECs already certificated but without customers in Virginia as of this date, will have the requirements in Guidelines 3, 4, 5 and 7 waived. However, the remaining provisions set forth in Attachment 1 will remain in effect and any such LEC shall be required to implement a full 2-PIC method to allow its customers to prescribe to different carriers for their intraLATA and interLATA toll service as a prerequisite to offering service in Virginia.

IT IS THEREFORE ORDERED THAT:

(1) LECs shall file their intraLATA dialing parity plans in accordance with the requirements stated above and in Attachment 1 appended hereto.

(2) BA-VA shall implement intraLATA dialing parity no later than May 7, 1999.

NOTE: A copy of Attachment 1 entitled "Guidelines and Minimum Standards for LEC intraLATA Toll Dialing Parity Plans, Case No. PUC970009" 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. PUC970019
JUNE 21, 1999

APPLICATION OF
GTE SOUTH INCORPORATED

For revisions to its depreciation rates for telecommunications plant

ORDER OF DISMISSAL

On March 4, 1999, the Staff of the Commission filed a Motion to Dismiss this matter "without prejudice to GTE filing a traditional depreciation study in order to update its 1995 study."

On April 19, 1999, GTE South filed a new, updated depreciation study. This study will be reviewed by the Staff, the FCC Staff and the Company in the near future. The Company therefore filed its concurrence in the requested dismissal of the instant proceeding on June 14, 1999. Accordingly, IT IS ORDERED that this matter is dismissed and the papers transferred to the file for ended causes.

CASE NO. PUC970044
JANUARY 28, 1999

PETITION OF
ATX TELECOMMUNICATIONS SERVICES, LTD.

For an Extension of Time to File Audited Financial Statements

ORDER GRANTING PETITION

On June 30, 1997, ATX Telecommunications Services, Ltd. ("ATX") filed its application with the State Corporation Commission ("Commission") to provide local exchange telecommunications services throughout the Commonwealth of Virginia. By Order dated October 8, 1997, the Commission granted ATX's application, subject to the condition, inter alia, that ATX provide to the Division of Economics and Finance ("Division") audited, year-end 1997 financial statements on or before October 2, 1998.

On December 29, 1998, ATX filed a petition requesting an extension of time to file ATX's year-end 1997 audited financial statements with the Division. In its petition, ATX asserted that in its original application, it had provided on a confidential basis the most recent audited financial statements for the period ended December 31, 1994, for the owner of the General Partner of ATX, as well as other financial information regarding ATX's financial ability to render local telecommunications services.

Shortly before the October 2, 1998, deadline, ATX advised the Division that it would not be possible to provide audited financial statements before October 2, 1998, but instead provided, on a confidential basis, unaudited statements of revenues and expenses and statements of assets, liabilities and equity for ATX for the end-of-year 1997, and for 1998 through July 31, 1998. At that time, ATX informed the Staff that it expected its year-end 1997 audited financial statements to be available no later than December 31, 1998.

ATX states that it now has received a letter from its accounting firm, BDO Seidman, LLP, indicating that audited financial statements would not be available by December 31, 1998. ATX represents in its petition that it has complied with all other provisions of the October 8, 1997, Order granting its

Certificate, as well as all other rules and regulations of the Commission, including those contained in 20 VAC 5-400-180. It states that it has not required that any of its customers provide deposits in order to obtain service but maintains that if it decides to collect customer deposits, it will establish and maintain an escrow account, held by an unaffiliated third party, for such funds and will notify the Division of the escrow arrangement as contemplated by Ordering Paragraph (4) of the October 8, 1997, Order entered herein.

Having considered ATX's petition, the Commission is of the opinion and finds that ATX should be granted an extension of time in which to file its audited financial statements with the Division, as ATX has requested. As indicated in the October 8, 1997, Final Order entered herein, ATX withdrew its Motion to Waive Rule 5(A)(4) of the Commission's Rules for Local Exchange Telephone Competition ("Local Rules"). Local Rule 5(A)(4) requires all providers of local exchange telephone service certificated under the Rules to file audited financial statements with the Commission's Division of Economics and Finance.

Given these circumstances, we will grant ATX the extension of time requested to June 30, 1999, in which to file its year-end audited financial statements with the Division of Economics and Finance. It is our expectation that ATX, as well as all certificated competitive local exchange carriers, shall comply with all applicable Local Rules. Failure to do so without good cause may result in the initiation of enforcement actions and the imposition of penalties.

Accordingly, IT IS ORDERED that ATX shall provide to the Division of Economics and Finance the audited, 1997 year-end financial statements on or before June 30, 1999, and annually thereafter.

CASE NO. PUC970067
JUNE 16, 1999

APPLICATION OF
UNITED TELEPHONE–SOUTHEAST, INC.

For approval of Collocation Services tariff

ORDER OF DISMISSAL

On May 1, 1997, United Telephone-Southeast, Inc. and Central Telephone Company of Virginia ("the Companies") filed with the Virginia State Corporation Commission ("Commission") revisions to their respective intrastate access tariffs to offer physical and virtual collocation services. On June 4, 1997, AT&T Communications of Virginia, Inc. ("AT&T") filed motions in regard to both tariff filings requesting that the Commission set the tariffs for investigation, allow discovery and permit comments and reply comments. On June 6, 1997, the Companies filed a letter with the Division of Communications ("Staff") requesting that the effective date of the tariffs be deferred pending discussion of issues with the Staff.

On August 5, 1997, the Companies provided the Staff with proposed changes to the tariffs to address the issues which AT&T had raised in its motions. The Companies provided these proposed changes to AT&T on August 19, 1997. The Companies then resubmitted the tariffs to the Commission with the proposed changes.

On September 22, 1997, the Companies and AT&T filed a joint motion acquiescing to the Companies' request that the revised tariffs be permitted to be placed into effect for an interim period, subject to any party renewing a request for a future proceeding to determine whether the rates are just, reasonable and nondiscriminatory, as required by § 251(c)(6) of the Telecommunications Act of 1996.

The tariffs have since become effective and there have been no requests filed for further proceedings. Therefore, there is no further action required by the Commission.

NOW THE COMMISSION, having considered the motions, is of the opinion that this matter should be dismissed. Accordingly,

IT IS THEREFORE ORDERED THAT:

There being nothing further to be done herein, this matter is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. PUC970113
FEBRUARY 26, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: Investigation of the termination of local exchange for failure to pay for long distance services

FINAL ORDER

By order entered July 23, 1997, the Commission invited comments concerning its investigation of the termination of local exchange services for failure to pay for long distance services. Comments were filed by nine parties on September 5, 1997. On September 26, 1997, the Commission's Staff submitted a report that included recommendations and suggestions for further action. The Commission invited comments in response to the Staff report. Responses were submitted on January 16, 1998, by Hyperion Telecommunications of Virginia, Inc., MCI Telecommunications Corporation, and Bell Atlantic-Virginia, Inc. ("BA-VA").

By order of August 3, 1998, the Commission propounded five proposed rules (Attachment A to that order), invited comments concerning the proposed rules, and directed publication of the proposed rules in the Virginia Register. Comments concerning the proposed rules were received, on or before September 4, 1998, from AT&T Communications of Virginia, Inc. ("AT&T"), MCI Telecommunications (now MCI WorldCom, "MCIW") BA-VA, the Virginia Telecommunications Industry Association ("VTIA"), Cox Virginia Telecom, Inc., GTE South, Inc., Sprint Communications Company LP ("Sprint"), Central Telephone Company of Virginia ("Centel"), United Telephone-Southeast, Inc. ("United"), John Grier Construction Company, LCI International Telecom Corp., Bottom Line Solutions, Inc., Virginia Citizens Consumer Council ("VCCC"), and numerous private citizens.

On October 16, 1998, MCIW filed its Motion to Investigate "Cramming" and "Slamming" and requested the Commission to form an industry-staff task force to study these two problem areas.

Pursuant to that motion and the comments received earlier, the Commission, on October 20, 1998, entered its Order Scheduling Hearing "to receive evidence concerning the possible economic and financial effects of implementing the proposed rules, any issues raised in the above-noted MCI comments, and any other matter, material and relevant to the issues." The hearing date was subsequently rescheduled from November 24, 1998, to February 17, 1999, pursuant to a motion for additional time filed by the VTIA.

The matter was heard February 17, 1999. Public comments were received from Jean Ann Fox, Vice President of the VCCC. Appearances were entered by Robert M. Gillespie on behalf of the Commission's Staff; Warner F. Brundage, Jr. on behalf of BA-VA; Donald G. Owens and Michael McRae on behalf of AT&T; Michelle Walsh on behalf of the VTIA; James Scheltema on behalf of MCIW; and James B. Wright on behalf of Sprint, Centel, and United.

Testimonies were presented by Kathleen A. Cummings on behalf of the Commission's Staff; Lawrence S. Grant on behalf of BA-VA; Lilli Taylor on behalf of Sprint, Centel, and United; Denise Crombie on behalf of AT&T; and Donald A. Laub on behalf of MCIW.

Having considered the comments, the testimony and exhibits submitted at the February 17th hearing, and the proposed rules, the Commission has determined that the proposed rules should be adopted as published with one exception. That exception is proposed Rule D. Rule D needs only slight modification to accommodate the concerns of the parties that a Local Exchange Carrier ("LEC") is incapable of blocking access to only selected Interexchange Carriers ("IXCs") from the LEC's facilities. To address that concern, Rule D is modified as follows:

> A LEC billing on behalf of an interexchange carrier may, together with the interexchange carrier, block a customer's access to the interexchange carrier when the toll charges of the interexchange carrier have not been paid by that customer; but the LEC may not block that customer's access to other interexchange carriers for such nonpayment.

Due to the Federal Communications Commission's continuing investigation of "cramming" and "slamming," we are not persuaded to grant MCIW's motion to create such a task force at this time.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) MCIW's Motion to Investigate "Cramming" and "Slamming" is denied.

(2) The proposed rules as modified and restated in Attachment A hereto, are hereby adopted and shall become effective on July 1, 1999.

(3) The rules as adopted shall be published in the Virginia Register.

(4) 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.

NOTE: A copy of Attachment A entitled "20 VAC 5-400-151. Disconnection of Local Exchange Telephone Service" 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. PUC970113
MARCH 19, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: Investigation of the termination of local exchange for failure to pay for long distance services

ORDER GRANTING PETITIONS FOR RECONSIDERATION

On March 17, 1999, the Virginia Telecommunications Industry Association ("VTIA") filed its Petition for Reconsideration of the Commission's Final Order of February 26, 1999. On March 17, 1999, Central Telephone Company of Virginia and United Telephone-Southeast, Inc. ("Centel/United") filed their Joint Petition for Reconsideration and Clarification. On March 18, 1999, AT&T Communications of Virginia, Inc. ("AT&T") also filed a Petition for Reconsideration.

Pursuant to the terms of the Commission's Rule of Practice and Procedure 8:9, the Commission has determined that the Petitions for Reconsideration should be granted in order to allow the Commission to retain jurisdiction over this matter while the issues raised by VTIA, Centel/United, and AT&T are reviewed. All parties are invited to respond to issues raised in the Petitions for Reconsideration on or before April 2, 1999. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The Petitions for Reconsideration filed by VTIA on March 17, 1999, Centel/United on March 17, 1999, and by AT&T on March 18, 1999, are hereby granted.

(2) All parties may respond to the issues raised in the Petitions for Reconsideration on or before April 2, 1999.

(3) Pending the Commission's reconsideration, no provision of the order of February 26, 1999, is suspended or altered and this matter is continued generally until further order of the Commission.

CASE NO. PUC970113
MAY 10, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: Investigation of the termination of local exchange for failure to pay for long distance services

ORDER ON RECONSIDERATION

On February 26, 1999, the Commission issued its Final Order in its investigation of the termination of local exchange services for failure to pay long distance services. In that order, the Commission denied MCI WorldCom's motion to investigate "cramming" and "slamming" and ordered proposed rules to become effective on July 1, 1999, as modified and restated in Attachment A to that order.

On March 17, 1999, the Virginia Telecommunications Industry Association ("VTIA") filed its Petition for Reconsideration of the Commission's Final Order of February 26, 1999. On March 17, 1999, Central Telephone Company of Virginia and United Telephone-Southeast, Inc. ("Sprint") filed their Joint Petition for Reconsideration and Clarification. On March 18, 1999, AT&T Communications of Virginia, Inc. ("AT&T") also filed a Petition for Reconsideration. On March 19, 1999, the Commission issued an Order Granting the Petitions for Reconsideration, and invited all parties to respond to the issues raised in the petitions.

On March 23, 1999, VTIA filed affidavits from several of its members. On March 29, 1999, Joseph S. Terrell, Sr., filed a letter on behalf of John Grier Construction Company. On April 2, 1999, Sprint, Cox Virginia Telecom, Inc. ("Cox"), and AT&T filed comments on the Petitions for Reconsideration.

VTIA, Sprint, Cox, and AT&T commented on the hardship their companies would face if made to comply with the July 1, 1999, implementation date of the Commission's order. These parties expressed concern over the amount of time required to make significant software and billing revisions in addition to fulfilling Y2K compliance obligations. Several of the parties requested that the Commission extend the effective date of the rules by approximately 12 months. We find some of the parties' arguments concerning their inability to comply with the rules by July 1, 1999, to be persuasive. We do not, however, believe it is necessary to delay implementation of these rules for a full year. We therefore order all local exchange companies ("LECs") to comply with the rules, as amended herein, by October 1, 1999.

VTIA raised an issue in its Petition regarding the requirement to separate customer partial payments into three pots for crediting unpaid balances. VTIA suggested that the Commission combine the first two pots (basic local exchange access and usage, and other LEC non-competitive tariffed services) into a single pot. We agree with VTIA that only two pots are necessary for crediting unpaid balances in light of Rules A and B, and we will change Rule E to read as follows: "Customer payments that are less than the total bill balance shall be credited first to non-competitive tariffed services, with any remainder credited to any other charges on the bill." However, the Commission does have concerns about customers that may still be unable to obtain basic local exchange service only because they are unable to pay for other non-competitive services provided and billed by the LEC. We recognize that such circumstances for disconnection of basic service will exist under these new rules, and we encourage all LECs to adopt reasonable and flexible delinquent payment arrangements in order to avoid customer disconnection.

In addition, the Commission believes that the effectiveness of these new rules should be monitored. In order to do so, we require the four largest incumbent local exchange carriers ("ILECs"), Bell Atlantic–Virginia, Inc., GTE South, Inc., United Telephone – Southeast, Inc. and Central Telephone – Southeast, Inc., each to file an annual report with the Division of Communications ("Staff") on the number of disconnection for non-payment notices and actual disconnections of service for nonpayment. This information should be summarized for business and residential customers. The Commission also directs the companies to identify the number or percentage of these customers who subscribed to services in addition to basic local exchange service. We recommend that the companies work with the Staff to determine how this information can be made available prospectively. These companies should file a disconnection report on October 1, 1999, for the most recent 12-month period available in order to establish a baseline. Subsequent reports should be filed by year-end, December 31, and should account for the 12-month period from October 1, to September 30. These reports will be required until December 31, 2001, unless otherwise ordered by the Commission.

Sprint requested that the Commission clarify Rule C to indicate the effective date for the requirement that this information be included in White Pages directory listings. We recognize the practical impossibility of including information in directories that have already been sent to printers, and we therefore amend Rule C to state as follows: "LEC White Pages telephone directories published **more than 60 days** after the date of the order . . . ". All directories published more than 60 days after this Order and before October 1, 1999, shall contain language stating that the effective date of the new rules is October 1, 1999.

We also note two clarifications to other rules. First, Rule A should be amended to state as follows: "A Local Exchange Company ("LEC") may terminate local exchange service only for a customer's failure to pay for **non-competitive** services billed on behalf of the LEC when the services are in tariffs . . . ". Also, in order to provide for additional flexibility, Rule B should be amended to state as follows: "LECs shall indicate on customers' monthly

bills **either** those items for which service may ~~not~~ be terminated **or those items for which service may not be terminated** for failure to pay, and shall include an explanation, by footnote or otherwise, that local telephone service may not be terminated for failure to pay for **certain** services. The form of this notification must receive prior approval from the Commission's Division of Communications."

Finally, we address one comment raised by Sprint concerning whether the rules apply to competitive local exchange carriers ("CLECs"). The rules apply to both ILECs and CLECs.

All other requests made by the parties, including those relating to global toll blocking, billing disclosure requirements, and requests for exceptions to allow disconnection in particular circumstances, are hereby denied.

In all other respects, the findings in our Final Order of February 26, 1999, shall remain in full force and effect.

NOW THE COMMISSION, having considered the matter, is of the opinion that our Order of February 26, 1999, should be amended to include the above-mentioned changes in the rules, as modified and restated in Attachment A hereto. Accordingly,

IT IS ORDERED THAT:

(1) The proposed rules as modified and restated in Attachment A hereto, are hereby adopted and shall become effective on October 1, 1999.

(2) The rules as adopted shall be published in the Virginia Register.

(3) All other provisions of our February 26, 1999, Order shall remain in full force and effect.

(4) 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.

NOTE: A copy of Attachment A entitled "20 VAC 5-400-151. Disconnect of Local Exchange Telephone Service" 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. PUC970113
SEPTEMBER 10, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: Investigation of the termination of local exchange services for failure to pay for long distance services

OPINION

On May 10, 1999, the Commission issued its Order on Reconsideration in this case, adopting rules regarding disconnection of local exchange telephone service for nonpayment of long distance services. The Order made only minor modifications to the rules, which had been adopted in the Commission's Final Order entered on February 26, 1999. Foremost among these new rules is one that permits disconnection of local telephone service ("DNP") only for a customer's failure to pay for those tariffed services billed on behalf of the local exchange carrier ("LEC"). The rules in effect prior to the changes effected herein permitted disconnection of local telephone service for nonpayment of long distance services provided by a certificated interexchange carrier ("IXC").[1] Other rules adopted in this case pertain to billing disclosure requirements, directory publication, selective toll blocking, and the crediting of partial payments made by customers.

We have the authority either to prohibit or permit LECs to disconnect local service for a customer's failure to pay charges unrelated to local exchange service and owed to another carrier or provider. On January 27, 1988, the Commission issued its order in Case No. PUC870004,[2] in which we permitted LECs to continue to exercise the option of disconnecting a customer's local service for nonpayment of "long distance services provided by a certificated IXC and billed by the LEC."[3] These powers are simply one aspect of the Commission's broad regulatory authority, including the authority to promulgate rules and regulations, under the Constitution and Code of Virginia in the administration of all laws within its jurisdiction, including the regulation of telephone public utilities.[4] Further, there is no question of federal preemption of our authority in this area.[5]

---

[1] While disconnection can only be effected for nonpayment of these specific charges, the Commission has received complaints of disconnection or threats of disconnection for nonpayment of charges of non-certificated carriers, or for nonpayment of other products or services appearing on the local telephone bill.

[2] Commonwealth of Virginia ex. rel State Corporation Commission Ex Parte: Investigation of deregulation of telephone company billing and collection services, 1988 S.C.C. Ann. Rep. 231.

[3] Id. at 232.

[4] Va. Const. Art. IX, Sec. 2; § 12.1-13 of the Code of Virginia.

[5] The Federal Communications Commission ("FCC") preserved state jurisdiction in this area in its Report and Order adopted on January 14, 1985, In the Matter of Detariffing of Billing and Collection Services ("Report and Order"). In that Report and Order, the FCC found that although it had preemptive authority over regulation of the terms and conditions under which disconnection for nonpayment would be allowed, it deferred to the states to determine whether and under what circumstances LECs would be permitted to discontinue local services for nonpayment of interstate toll services. 102 F.C.C.2d 1150, ¶ 51.

The present case was initiated by the Commission in light of both improvements in technology and the proliferation of new competitive carriers, boosted recently by the availability of dialing parity for IXCs in most areas of the Commonwealth. Given these changes that have taken place in the marketplace, we determined that the issue of DNP merited further review and reconsideration. Having considered the numerous comments and testimony filed in this case by the parties to this proceeding, we found that the public interest required that we amend our prior rule to permit disconnection of local service only for failure to pay for tariffed services billed on behalf of the local exchange carrier.

In no other industry can one business threaten to terminate (or terminate) service for a customer's failure to pay a bill allegedly owed to another company. As was stated by a witness at the hearing, "A finance company, for example, cannot threaten to disconnect your electric service because you don't make your car payments." Likewise, we find that Bell Atlantic should no longer be able to disconnect local service due to a customer's failure to pay AT&T long distance charges, for example. Even more strongly, we believe that customers should not lose their local service, or be led to believe they will lose their local service, simply because they may wish to contest charges for unauthorized use of their telephones, or for services never ordered or received by them.[6] While disconnection of service may have been convenient for the carriers, it is by no means the only way in which carriers may collect their debts. After all, the courts of the Commonwealth have never been made unavailable to any class of litigants, including telephone companies.

The prior DNP policy was sensible during earlier periods when the end user contracted for both local and long distance service from essentially the same source, or from a limited number of optional carriers, most of whom were certificated by and regulated to some extent by the Commission. Today, however, the service provided by an IXC is unrelated to a customer's local service. In fact, the LEC's relationship to the customer, with respect to the service provided by the IXC, is only that of billing agent or purchaser of receivables. As the FCC has stated, "A serious question of fairness to customers is raised where a subscriber's local telephone service is placed in jeopardy by a telco in its capacity as collection agent or holder of I[X]C receivables."[7]

The Telecommunications Act of 1996 ("the 1996 Act") continues to embrace the longstanding public policy of universal service – requirements that mandate access to basic local telephone service for every citizen at affordable rates. With respect to intrastate service, the states have the responsibility to ensure that universal service is available at just, reasonable, and affordable rates. Under the 1996 Act, Congress recognized and continued the states' significant responsibility to maintain universal service in a competitive environment.[8] It is our view that permitting local exchange carriers to disconnect local service for a customer's failure to pay for long distance services impedes our efforts to ensure necessary access to telecommunications services for all Virginia consumers. Drawing a "bright line," limiting DNP only to tariffed services of the LECs themselves, will eliminate a vast amount of customer and carrier confusion[9] and should enhance a customer's ability to challenge unauthorized charges appearing on his or her bill without fear of loss of vital local telephone service.

Carriers opposed to the implementation of the new rules raised two central arguments: (1) the disallowance of DNP will increase industry uncollectible revenue and collection expense, and these increased expenses may be passed on to consumers; and (2) should the Commission forbid DNP, it should also permit global toll blocking, rather than selective toll blocking, to prevent customers from taking advantage of IXCs.

First, Bell Atlantic, Sprint, AT&T, and MCI argue that uncollectibles expenses will increase dramatically as a result of our new policy, and that these costs may ultimately cause Virginia consumers to pay higher rates for telecommunications services. Despite the fervor with which the carriers raised this issue, none were able to provide any convincing evidence that telephone rates have increased in states where similar DNP policies were implemented as a result of the implementation of such policies. The record, therefore, does not support the carriers' argument.

The carriers maintained further that selective toll blocking, rather than global toll blocking, allows a consumer to jump from one long distance provider to another when the bill gets too high, leaving mounds of unpaid bills in his wake. This argument carries no great weight, especially in a competitive environment. Sprint should not be prevented from providing service to a customer just because that customer has not yet paid MCI in full. We live in a competitive world in which consumers and companies now make their own long distance service choices. Sprint can either choose not to serve the customer with the unpaid MCI bill based on the customer's credit history, or offer service despite the risk, but the local carrier should not be able to make that choice for Sprint or the customer. Our new policy forecloses this option for the LEC.

Advances in technology, together with the passage of the 1996 Act,[10] fundamentally restructured local telephone markets, ended the monopolies that states historically granted to local exchange carriers, and opened the door to a whole host of new issues in the telecommunications industry. Along with the multitude of technological innovations and opportunities brought about by these advances came unanticipated and unwelcomed by-products of competition. Slamming and cramming have risen dramatically since passage of the Act, and the proliferation of carriers has created much confusion and opportunity for sham dealing in the marketplace. Despite these unfortunate side effects, competition has and will continue to bring many benefits to the Commonwealth. It remains our obligation to mitigate, to the extent we can, competition's negative effects. We hope that with adoption of these rules, local exchange carriers will be more discriminating when choosing the companies for whom they bill, thereby reducing the instances of cramming in Virginia. It

[6] The proliferation of billing complaints regarding billing for services provided by carriers unauthorized by the customer, and billing complaints for services not ordered or received has actually caused new words to appear in the language: the former is known as "spamming" and the latter is known as "cramming." Both have become national problems for the industry.

[7] Investigation of Access and Divestiture Related Tariffs, CC Docket No. 83-1145, 97 F.C.C.2d 1082 (February 17, 1984). The FCC further stated: "It is not the telco's [LEC's] customers who would be disconnected but rather the customers of the telco's customer, the I[X]C. Therefore, the I[X]C should be the one to determine when to stop providing service to one of its customers. It is ultimately responsible for bearing the burden of uncollectibles, not the telco [LEC]. If the I[X]C chooses to carry a customer who has been delinquent in his payments that should be its own business decision, subject to the requirements of the Act. The telephone company [LEC] should not be allowed to control the I[X]C's operations." Id.

[8] See 47 U.S.C. § 254(f).

[9] The distinction between permissible disconnection, for nonpayment of charges of certificated carriers, and non-permissible disconnection, for nonpayment of uncertificated carriers, is no longer meaningful, given the great numbers of new entrants in the IXC market. There is no readily discernible way to know whether a particular IXC is or is not certificated.

[10] Preceded, we should note, by the General Assembly's elimination of the local monopoly by enactment of § 56-265.4:4 C of the Code of Virginia in 1995.

is also our intention to ensure that in this new era of market-driven pricing and services, preservation of universal service continues to remain an important policy so that Virginia citizens continue to have equal access to basic telecommunications services.

We have given the proposed rules, the comments by the various parties to this proceeding, and the testimony presented at the hearing our most careful consideration. It is our opinion that our decision to disallow DNP for failure to pay for charges other than tariffed local exchange services is in the best interests of the Commonwealth. The proposed new rules not only will best serve the interests of Virginia consumers, but will also help to further, rather than frustrate, the goals of the 1996 Act and the directive of the Virginia General Assembly that we "assure the provision of competitive services to all classes of customers throughout all geographic areas of the Commonwealth by a variety of service providers[.]"[11]

[11] § 56-265.4:4 C 3 of the Code of Virginia.

CASE NO. PUC970113
SEPTEMBER 17, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex parte: Investigation of the termination of local exchange for failure to pay for long distance services

ORDER DENYING PETITION FOR SUSPENSION

On September 8, 1999, the Virginia Telecommunications Industry Association ("VTIA"), pursuant to § 8.01-676.1 H, filed its Petition for Suspension of Order ("Petition"), requesting the Commission[1] to suspend the effectiveness of our Final Order and Order on Reconsideration herein, until the Virginia Supreme Court has ruled on the appeal of those orders by the VTIA and other parties.

The Petition will be denied. This case was docketed in 1997. The proposed rules were issued in August 1998. We issued our order adopting revisions to the DNP Rules on February 26, 1999, and then granted the petitions of several companies for reconsideration. We modified several of the Rules at the behest of the carriers, including delaying the effective date of the Rules from July 1, 1999, to October 1, 1999. We find that further delay in implementing the Rules cannot be justified.

Further, the Commission has pending before it Case No. PUC990138, the Application of Bell Atlantic-Virginia, Inc., for a postponement in the implementation of the Commission's rules governing disconnection for non-payment ("DNP Rules"), which we promulgated in the instant case and as to which the VTIA now seeks suspension. We have, by separate Order in that docket, granted a limited waiver of the implementation date of those rules to GTE South Incorporated upon its demonstration of good cause. Our Order permits others to make a similar showing in that docket.

The VTIA has not offered any compelling reason why the administration of justice requires suspension of the DNP Rules throughout the Commonwealth in light of the availability of temporary relief upon good cause shown in Case No. PUC990138. The VTIA has relied upon the affidavit of James A. Diaz, Vice-President of GTE South Incorporated, in support of its Petition. Mr. Diaz states therein that his company "has worked diligently and in good faith to effect the necessary modifications to its billing systems in Virginia to ensure compliance with the [DNP] Rules as close as possible to the Commission's October 1 implementation deadline." The Commission has approved a compliance plan offered by GTE South Incorporated and granted a limited extension and waiver of the Rules in Case No. PUC990138 because of its showing of good cause. Thus, GTE South Incorporated has been granted relief, and there is no other evidence in support of the VTIA's Petition. There is no reason to suspend our orders or the DNP Rules.

Accordingly, IT IS ORDERED THAT:

(1) The Petition for Suspension of Order is DENIED.

(2) This matter is dismissed.

[1] We note that VTIA has also filed a similar petition with the Virginia Supreme Court, as has Bell Atlantic-Virginia, Inc.

CASE NO. PUC970174
NOVEMBER 29, 1999

JOINT MOTION OF
UNITED TELEPHONE-SOUTHEAST, INC.
and
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For approval of Amendment to the Companies' Alternative Regulatory Plan

FINAL ORDER

On November 10, 1997, United Telephone-Southeast, Inc., and Central Telephone Company of Virginia (collectively, "Companies") filed a Joint Motion requesting that the Commission amend the Companies' Alternative Regulatory Plan ("Plan")[1] to conform the Plan to revisions in §§ 56-235.5 E and 56-237.2 of the Code of Virginia. The first revision would allow a proposed telecommunications service to be declared "Competitive" pursuant to the Plan following notice and opportunity for hearing. The second revision would change the minimum number of complaints or requests for hearing on certain of the Companies' rates that would require the Commission to convene a public hearing.

By Order dated March 18, 1998, the Commission directed the Companies to provide notice of their application to customers and established a period in which comments or requests for hearing on the application could be filed. One comment, from Bell Atlantic-Virginia, Inc., was received. Bell-Atlantic recommended that the Commission grant the Joint Motion.

NOW THE COMMISSION, having considered the application, the Plan, the comment received, and the applicable statutes and rules, is of the opinion that the revisions proposed in the Joint Motion are, with one exception, in the public interest and would not cause the Plan to become non-compliant with § 56-235.5 D of the Code of Virginia. The proposed revision to paragraph 4.A.2 (codified as subdivision D1b of Attachment 3 of 20 VAC 5-401-70) of the Companies' Plan is approved with the exception of the proposed removal of the words "must be given to all affected parties," which shall remain in the Plan. The revisions, prepared in Code Commission style, are attached to this Order, with deletions of current language struck through and additions of new language underscored. Accordingly,

IT IS HEREBY ORDERED THAT:

(1) The Joint Motion is granted, and the Plan shall be amended as proposed except as set forth herein; and

(2) There being nothing further to come before the Commission, the matter is dismissed.

NOTE: A copy of Attachment 3 entitled "Alternative Regulatory Plan for Central Telephone Company of Virginia and United Telephone Southeast, Inc." is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

[1] 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., Case No. PUC930036, 1994 S.C.C. Ann. Rept. 262.

CASE NO. PUC980009
APRIL 20, 1999

PETITION OF
ACC NATIONAL TELECOM CORP.

For arbitration of unresolved issues from interconnection negotiations with Bell Atlantic-Virginia, Inc. pursuant to § 252 of the Telecommunications Act of 1996

FINAL ORDER

Following the entry of our Preliminary Order March 4, 1998, Bell Atlantic-Virginia, Inc. and ACC National Telecom Corp. ("ANTC") negotiated an interconnection agreement which they filed August 6, 1998. That agreement was approved by order entered November 3, 1998, in Case No. PUC980115.

Because of the successful negotiation of an interconnection agreement, the Commission finds that this petition for arbitration is no longer necessary and should be dismissed.

Accordingly, IT IS ORDERED THAT this matter is dismissed and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUC980011
DECEMBER 16, 1999

PETITION OF
HYPERION TELECOMMUNICATIONS OF VIRGINIA, INC.
and
HYPERION TELECOMMUNICATIONS OF CHARLOTTESVILLE, INC.

DISMISSAL ORDER

On December 2, 1999, the Commission issued an Order Directing Petitioners To Show Cause Why Case Should Not Be Dismissed. On December 10, 1999, the Petitioners, Hyperion Telecommunications of Virginia, Inc., and Hyperion Telecommunications of Charlottesville, Inc., filed their Response to Show Cause, which requested that this case be dismissed.

Pursuant to the Petitioners' Response to Show Cause, the Commission is of the opinion that it is now appropriate to dismiss the above-captioned case. Accordingly,

IT IS ORDERED THAT the above-captioned 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. PUC980056
APRIL 20, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of revising the telephone relay service surcharge pursuant to Article 5, Chapter 15, Title 56 of the Code of Virginia

FINAL ORDER

By Order entered May 27, 1998, the Commission increased the surcharge for funding telephone relay service ("TRS") in Virginia from $0.10 per month to $0.16 per month for each access line or equivalent Centrex access line. This increase was effective for service rendered on and after September 1, 1998. That same order continued the matter generally to address any additional matters that might arise concerning the funding of TRS.

Since then, no additional matters have arisen concerning the funding of relay service. The Commission has determined this matter should be dismissed and that any future matters relating to relay service should be addressed in a new docket.

Accordingly, IT IS ORDERED THAT:

(1) Each Virginia local exchange company ("LEC") continue compliance with Ordering Paragraphs (2) through (4) of the order entered herein on May 27, 1998.

(2) There being nothing further to come before the Commission, this matter is dismissed and the papers accumulated herein shall be placed in the file for ended causes.

CASE NO. PUC980059
APRIL 22, 1999

APPLICATION OF
NEW CASTLE TELEPHONE COMPANY

To poll telephone subscribers from its Paint Bank exchange regarding extended local service pursuant to Va. Code § 56-484.3

FINAL ORDER

By Order entered April 22, 1998, the Commission authorized New Castle Telephone Company to include its Paint Bank exchange customers on an extended local service (ELS) ballot that was being furnished to its New Castle exchange customers for local calling into Bell Atlantic-Virginia, Inc.'s Roanoke and Salem exchanges. Pursuant to that Order, ballots were mailed to Paint Bank customers, and the polling results have been certified to the Commission. New Castle exchange customers voted in favor of the proposed extension of local service, but the Paint Bank customers rejected the proposal.

ELS was implemented between New Castle and the Roanoke and Salem exchanges, but was not implemented between Paint Bank and those exchanges. The Commission has determined that no further action is necessary in this docket. Accordingly,

IT IS THEREFORE ORDERED THAT this matter is dismissed and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUC980092
JANUARY 8, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
STARPOWER COMMUNICATIONS, L.L.C.
v.
BELL ATLANTIC-VIRGINIA, INC.

To require Bell Atlantic-Virginia, Inc. to provide voice mail services for resale pursuant to § 251(c)(4) of the Telecommunications Act of 1996

ORDER OF DISMISSAL

On June 18, 1998, Starpower Communications, L.L.C. ("Starpower") filed a petition[1] against Bell Atlantic-Virginia, Inc. ("BA-VA") seeking an order compelling BA-VA to provide voice mail services ("VMS") for resale at wholesale discounts or, in the alternative, to make this service available to Starpower in connection with resold local exchange lines at retail prices on a nondiscriminatory basis. By orders dated July 13 and August 5, 1998, the Commission set procedural deadlines allowing BA-VA to respond to Starpower's petition and allowing Starpower to reply to BA-VA's response.

On December 10, 1998, Starpower filed a Petition for Leave to Withdraw Amended Petition. In this petition, Starpower states that it has not changed its position that BA-VA's conduct in denying the resale of VMS is anticompetitive and discriminatory. Starpower represents, however, that it has decided to expedite its conversion from resale to facilities-based service offerings and thus no longer desires to continue prosecuting its Petition. Starpower requests that the Commission allow withdrawal of the Amended Petition without prejudice.

Having considered the record and Starpower's Petition for Leave to Withdraw Amended Petition, the Commission is of the opinion and finds that Starpower should be allowed to withdraw its Amended Petition without prejudice. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Starpower's Amended Petition of July 31, 1998, hereby is withdrawn without prejudice to renew at a later date if necessary.

(2) There being nothing further to be done herein, this matter is dismissed, and the papers filed herein made a part of the Commission's file for ended causes.

[1] Starpower filed an Amended Petition with the Commission on July 31, 1998.

CASE NO. PUC980109
APRIL 23, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

For approval of tariff revisions to create a Value Added Service Package

FINAL ORDER

By Order of December 8, 1998, the Commission suspended the procedural schedule of this matter because Bell Atlantic-Virginia, Inc., ("BA-VA") on December 4, 1998, had filed a letter, together with rebuttal testimony, which eliminated the condition that BA-VA customers subscribing to the "Big Deal" service package must also retain BA-VA as their intraLATA toll provider. That Order also indicated that this proceeding might now be moot since the eliminated condition had caused most of the controversy.

On December 10, 1998, AT&T Communications of Virginia, Inc., ("AT&T") filed a letter stating it had no objection to dismissal of the case; and on December 15, 1998, MCI WorldCom withdrew their objection.

The Commission has determined that there is no longer a controversy herein. Accordingly,

IT IS THEREFORE ORDERED THAT this matter is dismissed and that the record developed herein shall be placed in a file for ended causes.

CASE NO. PUC980118
JANUARY 8, 1999

APPLICATION OF
STATDIRECT, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On October 23, 1998, Statdirect, Inc. ("Statdirect" or "the Company") completed an application for certificate of public convenience and necessity ("certificate") to provide local exchange telecommunications services throughout the Commonwealth of Virginia. By Order dated November 6, 1998, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to Statdirect's application. On December 9, 1998, the Staff filed its report finding that Statdirect's application was in compliance with the Commission's Local Rules.

A hearing was conducted on December 17, 1998. Statdirect filed proof of publication and proof of service as required by the scheduling order dated November 6, 1998. At the hearing, the proof of notice, application and accompanying attachments, and the Staff's report were entered into the record without objection.

Having considered the application and the Staff's report, the Commission finds that Statdirect's application should be granted, subject to the conditions recommended by Staff and agreed to by the Company. These two conditions are as follows:

(1) Any customer deposits collected by the Company be retained in an unaffiliated third party escrow account until such time as the Staff or Commission determines is no longer necessary.

(2) The Company shall provide audited financial statements for its parent, 21st Century Care, to the Staff no later than one year from the effective date of its initial tariff.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) Statdirect, Inc. hereby is granted a certificate of public convenience and necessity, No. T-427 to provide local exchange telecommunications services subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, the recommendations of Staff as found above, and the provisions of this Order.

(2) Statdirect shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(3) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC980122
JANUARY 14, 1999

APPLICATION OF
NETWORK ACCESS SOLUTIONS, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On November 6, 1998, Network Access Solutions, LLC ("Network" or "the Company") completed an application for certificates of public convenience and necessity ("certificate") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. The Company further requested authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia. Also, Network requested waiver of § 2.E.1 of the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018 ("Local Exchange Rules") requiring audited financial statements to be filed with the application.

By Order dated November 20, 1998, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to Network's application. On December 17, 1998, the Staff filed its report finding that Network's application was in compliance with the Commission's Local Exchange Rules and the Commission's Rules Governing the Certification of Interexchange Carriers, as amended in Case No. PUC850035.

While Network initially requested a waiver of Local Rule § 2.E.1, audited financial statements for its parent were filed with the Staff on December 15, 1998. Therefore, the Staff determined it would be appropriate to grant to the Company an interexchange certificate and a local exchange certificate, subject only to the condition that any customer deposits collected by the Company shall be retained in an unaffiliated third-party escrow account for such time as the Staff or Commission determines is necessary.

A hearing was conducted on January 7, 1999. Network filed proof of publication and proof of service as required by the scheduling order dated November 20, 1998. At the hearing, the proof of notice, application and accompanying attachments, and the Staff's report were entered into the record without objection. The Company agreed to the recommendation of the Staff.

Having considered the application and the Staff's report, the Commission finds that Network should be granted certificates to provide local exchange and interexchange telecommunications services. As noted, the Company has filed its audited financial statements in compliance with § 2.E.1 of the Local Exchange Rules and we need not address the waiver requested earlier.

With regard to Staff's recommendation on holding customer deposits in escrow, we will require the Company to retain any customer deposits in an unaffiliated third-party escrow account. Nevertheless, this requirement should not be interpreted to prevent the Company's normal access to deposits from delinquent terminated accounts. Having considered § 56-481.1, the Commission further finds that Network may price its interexchange services competitively.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) Network Access Solutions, LLC hereby is granted a certificate of public convenience and necessity, No. T-429, to provide local exchange telecommunications services subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, the recommendations of Staff as found above, and the provisions of this Order.

(2) Network Access Solutions, LLC is hereby granted a certificate of public convenience and necessity, No. T-59A, to provide interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this order.

(3) Network shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) Network shall provide to the Division of Economics and Finance audited financial statements no later than one year from the effective date of its initial tariff.

(5) Pursuant to § 56-481.1 of the Code of Virginia, Network may price its interexchange services competitively.

(6) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC980127
JUNE 24, 1999

APPLICATION OF
ACME TELEPHONE COMPANY, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

ORDER GRANTING REQUEST TO WITHDRAW APPLICATION

On August 28, 1998, Acme Telephone Company, Inc. ("Acme" or "the Company") completed an application for certificates of public convenience and necessity to the State Corporation Commission ("Commission") to provide local exchange and interexchange telecommunications services in the Richmond and Norfolk Local Access and Transport Areas within the Commonwealth of Virginia. By Orders dated September 29 and October 2, 1998, the Commission set forth the procedural schedule for this case and required Acme to provide public notice of its application. On October 21, 1998, Acme filed a request to extend the date by which Commission Staff was to file its direct testimony and exhibits, the date by which Acme was to file its rebuttal testimony, and the date of the hearing in this matter. On October 26, 1998, the Commission granted the extension of the procedural schedule but retained the November 24, 1998, hearing for the purpose of receiving public comments on Acme's application for a certificate to provide local exchange services.[1] In all other respects, the matter was continued generally.

On June 15, 1999, Acme filed a Motion to Withdraw Application ("Motion"). In its Motion, Acme states that circumstances have caused the Company to reevaluate its business and financial plans for providing the telecommunications services described in its application. Acme also states it has determined that it no longer wishes to pursue the relief requested in the application.

NOW UPON consideration of Acme's Motion, the Commission is of the opinion and finds that Acme's Motion to Withdraw Application should be granted. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Acme Telephone Company, Inc.'s June 15, 1999, Motion to Withdraw Application hereby is granted.

(2) Since there is nothing further to be done in this case, 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.

[1] No members of the public appeared to offer comments at the November 24, 1998, hearing.

CASE NO. PUC980128
JANUARY 14, 1999

APPLICATION OF
xDSL NETWORKS, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On November 3, 1998, xDSL Networks, Inc. ("xDSL" or "the Company") completed an application for certificates of public convenience and necessity ("certificate") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. As part of its application, xDSL requested a waiver of § 2.E.1 of the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018 ("Local Exchange Rules") requiring audited financial statements to be filed with the application.

By Order dated November 19, 1998, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to xDSL's application. On December 17, 1998, the Staff filed its report finding that xDSL's application was in compliance with the Commission's Local Exchange Rules and the Commission's Rules Governing the Certification of Interexchange Carriers, as amended in Case No. PUC850035, and that xDSL did not provide audited financial statements.

Based upon its review of xDSL's application and its requested waiver of Local Rule § 2.E.1, the Staff determined it would be appropriate to grant to the Company an interexchange certificate and a local exchange certificate subject to two conditions: (1) any customer deposits collected by the Company shall be retained in an unaffiliated third-party escrow account for such time as the Staff or Commission determines is necessary; and (2) the Company shall provide audited financial statements to the Staff no later than one year from the effective date of its initial tariff.

A hearing was conducted on January 7, 1999. xDSL filed proof of publication and proof of service as required by the November 19, 1998, scheduling order. At the hearing, the application and accompanying attachments, and the Staff report were entered into the record without objection.

Having considered the application and the Staff report, the Commission finds that xDSL should be granted certificates to provide local exchange and interexchange telecommunications services. We also find the Company's request for a waiver of § 2.E.1 of the Local Exchange Rules, as it relates to filing audited financial statements with the application, should be granted. Although we will require the Company to retain any customer deposits in an unaffiliated third-party escrow account, this requirement should not be interpreted to prevent the Company's normal access to deposits from delinquent terminated accounts. Having considered § 56-481.1, the Commission further finds that xDSL may price its interexchange services competitively. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) xDSL Networks, Inc. is hereby granted a certificate of public convenience and necessity, No. TT-60A, to provide interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this order.

(2) xDSL Networks, Inc. is hereby granted a certificate of public convenience and necessity, No. T-430, to provide local exchange telecommunications services subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this order.

(3) xDSL shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) xDSL shall provide to the Division of Economics and Finance audited financial statements no later than one year from the effective date of its initial tariff.

(5) Should xDSL collect customer deposits, it shall establish and maintain an escrow account, held by a third party, to hold such funds, and shall notify the Commission Staff of the escrow arrangement. Any escrow arrangement established pursuant to this order shall be maintained for such time as the Staff or Commission determines necessary.

(6) Pursuant to § 56-481.1 of the Code of Virginia, Cavalier may price its interexchange services competitively.

(7) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.

CASE NO. PUC980129
FEBRUARY 18, 1999

APPLICATION OF
SOUTHNET TELECOMM-VIRGINIA, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On October 29, 1998, SouthNet Telecomm-Virginia, Inc. ("SouthNet" or "the Company") completed an application for a certificate of public convenience and necessity ("certificate") to provide local exchange telecommunications services throughout the Commonwealth of Virginia. By Order dated November 6, 1998, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to SouthNet's application. On December 9, 1998, Staff filed its report finding that SouthNet's application was in compliance with the Commission's Local Rules.

A hearing was conducted on December 17, 1998, and continued to January 27, 1999, at which time SouthNet filed all proofs of publication and proof of service as required by the scheduling order dated November 6, 1998. At the hearings, the application and accompanying attachments, and the Staff's report were entered into the record without objection. SouthNet agreed to the recommendations contained in the Staff's report.

Having considered the application and the Staff's report, the Commission finds that SouthNet should be granted a certificate to provide local exchange telecommunications services. We also find the Company's request for a waiver of § 2.E.1 of the Local Exchange Rules, as it relates to filing audited financial statements with the application, should be granted. Although we will require the Company to retain any customer deposits in an unaffiliated third-party escrow account, this requirement should not be interpreted to prevent the Company's normal access to deposits from delinquent terminated accounts.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) SouthNet Telecom-Virginia, Inc. hereby is granted a certificate of public convenience and necessity, No. T-435, to provide local exchange telecommunications services subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) SouthNet shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(3) SouthNet shall provide to the Division of Economics and Finance audited financial statements no later than one year from the effective date of its initial tariff.

(4) Should SouthNet collect customer deposits, it shall establish and maintain an escrow account, held by a third party, to hold such funds, and shall notify the Commission Staff of the escrow arrangement. Any escrow arrangement established pursuant to this order shall be maintained for such time as the Staff or Commission determines necessary.

(5) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC980142
DECEMBER 14, 1999

APPLICATION OF
PRISM VIRGINIA OPERATIONS, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On August 31, 1999, Prism Virginia Operations, LLC ("Prism", "Applicant" or "Company"), formerly known as Transwire Virginia Operations, LLC, completed an application for certificates of public convenience and necessity ("certificate") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. The Applicant also requested authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated September 17, 1999, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to Prism's application.

On November 10, 1999, Staff filed its report finding that Prism's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service, 20 VAC 5-400-180 ("Local Rules") and the Rules Governing the Certification of Interexchange Carriers, 20 VAC 5-400-60 ("IXC Rules"). Staff indicated that Prism has agreed to meet all applicable conditions for certification identified in § C of the Local Rules. Prism is requesting statewide authority in its application and the Company, pursuant to § E(iii) of the IXC Rules, has provided information regarding its owned or leased facilities located in Virginia.

Ultimately, the Staff found the Company's application acceptable and in compliance with the certification requirements of both the Local and IXC Rules. The Staff Report reflected the Staff's belief that it is appropriate to grant a certificate to Prism for interexchange telecommunications services

and a certificate for local exchange telecommunications services, subject to the following conditions: any customer deposits collected by the Company shall be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary; and the Company shall provide audited financial statements of its parent, Prism Communication Services, Inc. ("PCSI"), to the Staff no later than one (1) year from the effective date of Prism's initial tariff.

On November 15, 1999, Prism filed proof of service and proof of publication of newspaper notice, as directed by the Commission's September 17, 1999, Order.

A hearing was conducted on November 24, 1999. At the hearing, the proof of service, proof of notice, the application and accompanying attachments, and the Staff Report were entered into the record without objection. Applicant agreed to the conditions included in the Staff report.

Having considered the application and the Staff Report, the Commission finds that Prism's application should be granted. We also find that Prism should comply with the above recommendations of Staff. Accordingly,

IT IS ORDERED THAT:

(1) Prism hereby is granted a certificate of public convenience and necessity, No. TT-81A, to provide interexchange telecommunications services subject to the restrictions set forth in the Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) Prism is granted a certificate of public convenience and necessity, No. T-468, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Offering of Competitive Local Exchange Telephone Service, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) Prism is granted authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

(4) Prism shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(5) The Commission requires that the granting of the certificates to Prism be conditioned upon Prism complying with the following recommendations of Staff: (a) any customer deposits collected by the Company shall be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary; and (b) the Company shall provide audited financial statements of PCSI to the Division of Economics and Finance no later than one (1) year from the effective date of Prism's initial tariff.

(6) Since there is nothing further to come before the Commission, this case shall be dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUC980145
FEBRUARY 1, 1999

PETITION OF
TRANSWIRE VIRGINIA OPERATIONS, LLC

For Arbitration Pursuant to § 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with Bell Atlantic-Virginia, Inc.

FINAL ORDER

On September 23, 1998, Transwire Virginia Operations, LLC ("Transwire") filed its Petition for Arbitration to Establish an Interconnection Agreement("Petition") with Bell Atlantic-Virginia, Inc. ("BA-VA") pursuant to § 252(b) of the Telecommunications Act of 1996 ("1996 Act"), 47 USC § 252(b). On October 19, 1998, BA-VA filed a letter stating that Transwire had informed the Commission that the parties believed a settlement of all issues had been reached. In reliance upon that, BA-VA did not file an answer to the Petition, but reserved its procedural and substantive rights to contest issues in the event the arbitration petition was not withdrawn. On January 27, 1999, the two parties filed a joint interconnection agreement.

The filing of the joint application for approval of an interconnection agreement indicates that Transwire no longer needs its arbitration proceeding. Based upon this, the Commission has determined that the arbitration matter should be dismissed.

Accordingly, IT IS THEREFORE ORDERED THAT this matter is dismissed and the papers accumulated herein shall be placed in the Commission's file for ended causes.

CASE NO. PUC980150
MARCH 31, 1999

APPLICATION OF
1-800-RECONEX, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On September 25, 1998, 1-800-RECONEX ("RECONEX" or "Applicant") filed an application for a certificate of public convenience and necessity ("certificate") requesting authority to provide local exchange telecommunications services throughout the Commonwealth of Virginia. On December 9, 1998, RECONEX filed an amendment to that application, and a petition for waiver of certain Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Competition Rules"), 20 VAC 5-400-180.

RECONEX states that it is a non-facilities based reseller that proposes to offer residential customers prepaid, month-by-month local telephone service, which blocks access to toll services, operator services (including collect and third party calls), and directory assistance. RECONEX proposes to provide unlimited local calling, access to 911 emergency services and 1-8xx toll free dialing, without the imposition of credit checks or deposit requirements.

In order to provide this residential prepaid month-by-month service, RECONEX requested waivers of Subsection C 5 and certain provisions of Subsection C 1 of the Competition Rules requiring a new entrant, either directly or through arrangements with others, to provide access to directory assistance (Subsection C 1 d), access to operator services (Subsection C 1 e), equal access to interLATA long distance carriers (Subsection C 1 f), and access to intraLATA services (Subsection C 5) to all local exchange customers. The Applicant further requested a waiver of Subsection D 3 of the Competition Rules limiting the proposed rate for local exchange services provided by the new entrant not to exceed the highest of the comparable tariffed services provided by the incumbent local exchange telephone company or companies in the same local serving areas.

By Order dated February 8, 1999, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to RECONEX's application.

On February 19, 1999, William E. Braun, General Counsel for the Applicant, filed direct testimony to support RECONEX's application for a certificate.

On March 15, 1999, the Staff filed its report finding that the application is in compliance with the Commission's certification requirements of the Competition Rules. In addition, the Staff did not object to RECONEX's request for waivers from specific Commission Rules for its residential monthly prepaid local service, subject to the following conditions: (i) The Applicant shall provide audited financial statements to the Staff no later than one year from the effective date of its initial tariff; (ii) RECONEX shall provide full disclosure to consumers about the services and features RECONEX will and will not furnish to subscribers of its alternative, prepaid, month-by-month local exchange service. Sales brochures and other marketing and advertising materials must prominently disclose that service is restricted to residential end-users and customers will have no access to directory assistance, operator services, long distance, collect and third party calls, or any other pay-for-usage services; (iii) Any waivers granted to RECONEX in this case are limited solely to the residential, prepaid, month-by-month service described in the Applicant's filing; (iv) Any waivers granted to RECONEX for its residential, prepaid, month-by-month local service should be subject to revocation, alteration, or the imposition of additional conditions such as pricing restrictions in the event the Commission subsequently determines the service is operating improperly or is not in the public interest; (v) Any subsequent increase in the rate for prepaid month-by-month local service shall be subject to thirty (30) days' notice to the Commission, and notice to customers provided through billing inserts or publication for two (2) consecutive weeks as display advertising in newspapers having general circulation in the areas served by the Applicant; (vi) If at any time RECONEX initiates a requirement of customer deposits, any deposits collected by the Applicant shall be retained in an unaffiliated third party escrow account until such time as the Staff or Commission determines is no longer necessary.

A hearing was held on March 23, 1999. RECONEX filed proof of publication and proof of service as required by the February 8, 1999, scheduling order. At the hearing, the application, with accompanying exhibits, the Applicant's prefiled direct testimony, and the Staff Report were entered into the record without objection.

Having considered the application, the Applicant's direct testimony, and the Staff Report, the Commission finds that such application, as well as the requested waivers, should be granted. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) 1-800-RECONEX, Inc. is hereby granted a certificate of public convenience and necessity, No. T-439, to provide local exchange telecommunications services subject to the restrictions set forth in the Competition Rules, § 56-265.4:4 of the Code of Virginia, the provisions of this Order, and the conditions set forth in the Staff Report.

(2) RECONEX shall file tariffs with the Division of Communications that conform with all applicable Commission rules and regulations from which the Company has not been granted a waiver.

(3) This case shall remain open to evaluate RECONEX's residential prepaid, month-by-month local exchange service.

CASE NO. PUC980152
JUNE 4, 1999

APPLICATION OF
NOS COMMUNICATIONS, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On March 9, 1999, NOS Communications, Inc. ("NOS" or "Company"), completed an application for a certificate of public convenience and necessity ("certificate") to provide local exchange telecommunications services throughout the Commonwealth of Virginia. By Order dated March 30, 1999, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report and scheduled a public hearing to receive evidence relevant to NOS' application. On May 19, 1999, Staff filed its report finding that NOS' application was in compliance with the Rules governing the offering of competitive local exchange telephone service, as codified in 20 VAC 5-400-180. Accordingly, Staff recommended granting a local exchange certificate to NOS conditioned on the Company establishing an unaffiliated third-party escrow account for any customer deposits.

A hearing was conducted on June 2, 1999, at which time NOS filed all proofs of publication and proof of service as required by the March 30, 1999, scheduling order. At the hearing, the application and accompanying attachments, and the Staff report were entered into the record without objection.

Having considered the application, and the Staff report, the Commission finds that NOS should be granted a certificate to provide local exchange telecommunications services throughout Virginia. Since the Company is financially dependent on affiliated companies and private ownership, its certificate shall be granted subject to the condition that any customer deposits collected by the Company be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) NOS Communications, Inc. is hereby granted a certificate of public convenience and necessity, No. T-448, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules governing the offering of competitive local exchange service, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) NOS shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(3) Should NOS collect customer deposits, it shall establish and maintain an escrow account, held by an unaffiliated third party to hold such funds, and shall notify the Commission Staff of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained for such time as the Staff or Commission determines necessary.

(4) There being nothing further to come before the Commission, this case shall be dismissed and the papers placed in the file for ended causes.

CASE NO. PUC980153
JANUARY 7, 1999

PETITION OF
PAGING NETWORK, INC.

For arbitration of unresolved issues from interconnection negotiations with Bell Atlantic-Virginia, Inc. pursuant to § 252 of the Telecommunications Act of 1996

ORDER OF DISMISSAL

On October 2, 1998, Paging Network, Inc. ("PageNet") filed a petition for arbitration of unresolved issues from interconnection negotiations with Bell Atlantic-Virginia, Inc. ("BA-VA") under § 252(b)of the Telecommunications Act of 1996 ("the Act"). On November 3, 1998, the Commission issued a procedural order docketing the petition and assigning the case to a Hearing Examiner. By Hearing Examiner's Ruling dated November 13, 1998, a public hearing was scheduled and a procedural schedule was established. This procedural schedule subsequently was modified by rulings dated November 30 and December 7, 1998.

On December 10, 1998, counsel for PageNet informed the Commission that the parties had reached a settlement on the unresolved issues raised in its petition and that the parties would file an executed interconnection agreement with the Commission in accordance with its rules for requesting approval of negotiated interconnection agreements. On December 15, 1998, Hearing Examiner Alexander F. Skirpan, Jr., issued his report in this matter. He found that PageNet's request to withdraw its petition should be granted and recommended that the Commission enter an order dismissing PageNet's petition.

Having considered the record and the Hearing Examiner's Report, the Commission is of the opinion and finds that the findings and recommendations of the Hearing Examiner should be adopted in full. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner's Report dated December 15, 1998, hereby are adopted in full.

(2) There being nothing further to be done herein, this matter hereby is dismissed, and the papers filed herein made a part of the Commission's file for ended causes.

CASE NO. PUC980156
FEBRUARY 18, 1999

APPLICATION OF
HYPERION COMMUNICATIONS OF VIRGINIA, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On November 5, 1998, Hyperion Communications of Virginia, LLC ("Hyperion" or "the Company") completed an application for certificates of public convenience and necessity ("certificate") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. The Company further requested authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated December 1, 1998, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to Hyperion's application. On January 8, 1999, Hyperion filed a copy of its parent's[1] most recent SEC Form 10-Q.

On January 21, 1999, the Staff filed its report finding that Hyperion's application was in compliance with the Commission's Rules for Local Exchange Telephone Competition as adopted in Case No. PUC950018 and the Commission's Rules Governing the Certification of Interexchange Carriers, as amended in Case No. PUC850035. Therefore, the Staff recommended that Hyperion be granted a certificate for interexchange telecommunications services and a certificate for local exchange telecommunications services.

A hearing was conducted on January 27, 1999. Hyperion filed proof of publication and proof of service as required by the scheduling order dated December 1, 1998. At the hearing, the proof of notice, application and accompanying statements, and the Staff's report were entered into the record without objection.

Having considered the application and the Staff's report, the Commission finds that Hyperion should be granted certificates to provide local exchange and interexchange telecommunications services.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) Hyperion Communications of Virginia, LLC hereby is granted a certificate of public convenience and necessity, No. T-433, to provide local exchange telecommunications services subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia and the provisions of this order.

(2) Hyperion Communications of Virginia, LLC is hereby granted a certificate of public convenience and necessity, No. TT-63A, to provide interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this order.

(3) Hyperion shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) Pursuant to § 56-481.1 of the Code of Virginia, Hyperion may price its interexchange services competitively.

(5) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

---

[1] Hyperion Telecommunications, Inc.

CASE NO. PUC980158
JANUARY 13, 1999

APPLICATION OF
ESSEX TELECOMMUNICATIONS OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On October 19, 1998, Essex Telecommunications of Virginia, Inc. ("Essex" or "Applicant") filed an application for a certificate of public convenience and necessity ("certificate") requesting authority to provide local exchange telecommunications services throughout the Commonwealth of Virginia.

By Order dated November 19, 1998, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to Essex's application.

On December 17, 1998, the Staff filed its report finding that Essex's application was in compliance with the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018. Based upon its review of Essex's application and the audited financial statements of its ultimate parent corporation, Sirco International, the Staff determined it would be appropriate to grant a local exchange certificate to Essex.

A hearing was conducted on January 7, 1999. Essex filed proof of publication and proof of service as required by the November 19, 1998, scheduling order. At the hearing, the application, with accompanying exhibits, and the Staff Report, as amended by letter filed on December 28, 1998, were entered into the record without objection.

Having considered the application and the Staff Report, the Commission finds that such application should be granted. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Essex Telecommunications of Virginia, Inc. is hereby granted a certificate of public convenience and necessity, No. T-428, to provide local exchange telecommunications services subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) Essex shall file tariffs with the Division of Communications which conform with all applicable Commission rules and regulations.

(3) There being nothing further to come before the Commission, this case shall be dismissed and the papers placed in the file for ended causes.

CASE NO. PUC980159
JANUARY 14, 1999

APPLICATION OF
CAVALIER TELEPHONE, L.L.C.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On October 22, 1998, Cavalier Telephone, L.L.C. ("Cavalier" or "the Company") filed an application for certificates of public convenience and necessity ("certificate") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. As part of its application, Cavalier requested a waiver of § 2.E.1 of the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018 ("Local Exchange Rules") requiring audited financial statements to be filed with the application.

By Order dated November 19, 1998, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to Cavalier's application. On December 17, 1998, the Staff filed its report finding that Cavalier's application was in compliance with the Commission's Local Exchange Rules and the Commission's Rules Governing the Certification of Interexchange Carriers, as amended in Case No. PUC850035, and that Cavalier did not provide audited financial statements.

Based upon its review of Cavalier's application and its requested waiver of Local Rule § 2.E.1, the Staff determined it would be appropriate to grant to the Company an interexchange certificate and a local exchange certificate subject to two conditions: (1) any customer deposits collected by the Company shall be retained in an unaffiliated third-party escrow account for such time as the Staff or Commission determines is necessary; and (2) the Company shall provide audited financial statements to the Staff no later than one year from the effective date of its initial tariff.

A hearing was conducted on January 7, 1999. Cavalier filed proof of publication and proof of service as required by the November 19, 1998, scheduling order. At the hearing, the application and accompanying attachments, and the Staff report were entered into the record without objection.

Having considered the application and the Staff report, the Commission finds that Cavalier should be granted certificates to provide local exchange and interexchange telecommunications services. We also find the Company's request for a waiver of § 2.E.1 of the Local Exchange Rules, as it relates to filing audited financial statements with the application, should be granted. Although we will require the Company to retain any customer deposits in an unaffiliated third-party escrow account, this requirement should not be interpreted to prevent the Company's normal access to deposits from delinquent terminated accounts. Having considered § 56-481.1, the Commission further finds that Cavalier may price its interexchange services competitively. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Cavalier Telephone, L.L.C. is hereby granted a certificate of public convenience and necessity, No. TT-61A, to provide interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this order.

(2) Cavalier Telephone, L.L.C. is hereby granted a certificate of public convenience and necessity, No. T-431, to provide local exchange telecommunications services subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this order.

(3) Cavalier shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) Cavalier shall provide to the Division of Economics and Finance audited financial statements no later than one year from the effective date of its initial tariff.

(5) Should Cavalier collect customer deposits, it shall establish and maintain an escrow account, held by a third party, to hold such funds, and shall notify the Commission Staff of the escrow arrangement. Any escrow arrangement established pursuant to this order shall be maintained for such time as the Staff or Commission determines necessary.

(6) Pursuant to § 56-481.1 of the Code of Virginia, Cavalier may price its interexchange services competitively.

(7) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.

CASE NO. PUC980160
NOVEMBER 17, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
CTC COMMUNICATIONS

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AMENDMENT

On August 19, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA"), and CTC Communications ("CTC") filed for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, an Amendment to the Agreement between the parties approved by the Commission by Order dated December 14, 1998.

This Amendment establishes certain new terms, conditions, and prices for the purchase by CTC of certain telecommunications services from BA-VA for resale.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5 B and § 56-265.4:4 C 1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, CTC, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Amendment was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by September 9, 1999, and none were received.

We find that the Amendment should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Amendment is directly binding only on BA-VA and CTC. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the Amendment to the interconnection agreement between BA-VA and CTC is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Amendment shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC980162
APRIL 19, 1999

APPLICATION OF
PAETEC COMMUNICATIONS OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On February 2, 1999, PaeTec Communications of Virginia, Inc. ("PaeTec" or "the Company") completed an application for a certificate of public convenience and necessity ("certificate") to provide local exchange telecommunications services throughout the Commonwealth of Virginia. By Order dated

February 18, 1999, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to PaeTec's application. On April 7, 1999, Staff filed its report finding that PaeTec's application was in compliance with the Rules governing the offering of competitive exchange telephone service, as codified in 20 VAC 5-400-180.

A hearing was conducted on April 14, 1999, at which time PaeTec filed all proofs of publication and proof of service as required by the February 18, 1999, scheduling order. At the hearing, the application and accompanying attachments, and the Staff report were entered into the record without objection. PaeTec agreed to the recommendations contained in the Staff report.

Having considered the application and the Staff report, the Commission finds that PaeTec should be granted a certificate to provide local exchange telecommunications services throughout Virginia. Since PaeTec, or its parent, PaeTec Corporation, does not have a history of audited financial statements, its certificate shall be granted subject to the condition that any customer deposits collected by the Company be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) PaeTec Communications of Virginia, Inc. hereby is granted a certificate of public convenience and necessity, No. T-441, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules governing the offering of competitive local exchange service, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) PaeTec shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(3) Should PaeTec collect customer deposits, it shall establish and maintain an escrow account, held by an unaffiliated third party, to hold such funds, and shall notify the Commission Staff of the escrow arrangement. Any escrow arrangement established pursuant to this order shall be maintained for such time as the Staff or Commission determines necessary.

(4) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC980164
FEBRUARY 18, 1999

APPLICATION OF
INTERPATH COMMUNICATIONS, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On November 9, 1998, Interpath Communications, Inc. ("Interpath" or "the Company") completed an application for certificates of public convenience and necessity ("certificate") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia.

By Order dated December 8, 1998, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to Interpath's application. On January 19, 1999, the Staff filed its report finding that Interpath's application was in compliance with the Commission's Rules for Local Exchange Telephone Competition as adopted in Case No. PUC950018 and the Commission's Rules Governing the Certification of Interexchange Carriers, as amended in Case No. PUC850035.

Based upon its review of Interpath's application and the audited financial statements of Interpath's parent, Carolina Power & Light Company, the Staff determined it would be appropriate to grant an interexchange certificate and a local exchange certificate to Interpath.

A hearing was conducted on January 27, 1999. Interpath filed proof of publication and proof of service as required by the December 8, 1998, scheduling order. At the hearing, the application and accompanying attachments, and the Staff report were entered into the record without objection.

Having considered the application and the Staff report, the Commission finds that Interpath should be granted certificates to provide local exchange and interexchange telecommunications services. Having considered § 56-481.1, the Commission further finds that Interpath may price its interexchange services competitively. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Interpath Communications, Inc. is hereby granted a certificate of public convenience and necessity, No. TT-64A, to provide interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this order.

(2) Interpath Communications, Inc. is hereby granted a certificate of public convenience and necessity, No. T-433, to provide local exchange telecommunications services subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this order.

(3) Interpath shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) Pursuant to § 56-481.1 of the Code of Virginia, Interpath may price its interexchange services competitively.

(5) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.

CASE NO. PUC980164
FEBRUARY 25, 1999

APPLICATION OF
INTERPATH COMMUNICATIONS, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

NUNC PRO TUNC ORDER

On February 18, 1999, the Commission issued a Final Order in the above-captioned case which granted Interpath Communications, Inc. certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services. The Commission has been made administratively aware of a clerical error in numbering the certificate of public convenience and necessity issued to Interpath Communications, Inc. to provide local exchange telecommunications services. Accordingly, the Commission hereby orders that said certificate number appearing in the second ordering paragraph of the Final Order, to wit: No. T-433, shall be changed, NUNC PRO TUNC, to read No. T-434, effective February 18, 1999.

CASE NO. PUC980165
JUNE 7, 1999

APPLICATION OF
EAGLE COMMUNICATIONS, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On March 8, 1999, Eagle Communications, Inc. ("Eagle Communications" or "the Company") filed a completed application for a certificate of public convenience and necessity ("certificate") to provide local exchange telecommunications services throughout the Commonwealth of Virginia. By Order dated March 31, 1999, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to such application.

On May 20, 1999, Staff filed its report finding that Eagle Communications' application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service, as codified in 20 VAC 5-400-180. The Staff recommended granting a local exchange certificate to Eagle Communications subject to the following conditions: (1) the Company shall provide audited financial statements to the Staff no later than one year from the effective date of its initial tariff in Virginia; and (2) any customer deposits collected by the Company will be retained in an unaffiliated third-party escrow account until such time as the Staff or the Commission determines that it is no longer necessary.

A hearing was conducted on June 2, 1999. Eagle Communications filed proof of publication and proof of service as required by the March 31, 1999, Order. At the hearing, the application, the Company's exhibits and Staff's report were entered into the record without objection.

Having considered the application and the Staff's report, the Commission finds that such application should be granted. Although we will require the Company to retain any customer deposits in an unaffiliated third-party escrow account, this requirement should not be interpreted to prevent the Company's normal access to deposits from delinquent terminated accounts.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) Eagle Communications, Inc. is hereby granted a certificate of public convenience and necessity, No. T-447, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Offering of Competitive Local Exchange Telephone Service, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) Eagle Communications shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(3) Should Eagle Communications collect customer deposits, it shall establish and maintain an escrow account, held by an unaffiliated third party, for such funds and shall notify the Commission Staff of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained for such time as the Staff or the Commission determines necessary.

(4) Eagle Communications shall provide audited financial statements to the Staff no later than one year from the effective date of the initial tariff in Virginia.

(5) There being nothing further to come before the Commission, this case shall be dismissed and the papers placed in the file for ended causes.

CASE NO. PUC980169
MAY 7, 1999

APPLICATION OF
AX TELECOMMUNICATIONS, INCORPORATED

For certificates of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On December 11, 1998, Ax Telecommunications, Incorporated ("Ax" or "Applicant") completed an application for a certificate of public convenience and necessity ("certificate") requesting authority to provide local exchange telecommunications services throughout the Commonwealth of Virginia. On December 9, 1998, Ax filed a request for waiver of certain Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Competition Rules"), 20 VAC 5-400-180.

Ax states that it is a non-facilities based reseller that proposes to offer residential customers prepaid, month-by-month local telephone service, which blocks access to toll services, operator services (including collect and third-party calls), and directory assistance. Ax proposes to provide unlimited local calling, access to 911 emergency services and 1-8xx toll free dialing, without the imposition of credit checks or deposit requirements.

In order to provide this residential, prepaid, month-by-month service, Ax requested waivers of Subsection C.5 and certain provisions of Subsection C.1 of the Competition Rules requiring a new entrant, either directly or through arrangements with others, to provide access to directory assistance (Subsection C. 1.d), access to operator services (Subsection C.1.e), equal access to interLATA long distance carriers (Subsection C.1.f), and access to intraLATA services (Subsection C.5) to all local exchange customers. The Applicant further requested a waiver of Subsection D.3 of the Competition Rules limiting the proposed rate for local exchange services provided by the new entrant not to exceed the highest of the comparable tariffed services provided by the incumbent local exchange telephone company or companies in the same local serving areas.

By Order dated March 26, 1999, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to Ax's application.

On April 28, 1999, the Staff filed its report finding that the application is in compliance with the certification requirements of the Competition Rules. In addition, the Staff did not object to Ax's request for waivers from specific Competition Rules for its residential monthly prepaid local service, subject to the following conditions: (i) The Applicant shall provide audited financial statements to the Staff no later than one (1) year from the effective date of its initial tariff; (ii) Ax shall provide full disclosure to consumers about the services and features Ax will and will not furnish to subscribers of its alternative, prepaid, month-by-month local exchange service. Sales brochures and other marketing and advertising materials must prominently disclose that service is restricted to residential end-users, and customers will have no access to directory assistance, operator services, long distance, collect and third-party calls, or any other pay-for-usage services; (iii) Any waivers granted to Ax in this case are limited solely to the residential, prepaid, month-by-month local service described in the Applicant's filing; (iv) Any waivers granted to Ax for its residential, prepaid, month-by-month local service should be subject to revocation, alteration, or the imposition of additional conditions such as pricing restrictions in the event the Commission subsequently determines the service is operating improperly or is not in the public interest; (v) Any subsequent increase in the rate for prepaid, month-by-month local service shall be subject to thirty (30) days' notice to the Commission and notice to customers provided through billing inserts or publication for two (2) consecutive weeks as display advertising in newspapers having general circulation in the areas served by the Applicant; and (vi) If at any time Ax initiates a requirement of customer deposits, any deposits collected by the Applicant shall be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines is no longer necessary.

A hearing was held on May 5, 1999. Ax filed proof of publication and proof of service as required by the March 26, 1999, scheduling order. At the hearing, the application, with accompanying exhibits, the Applicant's prefiled direct testimony, and the Staff Report were entered into the record without objection.

Having considered the application, the Applicant's direct testimony, and the Staff Report, the Commission finds that such application, as well as the requested waivers, should be granted. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Ax Telecommunications, Incorporated is hereby granted a certificate of public convenience and necessity, No. T-443, to provide local exchange telecommunications services subject to the restrictions set forth in the Competition Rules, § 56-265.4:4 of the Code of Virginia, the provisions of this Order, and the conditions set forth in the Staff Report.

(2) Ax shall file tariffs with the Division of Communications that conform with all applicable Commission rules and regulations from which the Company has not been granted a waiver.

(3) This case shall remain open to evaluate Ax's residential prepaid, month-by-month local exchange service.

CASE NO. PUC980170
FEBRUARY 5, 1999

APPLICATION OF
FRE COMMUNICATIONS, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On November 9, 1998, FRE Communications, Inc. ("FRE" or "the Company") completed an application for certificates of public convenience and necessity ("certificate") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. As part of its application, FRE requested a waiver of § 2.E.1 of the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018 ("Local Exchange Rules") requiring audited financial statements to be filed with the application.

By Order dated December 3, 1998, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to FRE's application. On January 19, 1999, the Staff filed its report finding that FRE's application was in compliance with the Commission's Local Exchange Rules and the Commission's Rules Governing the Certification of Interexchange Carriers, as amended in Case No. PUC850035, and that FRE did not provide audited financial statements.

Based upon its review of FRE's application and its requested waiver of Local Rule § 2.E.1, the Staff determined it would be appropriate to grant to the Company an interexchange certificate and a local exchange certificate subject to two conditions: (1) any customer deposits collected by the Company shall be retained in an unaffiliated third-party escrow account for such time as the Staff or Commission determines is necessary; and (2) the Company shall provide audited financial statements to the Staff no later than one year from the effective date of its initial tariff.

A hearing was conducted on January 27, 1999. FRE filed proof of publication and proof of service as required by the December 3, 1998, scheduling order. At the hearing, the application and accompanying attachments, and the Staff report were entered into the record without objection.

Having considered the application and the Staff report, the Commission finds that FRE should be granted certificates to provide local exchange and interexchange telecommunications services. We also find the Company's request for a waiver of § 2.E.1 of the Local Exchange Rules, as it relates to filing audited financial statements with the application, should be granted. Although we will require the Company to retain any customer deposits in an unaffiliated third-party escrow account, this requirement should not be interpreted to prevent the Company's normal access to deposits from delinquent terminated accounts. Having considered § 56-481.1, the Commission further finds that FRE may price its interexchange services competitively. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) FRE Communications, Inc. is hereby granted a certificate of public convenience and necessity, No. TT-62A, to provide interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this order.

(2) FRE Communications, Inc. is hereby granted a certificate of public convenience and necessity, No. T-432, to provide local exchange telecommunications services subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this order.

(3) FRE shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) FRE shall provide to the Division of Economics and Finance audited financial statements no later than one year from the effective date of its initial tariff.

(5) Should FRE collect customer deposits, it shall establish and maintain an escrow account, held by a third party, to hold such funds, and shall notify the Commission Staff of the escrow arrangement. Any escrow arrangement established pursuant to this order shall be maintained for such time as the Staff or Commission determines necessary.

(6) Pursuant to § 56-481.1 of the Code of Virginia, FRE may price its interexchange services competitively.

(7) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.

CASE NO. PUC980171
MARCH 22, 1999

APPLICATION OF
CYRIS, LLC

For a certificate of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On November 12, 1998, Cyris, LLC ("Cyris" or "the Company") filed an application for certificates of public convenience and necessity ("certificate") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. On November 17, 1998, Cyris requested a temporary waiver of Rule 2.E.1 of the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018 ("Local Exchange Rules") requiring audited financial statements to be filed with the application. The Company also requested authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated January 15, 1999, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to Cyris' application. On February 25, 1999, the Staff filed its report finding that Cyris' application was in compliance with the Commission's Local Exchange Rules and the Commission's Rules Governing the Certification of Interexchange Carriers, as amended in Case No. PUC850035, except that the financial statements submitted by Cyris were not audited.

Based upon its review of Cyris' application and its requested waiver of Local Rule § 2.E.1, the Staff determined it would be appropriate to grant to the Company an interexchange certificate and a local exchange certificate subject to two conditions: (1) any customer deposits collected by the Company be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary; and (2) the Company shall provide audited financial statements to the Staff no later than one year from the effective date of its initial tariff.

A hearing was conducted on March 9, 1999, at which time Cyris filed its proof of publication and proof of service as required by the scheduling order dated January 15, 1999. At the hearing, the application and accompanying attachments, and the Staff's report were entered into the record without objection. Cyris agreed to the recommendations contained in the Staff's report.

Having considered the application and the Staff's report, the Commission finds that Cyris should be granted certificates to provide local exchange and interexchange telecommunications services, subject to the recommendations contained in Staff's report. We also find the Company's request for a waiver of § 2.E.1 of the Local Exchange Rules, as it relates to filing audited financial statements with the application, should be granted. Although we will require the Company to retain any customer deposits in an unaffiliated third-party escrow account, this requirement should not be interpreted to prevent the Company's normal access to deposits from delinquent terminated accounts. Having considered § 56-481.1, the Commission further finds that Cyris may price its interexchange services competitively.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) Cyris, LLC is hereby granted a certificate of public convenience and necessity, No. T-438, to provide local exchange telecommunications services subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) Cyris, LLC is hereby granted a certificate of public convenience and necessity, No. TT-66A, to provide interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) Cyris, LLC shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) Cyris, LLC shall provide to the Division of Economics and Finance audited financial statements no later than one year from the effective date of its initial tariff.

(5) Should Cyris, LLC collect customer deposits, it shall establish and maintain an escrow account, held by an unaffiliated third party, to hold such funds, and shall notify the Commission Staff of the escrow arrangement. Any escrow arrangement established pursuant to this order shall be maintained for such time as the Staff or Commission determines necessary.

(6) Pursuant to § 56-481.1 of the Code of Virginia, Cyris, LLC may price its interexchange services competitively.

(7) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC980173
JANUARY 29, 1999

PETITION OF
GLOBAL NAPs SOUTH, INC.

For arbitration of unresolved issues from interconnection negotiations with Bell Atlantic-Virginia, Inc. pursuant to § 252 of the Telecommunications Act of 1996

ORDER

On November 16, 1998, Global NAPs South, Inc. ("GNAPs") filed a petition for arbitration of unresolved issues from interconnection negotiations with Bell Atlantic-Virginia, Inc. ("BA-VA") under § 252(b) of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. § 252(b).

On November 24, 1998, we entered a Preliminary Order, docketing this matter and ordering BA-VA to file a response to the GNAPs petition, and ordering that comments from interested parties be filed on or before December 30, 1998.

On November 25, 1998, GNAPs filed a motion for a hearing to consider its request that BA-VA provide GNAPs interconnection on an interim basis and for expedited treatment of its petition.

On December 11, 1998, BA-VA filed its response to the GNAPs arbitration petition and motion. On December 30, 1998, GNAPs filed its reply to the response of BA-VA. No other parties filed comments pursuant to our Preliminary Order of November 24, 1998.

NOW THE COMMISSION, having considered the petition and motion, the response of BA-VA and the reply of GNAPs, is of the opinion that the issues raised by the parties present only legal questions, and that there are no issues of fact that are in dispute in this proceeding. We therefore see no need to hold an evidentiary hearing in this proceeding, and we are advised by counsel for the Staff that both GNAPs and BA-VA waive their requests for a hearing in this matter. We find that GNAPs motion for interconnection on an interim basis should be denied inasmuch as the deadlines under § 252 of the Act, and our procedural rules for implementing that section of the Act, are sufficient to ensure that GNAPs petition will be resolved in a timely manner without prejudice to either party.[1] We further find that the parties shall be given the opportunity to supplement their pleadings filed herein to further define or clarify their positions on the issues raised, and to address how (or if) the United States Supreme Court's recent decision, in AT&T Corp. v. Iowa Utilities Board, No. 97-826, 1999 WL 24568 (U.S. Jan. 25 1999), affects the issues raised in the parties' pleadings. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) On or before February 10, 1999, the parties may file briefs supplementing their pleadings filed herein.

(2) GNAPs request for interconnection on an interim basis is denied.

(3) This matter is continued generally.

[1] Certain agreements arbitrated by the Commission could be termed "interim" only to the extent particular prices were to be replaced with permanent prices. The agreements themselves are not interim.

CASE NO. PUC980173
APRIL 2, 1999

PETITION OF
GLOBAL NAPs SOUTH, INC.

For arbitration of unresolved issues from interconnection negotiations with Bell Atlantic-Virginia, Inc. pursuant to § 252 of the Telecommunications Act of 1996

FINAL ORDER

On November 16, 1998, Global NAPs South, Inc. ("GNAPs") filed a petition for arbitration of unresolved issues from interconnection negotiations with Bell Atlantic-Virginia, Inc. ("BA-VA") under § 252(b) of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. § 252(b).

On November 24, 1998, we entered a Preliminary Order, docketing this matter and ordering BA-VA to file a response to the GNAPs petition, and ordering that comments from interested parties be filed on or before December 30, 1998.

On November 25, 1998, GNAPs filed a motion for a hearing to consider its request that BA-VA provide GNAPs interconnection on an interim basis and for expedited treatment of its petition.

On December 11, 1998, BA-VA filed its response to the GNAPs arbitration petition and motion. On December 30, 1998, GNAPs filed its reply to the response of BA-VA.

By order of January 29, 1999, we determined that there was no need to hold an evidentiary hearing in this proceeding, having found that the issues raised by the parties presented only legal questions; that there were no issues of fact in dispute; and that both parties had waived their requests for a hearing.[1] The order also provided for the parties to supplement their pleadings filed herein to define or further clarify their positions on the issues raised, and to address how (or if) the United States Supreme Court's recent decision in AT&T Corp. v. Iowa Utilities Board, ___ U.S. ___, No. 97-826 (Jan. 25 1999), affects the issues before us.

The parties filed their supplemental briefs on February 10, 1999.

BA-VA contends that the Supreme Court's reinstitution of the Federal Communications Commission's ("FCC") "pick and choose" rule, 47 CFR § 51.809 ("FCC Rule 51.809"), results in GNAPs not being entitled to adopt BA-VA's 1996 interconnection agreement with MFS Intelenet ("MFS Agreement"). BA-VA offers three bases for its position. First, it states that FCC Rule 51.809(c) requires that it make available to GNAPs terms and conditions of existing interconnection agreements for only a "reasonable period of time," and that such time has expired with respect to the 1996 MFS Agreement. BA-VA next asserts that subsection (b)(1) of FCC Rule 51.809 relieves it from offering to GNAPs the reciprocal compensation rates of the MFS Agreement because BA-VA will incur greater costs in providing interconnection to GNAPs than to MFS due to the expected imbalance in traffic delivered by BA-VA to GNAPs versus traffic delivered by GNAPs to BA-VA. Third, BA-VA asserts that, even if it is required to offer GNAPs the terms of the MFS Agreement, GNAPs must be bound by the July 1, 1999, termination date of that agreement because it is a provision "legitimately related to" the pricing terms of the MFS Agreement.[2]

GNAPs' brief in response to our January 29, 1999, order reiterates its arguments made in prior pleadings that it is entitled to reciprocal compensation for terminating traffic to Internet Service Providers ("ISPs"); and that it should be able to opt-in to the MFS Agreement for a full three-year term. GNAPs asserts that BA-VA acted in bad faith by not permitting it to opt- in to the MFS Agreement in August 1998.

GNAPs also comments on the Iowa Utilities Board decision and the reinstated FCC Rule 51.809. GNAPs states that the requirement of 51.809(c) that interconnection agreements be made available for only a "reasonable period of time" addresses concerns of technical incompatibility so as to prevent forcing an incumbent from conforming interconnection arrangements to outdated technical models. Such technical considerations have no relevance in this case according to GNAPs.

GNAPs responds to Rule 51.809(b)(1) by explaining that the "greater cost" exception to the opt-in requirement does not protect incumbents from the volume of usage that one CLEC versus another might make of a particular interconnection agreement, but rather the higher unit cost of interconnecting with a CLEC that seeks to adopt the incumbent's agreement with another CLEC. GNAPs believes that BA-VA's unit cost of interconnectiong with GNAPs would not differ materially from its cost of interconnecting with MFS.

GNAPs also asserts that even if the Commission finds the MFS Agreement is now not available to it for opting-in, GNAPs should be able to opt-in to that agreement under the "old regime" as it existed prior to the Iowa Utilities Board decision, because to hold otherwise would reward BA-VA for its delay and prolonged refusal to GNAPs' request to opt into the MFS Agreement.

After the parties filed their supplemental briefs, the FCC issued its order on reciprocal compensation.[3] By order dated March 11, 1999, we scheduled oral argument so the parties could address what effect, if any, the FCC's order and the Iowa Utilities Board decision have on this case. Oral argument was held March 25, 1999.

The threshold issue is whether GNAPs can opt into the MFS Agreement, which was entered in July 1996. At the hearing, much discussion centered on whether the requirement of FCC Rule 51.809(c) that interconnection agreements be made available to other carriers for a "reasonable period of time" applied to the parties in this instance. Regardless of whether that rule applies here, all parties agreed that the Commission could establish a standard of reasonableness for determining how long an incumbent carrier must make available to others its approved interconnection agreements.

GNAPs first sought to opt into the MFS Agreement in August 1998. By its terms, the MFS Agreement may be terminated July 1, 1999, and anyone adopting this agreement is bound by that term, unless otherwise negotiated. If a reasonable time rule were to apply here, whether under FCC Rule 51.809 or some other standard created by this Commission, we believe that GNAPs' request was made beyond a reasonable time within which BA-VA should be required to permit a carrier to opt into an approved agreement.

As a practical matter, we must also consider the Commission's practices in arbitration proceedings for directing the parties to submit agreements for approval and for reviewing and approving such agreements. If we were to direct BA-VA to offer to GNAPs the MFS Agreement, there would likely be only thirty days, at most, from the time such an adopted agreement would be approved until BA-VA could terminate the agreement pursuant to the contract terms. Therefore, we find that it is not practical to require such a short contract term in light of the remaining time available under the MFS Agreement, particularly including the time necessary for filing and Commission approval of an agreement. As with the maxim "equity will not do a vain or useless thing," we cannot find it practicable to grant GNAPs even the most limited relief requested. We will not make a determination that does not confer any real benefit or effect any real relief, and which is impracticable to carry out. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) To the extent GNAP's petition seeks to adopt the MFS Agreement, the relief requested is denied.

(2) This matter is dismissed and the papers filed herein shall be placed in the file for ended causes.

---

[1] We also denied GNAPs motion for interconnection on an interim basis .

[2] See FCC's First Report and Order, ¶ 1315, In re Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, 11 FCC Rcd. 15499, 16139.

[3] In re Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98, and Inter-Carrier Compensation for ISP-Bound Traffic, CC Docket No. 99-68 (Feb. 26, 1999).

CASE NO. PUC980174
FEBRUARY 10, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
NEXTLINK VIRGINIA, L.L.C.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On November 16, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and NEXTLINK Virginia, L.L.C. ("NEXTLINK") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, NEXTLINK, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before December 7, 1998, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and NEXTLINK. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and NEXTLINK hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980176
MAY 7, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To classify its National 411 Service as Competitive

FINAL ORDER

On November 19, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") filed tariffs and a request that its proposed new National 411 Service to provide national directory assistance be classified as Competitive, pursuant to paragraph 4 of the Bell Atlantic-Virginia Plan for Alternative Regulation ("Plan"). Pursuant to the Commission's Orders of February 19, 1999, and March 12, 1999, a public hearing was convened on Tuesday, May 4, 1999, at 10:00 a.m. The testimony of BA-VA and Staff witnesses was admitted into the record.

BA-VA's witness Woodbury testified that BA-VA agrees with Staff's recommendation that a one-time bill credit policy should be applied to BA-VA's National 411 charges for those customers who mistakenly believe local directory assistance rates apply to a National 411 call. We understand the Staff's recommendation to be that this one-time per customer bill credit policy would extend indefinitely and the credit would apply to all National 411 calls on the first disputed bill.

The Commission, having considered the testimony of record and the applicable provisions of the Plan, now finds that the proposed National 411 Service should be classified as Competitive under BA-VA's Plan and that due legal notice has been provided by BA-VA, consistent with the requirements of the Plan and the Commission's Orders in this case. The Commission concludes that no recorded announcement of National 411's price is required at this time. However, the Staff's recommended bill credit policy should be adopted as discussed above.

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to BA-VA's Plan for Alternative Regulation, BA-VA's National 411 Service is hereby classified as Competitive.

(2) BA-VA's tariff filed November 19, 1998, for National 411 Service, effective February 2, 1999, is hereby approved, subject to the bill credit policy discussed above.

(3) There being nothing further to come before the Commission, this matter is dismissed from the docket, and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUC980177
MAY 4, 1999

APPLICATION OF
CABLE & WIRELESS, INC.

For an amendment to its Certificate of Public Convenience and Necessity to reflect corporate name change

DISMISSING WITHOUT PREJUDICE

By letter of November 18, 1998, Cable & Wireless of Virginia, Inc. ("Movant") filed a request that its Certificate of Public Convenience and Necessity, No. T-380, be amended to reflect a new corporate name, Cable & Wireless USA, Inc. The records of our Clerk's office reflect that the name of the parent corporation of Movant was amended from Cable & Wireless, Inc. to Cable & Wireless USA, Inc., but reflect no such name change for the Movant, Cable & Wireless of Virginia, Inc. Certificate No. T-380 was issued to Cable & Wireless of Virginia, Inc., the Virginia public service corporation, authorizing it to provide intrastate telecommunications services. That certificate must remain in the name of the Virginia public service corporation in order to comply with the requirements of Article IX, Section 5 of the Virginia Constitution and § 13.1620 D of the Code of Virginia.

Because there is no application to change the name of the Virginia public service corporation, Cable & Wireless of Virginia, Inc., the Commission has determined that this matter shall be dismissed without prejudice to the refiling of a similar application should the name of Cable & Wireless of Virginia, Inc. be altered. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) This matter is dismissed and the papers accumulated herein shall be placed in the file for ended causes.

CASE NO. PUC980178
FEBRUARY 18, 1999

APPLICATION OF
GTE SOUTH INCORPORATED
and
PRIMECO PERSONAL COMMUNICATIONS, L.P.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On November 23, 1998, GTE South Incorporated ("GTE") and PrimeCo Personal Communications, L.P. ("PrimeCo") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, GTE, PrimeCo, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for GTE indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before December 14, 1998, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on GTE and PrimeCo. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE and PrimeCo hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980179
MARCH 26, 1999

APPLICATION OF
360° COMMUNICATIONS COMPANY OF CHARLOTTESVILLE D/B/A ALLTEL

For a certificate of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On November 24, 1998, 360° Communications Company of Charlottesville d/b/a ALLTEL ("360°" or "Applicant") filed an application for certificates of public convenience and necessity ("certificates") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. The Company further requested authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated January 21, 1999, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to 360°'s application. On March 3, 1999, the Staff filed its report finding that 360°'s application was in compliance with the Commission's Rules for Local Exchange Telephone Competition as adopted in Case No. PUC950018 and the Commission's Rules Governing the Certification of Interexchange Carriers as amended in Case No. PUC850035. Therefore, the Staff recommended that 360° be granted a certificate for interexchange telecommunications services and a certificate for local exchange telecommunications services.

A hearing was conducted on March 9, 1999. 360° filed proof of publication and proof of service as required by the scheduling order dated January 21, 1999. At the hearing, the proof of notice, application and accompanying attachments, and the Staff's report, as amended, were entered into the record without objection.

Having considered the application and the Staff's report, the Commission finds that 360° should be granted certificates to provide local exchange and interexchange telecommunications services.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) 360° Communications Company of Charlottesville d/b/a ALLTEL is hereby granted a certificate of public convenience and necessity, No. T-437, to provide local exchange telecommunications services subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) 360° Communications Company of Charlottesville d/b/a ALLTEL is hereby granted a certificate of public convenience and necessity, No. TT-65A, to provide interexchange services subject to the restrictions set forth in the Commission's Rules Governing Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) 360° shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) Pursuant to § 56-481.1 of the Code of Virginia, 360° may price its interexchange services competitively.

(5) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC980180
MARCH 12, 1999

APPLICATION OF
SHENTEL COMMUNICATIONS COMPANY

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On November 25, 1998, ShenTel Communications Company ("ShenTel" or "the Company") filed an application for a certificate of public convenience and necessity ("certificate") to provide local exchange telecommunications services throughout the Commonwealth of Virginia, except those portions of the Counties of Shenandoah, Rockingham, and Frederick, and municipalities within them, wherein its affiliate, Shenandoah Telephone Company, is the incumbent local exchange carrier. By Order dated December 22, 1998, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to ShenTel's application. On February 16, 1999, Staff filed its report finding that ShenTel's application was in compliance with the Commission's Local Rules.

A hearing was conducted on March 9, 1999, at which time ShenTel filed all proofs of publication and proof of service as required by the scheduling order dated December 22, 1998. At the hearing, the proof of notice, the application and accompanying attachments, and the Staff's report, as amended, were entered into the record without objection.

Having considered the application and the Staff's report, the Commission finds that ShenTel should be granted a certificate to provide local exchange telecommunications services. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) ShenTel Communications Company hereby is granted a certificate of public convenience and necessity, No. T-436, to provide local exchange telecommunications services throughout the Commonwealth of Virginia, except those portions of the Counties of Shenandoah, Rockingham, and Frederick, and municipalities within them, wherein its affiliate, Shenandoah Telephone Company, is the incumbent local exchange carrier. This certificate is granted subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) ShenTel shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(3) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC980181
MARCH 1, 1999

APPLICATION OF
GTE SOUTH INCORPORATED
and
PREFERRED CARRIER SERVICES OF VIRGINIA, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On December 1, 1998, GTE South Incorporated ("GTE") and Preferred Carrier Services of Virginia, Inc. ("PCS") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

This Agreement establishes the terms, conditions and prices for the purchase by PCS of certain resale services from GTE. However, this Agreement provides for two sets of prices. The first set of prices is the "GTE Terms," shown in Appendix 45A and the second set is the "Cox Terms," shown in Appendix 45B. Section 45 of Article III of the Agreement provides that if the Cox Terms are deemed to be unlawful, or are stayed, enjoined or otherwise modified, in whole or part by a court or commission of competent jurisdiction, then the Agreement shall be deemed to have been amended to modify the Cox Terms or substitute the GTE Terms, retroactive to the effective date of the Agreement.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.2.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, GTE, PCS and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for GTE indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed on or before December 21, 1998, and none were received.

As required by § A(2) of the procedural rules, we have reviewed the negotiated portions of the Agreement pursuant to § 252(e)(2)(A) of the Act. Under these criteria, we find no reason to reject this Agreement. However, there is at least one portion of the Agreement that requires our attention.

In Article III, Section 45, "Amendment of Certain Rates, Terms and Conditions", the following language appears:

> The rates, terms and conditions (including rates which may be applicable under true-up) specified in both the "GTE Terms and the "COX Terms" are further subject to amendment, retroactive to the Effective Date of the Agreement, to provide for charges or rate adjustments resulting from future Commission or other proceedings, including but not limited to any generic proceeding to determine GTE's unrecovered costs (e.g., historic costs, contribution, undepreciated reserve deficiency, or similar unrecovered GTE costs (including GTE's end user surcharge)), the establishment of a competitively neutral universal service system, or any appeal or other litigation.

The Commission is concerned the language here not be interpreted to define or mandate the parameters for any future Commission proceeding. If and when the Commission conducts any further proceeding(s) to determine prices applicable to interconnection for GTE, it will do as it is required and in accordance with the pricing standards established in § 252(d) of the Act. The parties are free to negotiate activities that they themselves will conduct, but the parties cannot agree to bind or direct future Commission actions. To the extent that there are other sections of the Agreement that attempt to bind the Commission's future actions, they shall not be enforceable.

Despite the above comments, we find that the Agreement should be approved. The Agreement is binding only on GTE and PCS and should not be viewed as precedent for other agreements. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE and PCS is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980182
MAY 5, 1999

APPLICATION OF
VIC-RMTS-DC, L.L.C., d/b/a ONEPOINT COMMUNICATIONS

For a waiver of price ceilings for certain nonrecurring charges and interim authority

FINAL ORDER

On November 30, 1998, VIC-RMTS-DC, L.L.C., d/b/a OnePoint Communications ("OnePoint") filed its Application for a Waiver of Price Ceilings for Nonrecurring Charges and for Interim Authority to implement revised service charges pending a final order of the Commission ("Application").

On December 23, 1998, the Commission granted OnePoint interim authority, effective December 24, 1998, to increase its nonrecurring service charges for New Line Connections and Conversions.[1] By its Order Inviting Comments, issued December 22, 1998, the Commission also ordered OnePoint to publish notice and to deliver said notice to its customers, whereby comments and/or requests for hearing were solicited.

On February 10, 1999, one customer ("Complainant") of OnePoint filed a letter objecting to the increase in service charges, but did not request a hearing. No other objections or requests for hearing were received.

On April 14, 1999, OnePoint filed its Motion For Entry of Final Judgment ("Motion") with attachments evidencing that notice was perfected as ordered in the Commission's Order Inviting Comments. Also attached to the Motion is the testimony of Mr. Scott Seawell, Vice President - Marketing for OnePoint, which describes the procedures by which prospective customers are informed of the increased nonrecurring charges for New Line Connections and Conversions. Mr. Seawell's testimony also states that the new nonrecurring charges will have no effect upon the above Complainant's billing, unless he subscribes to additional line(s). Finally, Mr. Seawell indicates in his testimony that the Complainant will be contacted to address his billing concerns.

Based upon OnePoint's Motion and attachments, the Commission finds that OnePoint has fully complied with the Order Inviting Comments. The Commission further finds that OnePoint should be granted a permanent waiver of the price ceiling for nonrecurring service charges as requested by its Application and that the interim increase authorized should be made permanent. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) OnePoint is granted permanent authority to increase its nonrecurring service charges for New Line Connections and Conversions as described in its Application. The interim increase previously granted is hereby made permanent.

(2) There being nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

---

[1] The interim increase, applicable only to new service connections, was granted through a waiver of the price ceilings which OnePoint requested, pursuant to the Commission's Rules Governing the Offering of Competitive Local Exchange Telephone Service, 20 VAC 5-400-180.

CASE NO. PUC980183
FEBRUARY 18, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
TRITON PCS OPERATING COMPANY, L.L.C.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On December 1, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and Triton PCS Operating Company, L.L.C. ("Triton") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, Triton, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before December 22, 1998, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and Triton. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Triton hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980185
MARCH 8, 1999

JOINT APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA, AND UNITED TELEPHONE-SOUTHEAST, INC.
and
US LEC OF VIRGINIA, L.L.C.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On December 4, 1998, Central Telephone Company of Virginia and United Telephone-Southeast, Inc. ("United/Centel") and US LEC of Virginia, L.L.C. ("US LEC") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, United/Centel, US LEC, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for United/Centel indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before December 28, 1998, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on United/Centel and US LEC. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by United/Centel and US LEC hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980186
MARCH 2, 1999

APPLICATION OF
GTE SOUTH INCORPORATED
and
NEXTEL COMMUNICATIONS OF THE MID-ATLANTIC, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On December 8, 1998, GTE South Incorporated ("GTE") and Nextel Communications of the Mid-Atlantic, Inc. ("Nextel"), filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, GTE, Nextel, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for GTE indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before December 29, 1998, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on GTE and Nextel. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE and Nextel hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980190
JUNE 28, 1999

APPLICATION OF
EZ TALK COMMUNICATIONS, L.L.C.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On April 12, 1999, EZ Talk Communications, L.L.C. ("EZ Talk" or "Applicant") completed an application for a certificate of public convenience and necessity ("certificate") requesting authority to provide local exchange telecommunications services throughout the Commonwealth of Virginia. Additionally, on April 9, 1999, EZ Talk requested a waiver of certain requirements of the Virginia State Corporation Commission's ("Commission") Rules for Local Exchange Telephone Competition ("Competition Rules"), 20 VAC 5-400-180.

EZ Talk states that it is a non-facilities based reseller that proposes to offer residential customers prepaid, month-to-month local telephone service, which blocks access to toll services, operator services (including collect and third-party calls), and directory assistance. EZ Talk proposes to provide unlimited local calling, access to 911 emergency services and 1-8xx toll free dialing, without the imposition of credit checks or deposit requirements.

In order to provide this residential, prepaid, month-to-month service, EZ Talk requested waivers of Subsection C 5 and certain provisions of Subsection C 1 of the Competition Rules requiring a new entrant, either directly or through arrangements with others, to provide access to directory assistance (Subsection C 1 d), access to operator services (Subsection C 1 f), equal access to intraLATA long distance carriers (Subsection C 1 e), and equal access to interLATA services (Subsection C 5) to all local exchange customers. The Applicant further requested a waiver of Subsection D 3 of the Competition Rules limiting the proposed rate for local exchange services provided by the new entrant not to exceed the highest of the comparable tariffed services provided by the incumbent local exchange telephone company or companies in the same local serving areas.

By Order dated May 6, 1999, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to EZ Talk's application.

On June 29, 1999, the Staff filed its report, finding that the application is in compliance with the Commission's certification requirements of the Competition Rules. In addition, the Staff did not object to EZ Talk's request for waivers from specific Competition Rules for its residential, monthly,

prepaid local service, subject to the following conditions: (i) the Applicant shall provide audited financial statements to the Staff no later than one year from the effective date of its initial tariff; (ii) EZ Talk shall provide full disclosure to consumers about the services and features EZ Talk will and will not furnish to subscribers of its alternative, prepaid, month-to-month local exchange service. Sales brochures and other marketing and advertising materials must prominently disclose that service is restricted to residential end-users and that customers will have no access to directory assistance, operator services, long distance, collect and third-party calls, or any other pay-for-usage services; (iii) any waivers granted to EZ Talk in this case are limited solely to the residential, prepaid, month-to-month local service described in the Applicant's filing; (iv) any waivers granted to EZ Talk for its residential, prepaid, month-to-month local service should be subject to revocation, alteration, or the imposition of additional conditions such as pricing restrictions in the event the Commission subsequently determines the service is operating improperly or is not in the public interest; (v) any subsequent increase in the rate for prepaid, month-to-month local service shall be subject to thirty (30) days' notice to the Commission, and notice to customers provided through billing inserts or publication for two (2) consecutive weeks as display advertising in newspapers having general circulation in the areas served by the Applicant; and (vi) if at any time EZ Talk initiates a requirement of customer deposits, any deposits collected by the Applicant shall be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary.

A hearing was held on July 13, 1999. EZ Talk filed proof of publication and proof of service as required by the May 6, 1999, scheduling order. At the hearing, the application with accompanying exhibits, and the Staff Report were entered into the record without objection, and the Applicant agreed to the recommendations of Staff.

Having considered the application and the Staff Report, the Commission finds that such application, as well as the requested waivers, should be granted. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) EZ Talk Communications, L.L.C. is hereby granted a certificate of public convenience and necessity, No. T-451, to provide local exchange telecommunications services subject to the restrictions set forth in the Competition Rules, § 56-265.4:4 of the Code of Virginia, the provisions of this Order, and the conditions set forth in the Staff Report.

(2) EZ Talk shall file tariffs with the Division of Communications that conform with all applicable Commission rules and regulations from which the Company has not been granted a waiver.

(3) This case shall remain open to evaluate EZ Talk's residential, prepaid, month-to-month local exchange service.

CASE NO. PUC980190
AUGUST 3, 1999

APPLICATION OF
EZ TALK COMMUNICATIONS, L.L.C.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

NUNC PRO TUNC

The Commission finds that the Final Order issued in this case bears an incorrect date of June 28, 1999, at the top of the first page, which should be changed, NUNC PRO TUNC, to read July 28, 1999.

IT IS THEREFORE ORDERED THAT the date appearing at the top of the first page of the Final Order issued in this case is hereby changed NUNC PRO TUNC, to read July 28, 1999.

CASE NO. PUC980191
MARCH 12, 1999

APPLICATION OF
GTE SOUTH INCORPORATED
and
RCN TELECOM SERVICES OF VIRGINIA, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On December 15, 1998, GTE South Incorporated ("GTE") and RCN Telecom Services of Virginia, Inc. ("RCN") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

This Agreement establishes the terms, conditions and prices for the purchase by RCN of certain resale services from GTE. However, this Agreement provides for two sets of prices. The first set of prices is the "GTE Terms," shown in Appendix 45A and the second set is the "Cox Terms," shown in Appendix 45B. Section 45 of Article III of the Agreement provides that if the Cox Terms are deemed to be unlawful, or are stayed, enjoined or otherwise modified, in whole or part by a court or commission of competent jurisdiction, then the Agreement shall be deemed to have been amended to modify the Cox Terms or substitute the GTE Terms, retroactive to the effective date of the Agreement.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.2.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, GTE, RCN and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for GTE indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed on or before December 31, 1998, and none were received.

As required by § A(2) of the procedural rules, we have reviewed the negotiated portions of the Agreement pursuant to § 252(e)(2)(A) of the Act. Under these criteria, we find no reason to reject this Agreement. However, there is at least one portion of the Agreement that requires our attention.

In Article III, Section 45, "Amendment of Certain Rates, Terms and Conditions", the following language appears:

> The rates, terms and conditions (including rates which may be applicable under true-up) specified in both the "GTE Terms" and the "Cox Terms" are further subject to amendment, retroactive to the Effective Date of the Agreement, to provide for charges or rate adjustments resulting from future Commission or other proceedings, including but not limited to any generic proceeding to determine GTE's unrecovered costs (e.g., historic costs, contribution, undepreciated reserve deficiency, or similar unrecovered GTE costs (including GTE's end user surcharge)), the establishment of a competitively neutral universal service system, or any appeal or other litigation.

The Commission is concerned the language here not be interpreted to define or mandate the parameters for any future Commission proceeding. If and when the Commission conducts any further proceeding(s) to determine prices applicable to interconnection for GTE, it will do as it is required and in accordance with the pricing standards established in § 252(d) of the Act. The parties are free to negotiate activities that they themselves will conduct, but the parties cannot agree to bind or direct future Commission actions. To the extent that there are other sections of the Agreement that attempt to bind the Commission's future actions, they shall not be enforceable.

Despite the above comments, we find that the Agreement should be approved. The Agreement is binding only on GTE and RCN and should not be viewed as precedent for other agreements. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE and RCN is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980192
MARCH 3, 1999

APPLICATION OF
GTE SOUTH, INC.
and
STARPOWER COMMUNICATIONS, LLC

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On December 15, 1998, GTE South, Inc. ("GTE") and Starpower Communications, Inc. ("Starpower") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

This Agreement establishes the terms, conditions and prices for the purchase by Starpower of certain resale services from GTE. However, this Agreement provides for two sets of prices. The first set of prices is the "GTE Terms," shown in Appendix 45A and the second set is the "Cox Terms," shown in Appendix 45B. Section 45 of Article III of the Agreement provides that if the Cox Terms are deemed to be unlawful, or are stayed, enjoined or otherwise modified, in whole or in part, by a court or commission of competent jurisdiction, then this Agreement shall be deemed to have been amended accordingly, by modification of the Cox Terms or, as appropriate, the substitution of GTE Terms for all stayed and enjoined Cox Terms, and such amendments shall be effective retroactive to the Effective Date of this Agreement.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, GTE, Starpower, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for GTE indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190 ("procedural rules"). Comments were to be filed on or before January 5, 1999, and none were received.

As required by § A(2) of the procedural rules, we have reviewed the negotiated portions of the Agreement pursuant to § 252(e)(2)(A) of the Act. Under these criteria, we find no reason to reject this Agreement. However, there is at least one portion of the Agreement that requires our attention.

In Article III, Section 45, "Amendment of Certain Rates, Terms and Conditions", the following language appears:

> The rates, terms and conditions (including rates which may be applicable under true-up) specified in both the "GTE Terms" and the "Cox Terms" are further subject to amendment, retroactive to the Effective Date of the Agreement, to provide for charges or rate adjustments resulting from future Commission or other proceedings, including but not limited to any generic proceeding to determine GTE's unrecovered costs (e.g., historic costs, contribution, undepreciated reserve deficiency, or similar unrecovered GTE costs (including GTE's end user surcharge)), the establishment of a competitively neutral universal service system, or any appeal or other litigation.

The Commission is concerned the language here not be interpreted to define or mandate the parameters for any future Commission proceeding. If and when the Commission conducts any further proceeding(s) to determine prices applicable to interconnection for GTE, it will do as it is required and in accordance with the pricing standards established in § 252(d) of the Act. The parties are free to negotiate activities that they themselves will conduct, but the parties cannot agree to bind or direct future Commission actions. To the extent that there are other sections of the Agreement that attempt to bind the Commission's future actions, they shall not be enforceable.

Despite the above comments, we find that the Agreement should be approved. The Agreement is binding only on GTE and Starpower and should not be viewed as precedent for other agreements. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE and Starpower hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980193
FEBRUARY 18, 1999

APPLICATION OF
WINSTAR WIRELESS OF VIRGINIA, LLC

To change company status from Winstar Wireless of Virginia, Inc.

ORDER DISMISSING DOCKET

On December 16, 1998, Winstar Wireless of Virginia, LLC, ("WW-VA LLC") notified the State Corporation Commission ("Commission") that it was changing its status from Winstar Wireless of Virginia, Inc. ("WW-VA Inc.") to a limited liability company. The Commission opened this docket to consider WW-VA LLC's request.

Upon investigation, the Commission learned that WW-VA Inc. was merging into WW-VA LLC. Thus, the Commission advised WW-VA LLC that it must file an application for approval of the merger and transfer of assets. Additionally, the Commission advised that the surviving entity, WW-VA LLC, must apply for certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services.

WW-VA LLC complied with the Commission's requests. The merger application is now being considered in Case No. PUA990003, and the application for certificates to provide telecommunications services is being considered in Case No. PUC990013. Accordingly,

IT IS THEREFORE ORDERED THAT:

With nothing further to be done, Case No. PUC980193 hereby is dismissed and the papers placed in the file for ended causes.

CASE NO. PUC980194
MARCH 29, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Richmond exchange to its Goochland exchange

FINAL ORDER

On December 16, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA" or the "Company") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of § 56-484.2 of the Code of Virginia. BA-VA proposed to notify its Richmond exchange subscribers of the increases in monthly rates that would be necessary to extend their local service to include the Goochland exchange. Customers in the Goochland exchange had previously petitioned the Commission for local calling to Richmond. In a poll conducted in response to the petition, a majority of the Goochland customers responding supported paying higher rates for local calling to Richmond. A poll of Richmond subscribers was not required under § 56-484.2(A) of the Code of Virginia because the proposed rate increase does not exceed 5% of the existing monthly one-party residential rate.

By order dated January 20, 1999, the Commission directed BA-VA to publish notice of the proposed increase. Affected telephone customers were given until March 17, 1999, to file comments or request a hearing on the proposal. No comments or requests for a hearing were received.

On February 26, 1999, BA-VA filed proof of notice as required by the Commission's January 20, 1999, order.

On March 26, 1999, the Commission Staff submitted its report regarding the Company's application. The Staff recommended that BA-VA's application to implement extended local service from its Richmond exchange to its Goochland exchange be approved. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from BA-VA's Richmond exchange to its Goochland exchange shall be implemented.

(2) BA-VA shall file the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC980195
FEBRUARY 4, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
FOCAL COMMUNICATIONS CORPORATION

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On December 16, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and Focal Communications Corporation ("Focal") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, Focal, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before January 6, 1999, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and Focal. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Focal hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC980196
MARCH 12, 1999

JOINT PETITION OF
BELL ATLANTIC-VIRGINIA, INC.
and
PAGING NETWORK OF WASHINGTON, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On December 16, 1998, Bell Atlantic-Virginia, Inc. ("BA-VA") and Paging Network of Washington, Inc., ("PageNet") filed an interconnection agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, PageNet, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by December 31, 1998, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and PageNet. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and PageNet is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC980197
FEBRUARY 5, 1999

APPLICATION OF
GTE SOUTH INCORPORATED
and
PRE-PAID LOCAL ACCESS PHONE SERVICE COMPANY

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On December 16, 1998, GTE South Incorporated ("GTE") and Pre-Paid Local Access Phone Service Company ("Pre-Paid") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

This Agreement establishes the terms, conditions and prices for the purchase by Pre-Paid of unbundled network elements and certain resale services from GTE. However, this Agreement provides for two sets of prices. The first set of prices is the MCI Terms, shown in Appendix 45A, and the second set is the GTE Terms, shown in Appendix 45B. Section 45 of Article III of the Agreement provides that if the MCI Terms are deemed to be unlawful, or are stayed, enjoined or otherwise modified, in whole or part by a court or commission of competent jurisdiction, then the Agreement shall be deemed to have been amended to modify the MCI Terms or substitute the GTE Terms, retroactive to the effective date of the Agreement.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.2.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, GTE, Pre-Paid and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for GTE indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed on or before January 6, 1999, and none were received.

As required by § A(2) of the procedural rules, we have reviewed the negotiated portions of the Agreement pursuant to § 252(e)(2)(A) of the Act. Under these criteria, we find no reason to reject this Agreement. However, there is at least one portion of the Agreement that requires our attention.

In Article III, Section 45, "Amendment of Certain Rates", the following language appears:

> The rates (including rates which may be applicable under true-up) specified in both the "GTE Terms" and the "MCI Terms" are further subject to amendment, retroactive to the Effective Date of the Agreement, to provide for charges or rate adjustments resulting from future Commission or other proceedings, including but not limited to any generic proceeding to determine GTE's unrecovered costs (e.g., historic costs, contribution, undepreciated reserve deficiency, or similar unrecovered GTE costs (including GTE's end user surcharge)), the establishment of a competitively neutral universal service system, or any appeal or other litigation.

The Commission is concerned the language here not be interpreted to define or mandate the parameters for any future Commission proceeding. If and when the Commission conducts any further proceeding(s) to determine prices applicable to interconnection for GTE, it will do as it is required and in accordance with the pricing standards established in § 252(d) of the Act. The parties are free to negotiate activities that they themselves will conduct, but the parties cannot agree to bind or direct future Commission actions. To the extent that there are other sections of the Agreement that attempt to bind the Commission's future actions, they shall not be enforceable.

Despite the above comments, we find that the Agreement should be approved. The Agreement is binding only on GTE and Pre-Paid and should not be viewed as precedent for other agreements. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE on behalf of both GTE and Pre-Paid is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC990004
MAY 20, 1999

APPLICATION OF
GTE SOUTH INCORPORATED

To implement extended local service from its Richlands exchange to Bell Atlantic-Virginia, Inc.'s Lebanon exchange

FINAL ORDER

On January 7, 1999, GTE South Incorporated ("GTE" 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. GTE proposed to notify its Richlands exchange customers of the increases in monthly rates that would be necessary to extend their local service to include the Lebanon exchange of Bell Atlantic-Virginia, Inc. ("BA-VA"). Customers in the Lebanon exchange previously had petitioned the Commission for local calling to Richlands. In a poll conducted in response to the petition, the majority of Lebanon customers responding to the poll supported paying higher rates for local calling to Richlands. A poll of Richlands subscribers in response to this application was not required under § 56-484.2(A) of the Code of Virginia because the proposed rate increase does not exceed 5% of the existing monthly one-party residential rate.

By order dated February 4, 1999, the Commission directed GTE to publish notice of the proposed increase. Affected telephone customers were given until April 12, 1999, to file comments or to request a hearing on the proposal. No comments or requests for hearing were received. On April 8, 1999, GTE filed proof of notice as required by the Commission's Order of February 4, 1999.

On April 30, 1999, the Commission's Staff submitted its report regarding the Company's application. The Staff recommended that GTE's application to implement extended local service from its Richlands exchange to BA-VA's Lebanon exchange be approved. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from GTE's Richlands exchange to BA-VA's Lebanon exchange shall be implemented.

(2) The two companies shall file the tariff revisions necessary for the proposed extension of local service.

(3) Since there is 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. PUC990005
APRIL 7, 1999

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.
and
PREFERRED CARRIER SERVICES OF VIRGINIA, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On January 11, 1999, United Telephone-Southeast, Inc. ("United") and Preferred Carrier Services of Virginia, Inc. ("PCS-V") filed their interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. This Agreement was described as a resale agreement.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, United, PCS-V, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for United indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before February 1, 1999, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on United and PCS-V. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the resale agreement submitted by United and PCS-V hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC990006
APRIL 7, 1999

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA
and
PREFERRED CARRIER SERVICES OF VIRGINIA, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On January 11, 1999, Central Telephone Company of Virginia ("Centel") and Preferred Carrier Services of Virginia, Inc. ("PCS-V") filed their interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. This Agreement was described as a resale agreement.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, Centel, PCS-V, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for Centel indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before February 1, 1999, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on Centel and PCS-V. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the resale agreement submitted by Centel and PCS-V hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC990007
FEBRUARY 5, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
PAETEC COMMUNICATIONS, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On January 12, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA") and PaeTec Communications, Inc. ("PaeTec") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, PaeTec, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before February 2, 1999, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and PaeTec. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and PaeTec hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC990007
DECEMBER 16, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
PAETEC COMMUNICATIONS, INC.

For approval of an Interconnection Agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AMENDMENT

On January 12, 1999, Bell Atlantic – Virginia, Inc. ("BA-VA"), and PaeTec Communications, Inc. ("PaeTec"), submitted an Interconnection Agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. The Commission approved this Agreement on February 5, 1999.

On September 30, 1999, BA-VA and PaeTec filed a Joint Application in the above-captioned case requesting the Commission's approval of an Amendment to their Agreement ("Amendment"), pursuant to § 252(e) of the Act.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5 B and § 56-265.4:4 C 1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated Amendment, BA-VA, PaeTec and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Joint Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by October 21, 1999, and none were received. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the Amendment submitted by BA-VA and PaeTec is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Amendment shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NOS. PUC990008 and PUC990009
MAY 7, 1999

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

To classify its National Directory Assistance as Competitive

APPLICATION OF CENTRAL TELEPHONE COMPANY OF VIRGINIA

To classify its National Directory Assistance as Competitive

FINAL ORDER

On January 13, 1999, United Telephone-Southeast, Inc. ("United") and Central Telephone Company of Virginia ("Centel") filed their separate tariffs to provide National Directory Assistance Service in the above-captioned cases and further requested that their National Directory Assistance Service be classified as Competitive, pursuant to paragraph 4 of their Alternative Regulation Plan ("Plan"). Both cases were consolidated for hearing, pursuant to the Commission's Order of March 30, 1999. Pursuant to the Commission's Orders of February 19, 1999, and March 5, 1999, a public hearing was convened on Tuesday, May 4, 1999, at 10:00 a.m. The testimony of United, Centel and Staff witnesses was admitted into the record.

United and Centel's witness Hrip testified that United and Centel did not object to the Staff's recommendation that a one-time bill credit policy should be applied to United and Centel's National Directory Assistance charges for those customers who mistakenly believe local directory assistance rates apply to a National Directory Assistance call.[1] We understand Staff's recommendation to be that this one-time per customer bill credit policy would extend indefinitely, and the credit would apply to all National Directory Assistance calls on the first disputed bill.

The Commission, having considered the testimony of record and the applicable provisions of the Plan, now finds that the proposed National Directory Assistance Service should be classified as Competitive under United and Centel's Plan and that due legal notice has been provided by United and

[1] Mr. Hrip testified that in the event that United and Centel decide to modify this policy, that the companies reserve the right to petition this Commission through written notice.

Centel, consistent with the requirements of their Plan and the Commission's Orders in this case. The Commission concludes that no recorded announcement of National Directory Assistance pricing is required at this time. However, the Staff's recommended bill credit policy should be adopted as discussed above.

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to United and Centel's Plan for Alternative Regulation, United and Centel's National Directory Assistance Service is hereby classified as Competitive.

(2) United and Centel's tariffs, filed January 13, 1999, for National Directory Assistance Service, are hereby approved, subject to the bill credit policy discussed above.

(3) There being nothing further to come before the Commission, this consolidated matter is dismissed from the docket and the record developed herein shall be placed in the file for ended causes.

CASE NOS. PUC990010 and PUC990011
MARCH 12, 1999

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For approval of tariff revisions to offer Sprint Solutions, a new residential service packaged offering

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

For approval of tariff revisions to offer Sprint Solutions, a new residential service packaged offering

ORDER GRANTING INTERIM APPROVAL OF TARIFF REVISIONS

On January 15, 1999, Central Telephone Company of Virginia ("Centel") and United Telephone-Southeast, Inc. ("United"), collectively referred to as "Applicants", filed proposed revisions to their general subscriber services tariffs in the above-captioned cases. The Applicants' proposed tariff offering is Sprint Solutions, which consists of four separate packages available as optional residential service enrollment plans. Sprint Solutions packages combine local exchange service, a Custom Calling Package of features and 60 minutes of local toll (intraLATA) for one flat monthly rate. On February 9, 1999, the Commission Staff filed its Motion to Consolidate Cases and Suspend Tariffs and to Prescribe Notice and Invite Comments. Thereafter, Applicants filed their Joint Response To the Staff's Motion on March 3, 1999.

The Commission, having considered Applicants' proposed tariff revisions, the pleadings, applicable law and the Alternative Regulatory Plan ("Plan") for Applicants, is of the opinion that the cases should be consolidated and that interim approval should be granted to Applicants' proposed revisions to their general subscriber services tariffs. Accordingly, Applicants are authorized, on an interim basis, to provide the proposed Sprint Solutions packaged services, through December 31, 1999. This interim time period should allow Centel and United to file proposed changes to their Plan, consistent with our findings below, if either of the Applicants intend to continue offering these packaged services beyond 1999.

Centel and United have proposed that Sprint Solutions residential service packaged offerings be categorized as a discretionary service under their Plan. However, the Plan, as approved on October 18, 1994, in Case No. PUC930036, provides that individual services must be categorized as competitive, discretionary, or as basic local exchange telephone service ("BLETS"). The Plan does not allow individual services from among the three categories to be packaged as a separate service and classified under a single category. Distinct categories for all services are necessary because separate and distinct pricing indexes have been assigned to the categories of discretionary services and BLETS. Pricing freedom for competitive services is permitted under the Plan.

The Commission recognizes that Applicants have proposed Sprint Solutions as a response to what they characterize as a robust competition in their intraLATA toll markets. The Commission does not want to discourage competitive responses. Applicants have indicated that in the pricing of Sprint Solutions, the component BLETS and discretionary services are effectively priced at their current tariffed rates. All of the package discount is applied to the competitive intraLATA toll service. We have no reason to believe that such discounting would violate Paragraph 12.B. of the Applicants' Plan during the interim period the Sprint Solutions packages are to be offered.

While the Commission finds that the offering in the Sprint Solutions packages is not in conflict with Applicants' Plan at this time, we conclude that the regulatory treatment of such packaged offerings is not specifically addressed under the Plan. Therefore, if Applicants intend to offer these Sprint Solutions packaged offerings beyond 1999 or offer additional similar types of packages, then they must file to amend their Plan in a separately docketed case for this Commission's approval. Applicants' proposed changes to the Plan should address the appropriate regulatory treatment and any competitive safeguard standards which should apply to the provision of service packages.

Because local exchange service and intraLATA toll service are packaged in Sprint Solutions, Centel and United must provide sufficient detail on customer bills for Sprint Solutions to comply with the Commission's Rules for Disconnection of Local Exchange Telephone Service (20 VAC 5-400-151), as adopted on February 26, 1999, in Case No. PUC970113 and to become effective July 1, 1999. Consistent with 20 VAC 5-400-151.E., partial payments for Sprint Solutions shall be credited first to BLETS at the applicable tariffed rate, with any remainder credited next to custom calling services at the tariffed rate and, finally, to the intraLATA toll portion of Sprint Solutions.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) The Applications of Centel and United for approval of tariff revisions to offer Sprint Solutions is hereby approved, on an interim basis, and said interim approval shall expire December 31, 1999, unless sooner ordered by this Commission.

(2) Centel and United are hereby granted leave to file proposed changes to their Plan, consistent with the findings above.

(3) Centel and United are hereby directed to provide sufficient detail on customer bills and to apply customer payments for Sprint Solutions in compliance with the findings of this Order and the Commission's Rules for Disconnection of Local Exchange Telephone Service, 20 VAC 5-400-151.

CASE NOS. PUC990010 and PUC990011
DECEMBER 22, 1999

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For approval of tariff revisions to offer Sprint Solutions, a new residential service packaged offering

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

For approval of tariff revisions to offer Sprint Solutions, a new residential service packaged offering

ORDER EXTENDING INTERIM APPROVAL OF SPRINT SOLUTIONS

On March 12, 1999, the Commission granted interim approval of tariff revisions to offer Sprint Solutions, and said interim approval was set to expire on December 31, 1999. Central Telephone Company of Virginia ("Centel") and United Telephone-Southeast, Inc. ("United), were granted leave to file proposed changes to their Alternative Regulatory Plan ("Plan") in order to provide Sprint Solutions beyond 1999.

On September 23, 1999, Centel and United filed their Joint Petition to amend their Plan to comply with the Commission's Order in the above-captioned cases.

The Commission, having considered the Joint Petition filed on September 23, 1999, is of the opinion that the interim approval of Sprint Solutions should be extended six (6) months to allow complete review of the proposed amendments to the Plan. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The Interim Approval of Sprint Solutions, granted by the Commission's Order of March 12, 1999, in these consolidated cases, is hereby extended six (6) months, through and including June 30, 2000.

(2) These consolidated cases are continued generally.

CASE NO. PUC990012
APRIL 19, 1999

JOINT APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
ACI CORP.-VIRGINIA

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On January 21, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA") and ACI Corp.-Virginia ("ACI") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, ACI, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before February 11, 1999, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and ACI. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and ACI hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC990013
JUNE 3, 1999

APPLICATION OF
WINSTAR WIRELESS OF VIRGINIA, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On February 12, 1999, WinStar Wireless of Virginia, LLC ("WW-VA LLC" or "Applicant") completed an application for certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia.

By order dated March 8, 1999, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to WW-VA LLC's application.

On April 26, 1999, Staff filed its report finding that WW-VA LLC's application was in compliance with the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018,[1] and the Commission's Rules Governing the Certification of Interexchange Carriers, as amended in Case No. PUC850035.[2] In its report, Staff also suggested that, upon certification of WW-VA LLC to provide local exchange and interexchange telecommunications services, the certificates previously granted to WinStar Wireless of Virginia, Inc. should be canceled since the entity to which they were issued no longer exists.[3]

A hearing was conducted on May 5, 1999. WW-VA LLC provided proof of publication of newspaper notice as directed by the Commission's March 8, 1999, Order. However, at the hearing, WW-VA LLC acknowledged that it did not provide notice to local exchange companies ("LECs") and interexchange carriers ("IXCs") certificated in Virginia and requested that the Commission grant it additional time to provide such notice.

In an order dated May 13, 1999, the Commission established a revised schedule for notice and comment. The Commission noted that, if there were no requests for the hearing to be reconvened, the Commission might grant the requested certificates based upon the exhibits received at the May 5, 1999, hearing. No written comments, notices of protest or requests that the hearing be reconvened were filed.

On May 20, 1999, the Applicant provided proof of notice as directed in the Commission's Order dated May 13, 1999.

Having considered the application and the Staff report, the Commission finds that WW-VA LLC's application should be granted. We also find that we should cancel the certificates previously granted to WinStar Wireless of Virginia, Inc., since the entity to which they were issued no longer exists. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) WW-VA LLC hereby is granted a certificate of public convenience and necessity, No. TT-32B, to provide interexchange telecommunications services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) WinStar Wireless of Virginia, LLC hereby is granted a certificate of public convenience and necessity, No. T-374a, to provide local exchange telecommunications services subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) WW-VA LLC shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

---

[1] *See* 20 VAC 5-400-180.

[2] *See* 20 VAC 5-400-60.

[3] By Commission Order dated March 11, 1997, in Case No. PUC950076, WinStar Wireless of Virginia, Inc. ("WW-VA Inc.") was authorized to provide local and interexchange telecommunications services throughout the Commonwealth of Virginia. On March 26, 1999, the Commission's Order in Case No. PUA990003 approved the merger and transfer of assets of WW-VA Inc. and WW-VA LLC, whereby WW-VA LLC obtained the operating assets of WW-VA Inc. Since the merger and transfer of assets did not transfer WW-VA Inc.'s certificates to provide telecommunications services, WW-VA LLC filed this application for certification to provide both interexchange and local services.

(4) Certificate of public convenience and necessity No. TT-32A, issued in Case No. PUC950076 to WinStar Wireless of Virginia, Inc. to provide interexchange telecommunications services hereby is canceled.

(5) Certificate of public convenience and necessity No. T-374, issued in Case No. PUC950076 to WinStar Wireless of Virginia, Inc. to provide local exchange telecommunications services hereby is canceled.

(6) Since there is nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC990015
APRIL 19, 1999

APPLICATION OF
CHESAPEAKE TELECOMMUNICATIONS CORPORATION

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On February 4, 1999, Chesapeake Telecommunications Corporation ("Chesapeake" or "the Company") completed an application for certificates of public convenience and necessity to provide local and interexchange telecommunications services within an area typically described as the Richmond Local Access and Transport Area of Virginia.[1] The Company also requested authority to price its interexchange service on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By order dated February 19, 1999, the Commission directed Chesapeake to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to Chesapeake's application.

On April 2, 1999, the Staff filed its report finding that Chesapeake's application was in compliance with the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018,[2] and the Commission's Rules Governing the Certification of Interexchange Carriers, as amended in Case No. PUC850035.[3] Accordingly, the Staff recommended granting a local exchange certificate and an interexchange certificate to Chesapeake subject to the following conditions: (1) any customer deposits collected by the Company be retained in an unaffiliated third-party escrow account until such time as the Staff or the Commission determines that it is no longer necessary; and (2) the Company shall provide audited financial statements to the Staff no later than one year from the effective date of its initial tariff.

A hearing was conducted on April 14, 1999. Chesapeake filed proof of publication and proof of service as required by the February 19, 1999, scheduling order. At the hearing, the Company's application and the Staff Report were entered into the record without objection.

Having considered the application and the Staff Report, the Commission finds that such application should be granted subject to the conditions referenced herein. Having considered § 56-481.1, the Commission also finds that Chesapeake may price its interexchange services competitively. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Chesapeake is hereby granted a certificate of public convenience, No. TT-67A, to provide interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) Chesapeake is hereby granted a certificate of public convenience and necessity, No. T-440, to provide local exchange telecommunications services subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) Any customer deposits collected by Chesapeake shall be retained in an unaffiliated third-party escrow account until such time as the Staff or the Commission determines that such account is no longer necessary.

(4) Chesapeake shall provide audited financial statements to the Staff no later than one year from the effective date of its initial tariff.

(5) The Company shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(6) There being nothing further to come before the Commission, this case shall be dismissed and the papers placed in the file for ended causes.

[1] In a letter dated February 22, 1999, the Company provided clarification of its requested service area by providing a list of the specific exchanges.

[2] 20 VAC 5-400-180.

[3] 20 VAC 5-400-60.

CASE NO. PUC990016
APRIL 19, 1999

JOINT APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
TRANSWIRE OPERATIONS, LLC

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On January 27, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA") and Transwire Operations, LLC ("Transwire") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, Transwire, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before February 17, 1999, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and Transwire. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Transwire hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC990019
JUNE 3, 1999

APPLICATION OF
NTEGRITY TELECONTENT SERVICES OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On February 9, 1999, Ntegrity Telecontent Services of Virginia, Inc. ("Ntegrity" or "Applicant") completed an application for a certificate of public convenience and necessity to provide local exchange telecommunications services throughout the Commonwealth of Virginia. As part of its application, Ntegrity requested a temporary waiver of § B.5.a of the Commission's Rules for Local Exchange Telephone Competition adopted in Case No. PUC950018, 20 VAC 5-400-180 ("Local Rules"), requiring audited financial statements to be filed with the application.

By order dated March 4, 1999, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to Ntegrity's application. On April 20, 1999, Staff filed its report finding that Ntegrity's application was in compliance with the Commission's Local Rules except that the financial statements provided by Ntegrity were unaudited.

Based upon its review of Ntegrity's application and the Company's requested waiver of Local Rule § B.5.a, requiring that audited financial statements be provided with the application, the Staff determined it would be appropriate to grant to the Company a local exchange certificate subject to two conditions: (1) any customer deposits collected by the Company be retained in an unaffiliated third party escrow account until such time as the Staff or Commission determines it is no longer necessary; and (2) the Company shall provide audited financial statements to the Staff no later than one (1) year from the effective date of its initial tariff.

A hearing was conducted on May 5, 1999. Ntegrity provided proof of publication of newspaper notice as directed by the Commission's March 4, 1999, Order. However, at the hearing, Ntegrity acknowledged that it did not provide notice to local exchange companies ("LECs") certificated in Virginia and requested that the Commission grant it additional time to provide such notice.

In an order dated May 13, 1999, the Commission established a revised schedule for notice and comment. The Commission noted that, if there were no requests for the hearing to be reconvened, the Commission might grant the requested certificate based upon the exhibits received at the May 5, 1999, hearing. No written comments, notices of protest or requests that the hearing be reconvened were filed.

On May 18, 1999, the Applicant provided proof of notice as directed in the Commission's Order dated May 13, 1999.

Having considered the application and the Staff report, the Commission finds that Ntegrity's application should be granted. We also find that we should grant the Company's request for a waiver of § B.5.a of the Local Rules, requiring that audited financial statements be provided with the application. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Ntegrity Telecontent Services of Virginia, Inc. hereby is granted a certificate of public convenience and necessity, No. T-445, to provide local exchange telecommunications services subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) Ntegrity shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(3) Ntegrity shall provide to the Division of Economics and Finance audited financial statements no later than one (1) year from the effective date of its initial tariff.

(4) Should Ntegrity collect customer deposits, it shall establish and maintain an escrow account, held by an unaffiliated third party, to hold such funds, and shall notify the Commission Staff of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

(5) Since there is nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC990020
APRIL 19, 1999

APPLICATION OF
GTE SOUTH INCORPORATED
and
TRITON PCS OPERATING COMPANY L.L.C.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On February 2, 1999, GTE South Incorporated ("GTE") and Triton PCS Operating Company L.L.C. ("Triton") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.2.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, GTE, Triton and all other providers of local exchange service must comply with all statutory standards and Commission rules and regulations.

Counsel for GTE and Triton indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Any comments upon the application were to be filed on or before February 24, 1999, but none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as precedent for other agreements. The Agreement is binding only on GTE and Triton. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE and Triton is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC990021
MAY 4, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
ERNEST COMMUNICATIONS, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On February 3, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA") and Ernest Communications, Inc. ("Ernest") filed an interconnection agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, Ernest and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by February 24, 1999, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and Ernest. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Ernest is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC990022
MAY 13, 1999

APPLICATION OF
QUANTREX COMMUNICATIONS, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On February 4, 1999, Quantrex Communications, Inc. ("Quantrex" or "the Company") completed an application for a certificate of public convenience and necessity ("certificate") to provide local exchange telecommunications services throughout the Commonwealth of Virginia. As part of its application, Quantrex requested a waiver of § B.5.a of the Commission's Rules for Local Exchange Telephone Competition adopted in Case No. PUC950018, 20 VAC 5-400-180 ("Local Rules"), requiring audited financial statements to be filed with the application.

By Order dated March 8, 1999, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to Quantrex's application. On April 20, 1999, Staff filed its report finding that Quantrex's application was in compliance with the Commission's Local Rules except that the financial statements provided by Quantrex were unaudited.

Based upon its review of Quantrex's application and the Company's requested waiver of Local Rule § B.5.a, requiring that audited financial statements be provided with the application, the Staff determined it would be appropriate to grant to the Company a local exchange certificate subject to two conditions: (1) any customer deposits collected by the Company shall be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary; and (2) the Company shall provide audited financial statements to the Staff no later than one (1) year from the effective date of its initial tariff.

A hearing was conducted on May 5, 1999. Quantrex filed proof of publication and proof of service as required by the scheduling order dated March 8, 1999. At the hearing, the proof of notice, application and accompanying attachments, and the Staff's report were entered into the record without objection.

Having considered the application and the Staff report, the Commission finds that Quantrex's application should be granted. We also find that we should grant the Company's request for a waiver of § B.5.a of the Local Rules, requiring that audited financial statements be provided with the application. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Quantrex Communications, Inc. hereby is granted a certificate of public convenience and necessity, No. T-444, to provide local exchange telecommunications services subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) Quantrex shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(3) Quantrex shall provide to the Division of Economics and Finance audited financial statements no later than one (1) year from the effective date of its initial tariff.

(4) Should Quantrex collect customer deposits, it shall establish and maintain an escrow account, held by an unaffiliated third party, to hold such funds, and shall notify the Commission Staff of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

(5) Since there is nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC990025
OCTOBER 5, 1999

APPLICATION OF
UNIDIAL COMMUNICATIONS OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On June 25, 1999, UniDial Communications of Virginia, Inc. ("UniDial" or "Applicant"), completed an application for a certificate of public convenience and necessity to provide local exchange telecommunications services throughout the Commonwealth of Virginia. By Order dated July 16, 1999, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to analyze the reasonableness of the application and to file a Staff Report, and scheduled a public hearing to receive evidence relevant to UniDial's application.

On September 17, 1999, the Staff Report was filed. The Staff stated that UniDial's application was in compliance with 20 VAC 5-400-180, the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules").

A hearing was conducted on September 28, 1999. UniDial provided proof of notice and service as directed by the Commission's July 16, 1999, Order. At the hearing, the proof of notice and service, the application and accompanying exhibits, and the Staff Report were entered into the record without objection.

NOW, having considered the application and the Staff Report, the Commission is of the opinion and finds that UniDial should be granted a certificate to provide local exchange telecommunications services. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) UniDial Communications of Virginia, Inc., hereby is granted a certificate of public convenience and necessity, No. T-462, to provide local exchange telecommunications services throughout the Commonwealth of Virginia. This certificate is granted subject to the restrictions set forth in the Local Rules, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) UniDial shall file tariffs with the Division of Communications that conform with all applicable Commission rules and regulations.

(3) Since there is nothing further to come before the Commission, this case shall be and hereby is dismissed.

CASE NO. PUC990026
APRIL 23, 1999

APPLICATION OF
PICUS COMMUNICATIONS, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services and for interim operating authority

FINAL ORDER

On February 5, 1999, PICUS Communications, LLC ("PICUS" or "the Company") filed an application with the State Corporation Commission ("Commission") requesting certificates of public convenience and necessity ("certificates") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. PICUS also requested authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia ("Code") and requested interim operating authority to provide local exchange telecommunications services.[1]

By order dated February 12, 1999, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to PICUS' application. In that order, the Commission also granted PICUS authority, on an interim basis, to operate and provide local exchange services to customers under the tariffs of Atlantic Telecom.

On April 2, 1999, the Staff filed its report finding that PICUS' application was in compliance with the Commission's Rules for Local Exchange Telephone Competition, as adopted in Case No. PUC950018, 20 VAC 5-400-180, and the Commission's Rules Governing the Certification of Interexchange Carriers, as amended in Case No. PUC850035, 20 VAC 5-400-60. Accordingly, the Staff recommended granting a local exchange certificate and an interexchange certificate to PICUS subject to the following conditions: (1) any customer deposits collected by the Company be retained in an unaffiliated third-party escrow account until such time as the Staff or the Commission determines that it is no longer necessary; (2) the Company shall provide audited financial statements to the Staff no later than one year from the effective date of its certification; and (3) PICUS shall file new tariffs no later than June 30, 1999, and, upon acceptance of such tariffs, the tariffs of Atlantic Telecom be canceled.

The Staff also recommended that, upon issuance of an order authorizing PICUS to provide local exchange and interexchange telecommunications services and the issuance of an order authorizing the transfer of assets of Atlantic Telecom to PICUS in Case No. PUA990005[2], the Commission should enter an order canceling the certificates authorizing Atlantic Telecom to provide local and interexchange telecommunications services.

A hearing was conducted on April 14, 1999. PICUS filed proof of publication and proof of service as required by the February 12, 1999, scheduling order. At the hearing, a public witness appeared and testified regarding concerns with a current PICUS promotional offering. That witness did not, however, offer any objection to the granting of the requested certificates. The application and the Staff Report were subsequently entered into the record without objection.

By letter dated April 16, 1999, counsel for PICUS requested that the Commission enter an order granting PICUS its requested certificates and canceling the certificates of Atlantic Telecom. PICUS also requested that it be allowed to operate pursuant to the tariffs of Atlantic Telecom until such time as its tariffs are approved and that, upon approval of such tariffs, the tariffs of Atlantic Telecom be canceled. Attached to that letter was an affidavit executed by John R. Burrows, the President of Atlantic Telecom, indicating that company's desire to relinquish its certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services in Virginia.

Having considered the application, the Staff's Report and the record, the Commission finds that such application should be granted subject to the conditions referenced herein. Having considered § 56-481.1 of the Code, the Commission also finds that PICUS may price its interexchange services competitively. We note the requests of PICUS and Atlantic Telecom submitted in the above referenced letter and will grant such requests with the exception of Atlantic Telecom's request to cancel its certificates. That request will be addressed in a separate proceeding (Case No. PUC990074). Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) PICUS is hereby granted a certificate of public convenience and necessity, No. TT-68A, to provide interexchange services subject to restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code, and the provisions of this Order.

(2) PICUS is hereby granted a certificate of public convenience and necessity, No. T-442, to provide local exchange telecommunications services subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition, § 56-265.4:4 of the Code, and the provisions of this Order.

(3) Any customer deposits collected by PICUS shall be retained in an unaffiliated third-party escrow account until such time as the Staff or the Commission determines that such account is no longer necessary.

(4) PICUS shall provide audited financial statements to the Staff no later than one year from the date of this Order.

---

[1] On February 5, 1999, PICUS and Atlantic Telecom, Inc., ("Atlantic Telecom") filed an application to transfer the assets of Atlantic Telecom to PICUS. That application was docketed as Case No. PUA990005. Since the proposed transfer would not transfer Certificate No. TT-35A authorizing Atlantic Telecom to provide interexchange telecommunications services and Certificate No. T-378 authorizing Atlantic Telecom to provide local exchange telecommunications services, PICUS filed this application.

[2] The Commission approved the transfer of assets from Atlantic Telecom to PICUS in Case No. PUA990005 by order dated April 6, 1999.

(5) PICUS shall file new tariffs no later than June 30, 1999, and, upon acceptance of such tariffs, the tariffs of Atlantic Telecom shall be canceled.

(6) There being nothing further to come before the Commission, this case shall be dismissed and the papers placed in the file for ended causes.

CASE NO. PUC990027
AUGUST 10, 1999

APPLICATION OF
CORECOMM VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On May 12, 1999, CoreComm Virginia, Inc. ("CoreComm" or "the Company"), completed an application for certificates of public convenience and necessity ("certificate") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. The Company also requested authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated May 18, 1999, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to CoreComm's application.[1] On July 20, 1999, the Staff filed its report finding that CoreComm's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service, as codified in 20 VAC 5-400-180 and the Rules Governing the Certification of Interexchange Carriers, as codified in 20 VAC 5-400-60.

Based upon its review of CoreComm's application and the financial statements of CoreComm's parent, CoreComm Ltd., the Staff determined it would be appropriate to grant an interexchange certificate and a local exchange certificate to CoreComm.

A hearing was held on July 29, 1999. CoreComm filed proof of publication and proof of service as required by the May 18, 1999, scheduling order. At the hearing, the application and accompanying attachments, and the Staff Report were entered into the record without objection.

Having considered the application and the Staff Report, the Commission finds that CoreComm should be granted certificates to provide local exchange and interexchange telecommunications services. Having considered § 56-481.1, the Commission further finds that CoreComm may price its interexchange services competitively. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) CoreComm Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-75A, to provide interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) CoreComm Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-456, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Offering of Competitive Local Exchange Telephone Service, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) CoreComm shall file new tariffs, no later than October 15, 1999, with the Commission's Division of Communications that conform with all applicable Commission rules and regulations. The local exchange tariffs of USN Communications Virginia, Inc., shall be canceled after CoreComm's tariffs are accepted.

(4) Pursuant to § 56-481.1 of the Code of Virginia, CoreComm may price its interexchange services competitively.

(5) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.

---

[1] This Order also granted CoreComm interim authority to continue the provision of local exchange telecommunications services to customers of another carrier, USN Communications Virginia, Inc. ("USN"), using USN's tariffs. In Case No. PUA990029, filed May 17, 1999, CoreComm proposes to acquire all of USN's assets. The proposed acquisition of assets would not include USN's certificate of public convenience and necessity, which is not transferable. Therefore, CoreComm amended the instant application to seek interim operating authority.

CASE NO. PUC990028
JULY 28, 1999

APPLICATION OF
DSLNET COMMUNICATIONS VA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On March 24, 1999, DSLnet Communications VA, Inc. ("DSLnet" or "the Company"), completed an application for certificates of public convenience and necessity ("certificate") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. The Company also requested authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated April 28, 1999, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to DSLnet's application. On June 29, 1999, the Staff filed its report finding that DSLnet's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service as codified in 20 VAC 5-400-180 and the Rules Governing the Certification of Interexchange Carriers, as codified in 20 VAC 5-400-60.

Based upon its review of DSLnet's application and the audited financial statements of its parent corporation, dsl.net, inc. ("DNI"), the Staff determined it would be appropriate to grant an interexchange certificate and a local exchange certificate to DSLnet, subject to the following conditions:

(1) Any customer deposits collected by the Company be retained in an unaffiliated third party escrow account until such time as the Staff or Commission determines it is no longer necessary.

(2) At such time as voice services are initiated by the Company, DSLnet shall provide/comply with all requirements of § C (Conditions for certification) of the Local Rules.

A hearing was conducted on July 13, 1999. DSLnet filed proof of publication and proof of service as required by the April 28, 1999, scheduling order. At the hearing, the application and accompanying attachments, and the Staff Report were entered into the record without objection and the Company agreed to the Staff recommendations.

Having considered the application and the Staff Report, the Commission finds that DSLnet should be granted certificates to provide local exchange and interexchange telecommunications services subject to the Company's compliance with Staff's recommendations. Having considered § 56-481.1, the Commission further finds that DSLnet may price its interexchange services competitively. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) DSLnet Communications VA, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-71A, to provide interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this order.

(2) DSLnet Communications VA, Inc., is hereby granted a certificate of public convenience and necessity, No. T-450, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Offering of Competitive Local Exchange Telephone Service, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) DSLnet shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) Pursuant to § 56-481.1 of the Code of Virginia, DSLnet may price its interexchange services competitively.

(5) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.

CASE NO. PUC990029
MAY 20, 1999

PETITION OF
DIECA COMMUNICATIONS, INC., d/b/a COVAD COMMUNICATIONS COMPANY

For arbitration of unresolved issues from interconnection negotiations with GTE South, Inc. pursuant to § 252 of the Telecommunications Act of 1996

ORDER OF DISMISSAL

On February 16, 1999, Dieca Communications, Inc., d/b/a Covad Communications Company ("Covad") filed a petition for arbitration of unresolved issues from interconnection negotiations with GTE South, Inc. ("GTE") under § 252 (b) of the Telecommunications Act of 1996.

On March 12, 1999, GTE filed its response to Covad's petition together with a "Motion to Delay Arbitration Pending Negotiations," and supporting testimony.

By letter filed on April 26, 1999, counsel for Covad informed the Commission that Covad and GTE have settled the issues raised in this matter and have executed an interconnection agreement for Virginia. Accordingly, Covad advises that the hearing and discovery associated with this matter should be discontinued.

NOW THE COMMISSION, having considered the petition, GTE's response, and Covad's letter filed April 26, 1999, is of the opinion that this matter should be dismissed. Accordingly,

IT IS THEREFORE ORDERED THAT:

There being nothing further to be done herein, this matter is dismissed, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. PUC990030
MAY 14, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
xDSL NETWORKS, INC.

For approval of an interconnection Agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On February 18, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA") and xDSL Networks, Inc. ("xDSL") filed for Commission approval of their interconnection agreement ("Agreement") pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252, dated February 18, 1999.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated Agreement, BA-VA, xDSL, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA and xDSL indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before March 11, 1999, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. This approval should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and xDSL. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution article IX § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and xDSL is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case shall remain open to receive any subsequent amendments or revisions to the Agreement.

CASE NO. PUC990031
APRIL 23, 1999

APPLICATION OF
BELL ATLANTIC–VIRGINIA, INC.
and
US LEC OF VIRGINIA, L.L.C.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On February 19, 1999, Bell Atlantic–Virginia, Inc. ("BA-VA") and US LEC of Virginia ("US LEC") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of

§ 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, US LEC, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before March 12, 1999, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and US LEC. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and US LEC hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC990032
JULY 28, 1999

APPLICATION OF
EXCEL TELECOMMUNICATIONS OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On March 29, 1999, Excel Telecommunications of Virginia, Inc. ("Excel" or "the Company"), completed an application for a certificate of public convenience and necessity ("certificate") to provide local exchange telecommunications services throughout the Commonwealth of Virginia. By Order dated April 27, 1999, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to such application.

On June 29, 1999, Staff filed its report finding that Excel's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service, as codified in 20 VAC 5-400-180. The Staff recommended granting a local exchange certificate to Excel.

A hearing was conducted on July 13, 1999. Excel filed proof of publication and proof of service as required by the April 27, 1999, Order. At the hearing, the application, the Company's exhibits, and the Staff Report were entered into the record without objection.

Having considered the application and the Staff's report, the Commission finds that such application should be granted.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) Excel Telecommunications of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-449, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Offering of Competitive Local Exchange Telephone Service, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) Excel shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(3) There being nothing further to come before the Commission, this case shall be dismissed and the papers placed in the file for ended causes.

CASE NO. PUC990033
NOVEMBER 29, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To expand the local service area of its Clover exchange to include Sprint/Centel's Halifax and South Boston exchanges

FINAL ORDER

On February 23, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA" or "the Company"), filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of § 56-484.2 of the Code of Virginia. BA-VA proposed to notify its Clover exchange customers of the increases in monthly rates that would be necessary to extend their local service to include the Halifax and South Boston exchanges of Sprint/Centel ("Centel").

Customers of the Clover exchange were polled between March 17, 1998, and April 21, 1998, regarding their willingness to pay increases for local calling to Halifax and South Boston, and sixty-eight percent (68%) of those responding supported the proposal.

At that time, the Commission required Centel to conduct a cost study to allow the Commission to determine monthly rates for Extended Local Service ("ELS") from Halifax and South Boston to Clover. Customers in Halifax and South Boston were polled regarding their willingness to pay an increase for local calling to Clover, but the survey did not pass. In response to continued customer interest in ELS, BA-VA proposed in its February 23, 1999, application to expand the Clover local service area to include Centel's Halifax and South Boston exchanges without the necessity of Centel reciprocating with a similar plan. BA-VA noted that the current service from the Halifax and South Boston exchanges to BA-VA's Clover exchange provides customers with both flat and measured rate service options.

By Order dated July 28, 1999, the Commission directed BA-VA to provide notice by direct mail of the proposed increases in monthly rates. Affected telephone customers were given until September 23, 1999, to file comments or to request a hearing. On August 20, 1999, BA-VA filed proof of its direct mail notice as required by the Commission's Order of July 28, 1999. Seventeen (17) individual customers filed comments favoring the proposal. Additionally, two (2) petitions were received with signatures totaling 470 customers in favor of the one-way local calling plan.

On October 8, 1999, the Commission's Staff submitted its report regarding the Company's application. The Staff noted that Clover is the only BA-VA exchange that does not have ELS or a plan, such as Community Choice, with a flat rate option to call other exchanges. The Staff recommended approval of BA-VA's application to implement one-way local service from its Clover exchange to Centel's Halifax and South Boston exchanges. Accordingly,

IT IS ORDERED THAT:

(1) The proposed one-way extension of local service from BA-VA's Clover exchange to Centel's Halifax and South Boston exchanges shall be implemented.

(2) BA-VA shall file the tariff revisions necessary for the proposed extension of local service.

(3) Since there is 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. PUC990034
JULY 12, 1999

APPLICATION OF
GTE SOUTH INCORPORATED

To classify its National Directory Assistance service as Competitive

FINAL ORDER

On March 5, 1999, GTE South Incorporated ("GTE South" or the "Company") filed, with the Division of Communications, a tariff to introduce its new National Directory Assistance service[1] and a request that this service be classified as Competitive, under the provisions of Paragraph 17 of the GTE South Alternative Regulatory Plan ("Plan"). Pursuant to the Commission's Order of April 29, 1999, a public hearing was convened on June 23, 1999, at 10:00 a.m. The testimony of GTE South and Staff witnesses was admitted into the record.

The Commission, having considered the testimony of record and the applicable provisions of the Plan, now finds that the National Directory Assistance service should be classified as Competitive under GTE South's Plan and that due legal notice has been provided by GTE South, consistent with the requirements of the Plan and the Commission's Order in this case. The Commission concludes that no recorded announcement of National Directory Assistance service's price is required at this time. However, the Staff's recommended bill credit policy, as stipulated by the Company, should be, and is, adopted.

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to GTE South's Plan for Alternative Regulation, GTE South's National Directory Assistance service is hereby classified as Competitive.

(2) GTE South shall provide a one-time per customer bill credit for all National Directory Assistance calls on the first disputed bill, as recommended by the Staff and agreed to by the Company.

(3) There being nothing further to come before the Commission, this matter is dismissed from the docket, and the record developed herein shall be placed in the file for ended causes.

[1] Pursuant to the tariff filing, this service went into effect April 4, 1999.

CASE NO. PUC990035
JULY 14, 1999

APPLICATION OF
GTE SOUTH INCORPORATED

To implement extended local service from its Oakwood exchange to Bell Atlantic-Virginia, Inc.'s Davenport exchange

FINAL ORDER

On March 2, 1999, GTE South Incorporated ("GTE" 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. GTE proposed to notify its Oakwood exchange customers of the increases in monthly rates that would be necessary to extend their local service to include the Davenport exchange of Bell Atlantic-Virginia, Inc. ("BA-VA"). Customers in the Davenport exchange previously had petitioned the Commission for local calling to Oakwood. In a poll conducted in response to the petition, the majority of Davenport customers responding to the poll supported paying higher rates for local calling to Oakwood. A poll of Oakwood subscribers in response to this application was not required under § 56-484.2(A) of the Code of Virginia because the proposed rate increase does not exceed 5% of the existing monthly one-party residential flat rate.

By order dated March 30, 1999, the Commission directed GTE to publish notice of the proposed increase. Affected telephone customers were given until June 14, 1999, to file comments or to request a hearing on the proposal. No comments or requests for hearing were received. On June 15, 1999, GTE filed proof of notice as required by the Commission's Order of March 30, 1999.

On June 29, 1999, the Commission's Staff submitted its report regarding the Company's application. The Staff recommended that GTE's application to implement extended local service from its Oakwood exchange to BA-VA's Davenport exchange be approved.

Accordingly,

IT IS ORDERED THAT:

(1) The proposed extension of local service from GTE South Incorporated's Oakwood exchange to Bell Atlantic-Virginia, Inc.'s Davenport exchange shall be implemented.

(2) The two companies shall file the tariff revisions necessary for the proposed extension of local service.

(3) Since there is nothing further to come before the Commission, this case is dismissed and removed from the Commission's docket of active cases.

CASE NO. PUC990036
JUNE 7, 1999

APPLICATION OF
MEDIA GENERAL TELECOMMUNICATIONS, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On March 2, 1999, Media General Telecommunications, Inc. ("Media General" or "the Company") completed an application for certificates of public convenience and necessity ("certificate") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. The Company also requested authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated April 2, 1999, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to Media General's application. On May 14, 1999, the Staff filed its report finding that Media General's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service as codified in 20 VAC 5-400-180 and the Rules Governing the Certification of Interexchange Carriers, as codified in 20 VAC 5-400-60.

Based upon its review of Media General's application and the audited financial statements of Media General's parent, Media General, Inc., (MGI), the Staff determined it would be appropriate to grant an interexchange certificate and a local exchange certificate to Media General.

A hearing was conducted on June 2, 1999. Media General filed proof of publication and proof of service as required by the April 2, 1999, scheduling order. At the hearing, the application and accompanying attachments, and the Staff report were entered into the record without objection.

Having considered the application and the Staff report, the Commission finds that Media General should be granted certificates to provide local exchange and interexchange telecommunications services. Having considered § 56-481.1, the Commission further finds that Media General may price its interexchange services competitively. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Media General Telecommunications, Inc. is hereby granted a certificate of public convenience and necessity, No. TT-69A, to provide interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this order.

(2) Media General Telecommunications, Inc. is hereby granted a certificate of public convenience and necessity, No. T-446, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Offering of Competitive Local Exchange Telephone Service, § 56-265.4:4 of the Code of Virginia, and the provisions of this order.

(3) Media General shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) Pursuant to § 56-481.1 of the Code of Virginia, Media General may price its interexchange services competitively.

(5) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.

CASE NO. PUC990037
OCTOBER 8, 1999

APPLICATION OF
COMM SOUTH COMPANIES OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On June 25, 1999, Comm South Companies of Virginia, Inc. ("Comm South" or "Applicant"), completed an application for a certificate of public convenience and necessity ("certificate") to provide local exchange telecommunications services throughout the Commonwealth of Virginia. Comm South also requested waivers of certain requirements of 20 VAC 5-400-180, the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules") to allow it to offer prepaid local exchange service.

Comm South proposes to offer residential prepaid month-by-month local telephone service, which blocks access to usage-based services, including directory assistance, operator services (including collect, third-party billed, and person-to-person calls), and toll services. Comm South proposes to provide unlimited local calling, access to 911 and E911 emergency services, toll-free services, telephone relay service, and optional services such as Call Waiting and Caller ID, without the imposition of credit checks or deposit requirements.

In order to provide this residential prepaid month-by-month service, Comm South requested waivers of § C 5 and certain provisions of § C 1 of the Local Rules requiring a new entrant, either directly or through arrangements with others, to provide access to directory assistance (§ C 1 d), access to operator services (§ C 1 e), equal access to intraLATA services (§ C 5), and equal access to interLATA long distance carriers (§ C 1 f) to all local exchange customers. The Applicant further requested a waiver of § D 3 of the Local Rules, which states that the prices for local exchange services provided by the new entrant shall not exceed the highest of the comparable tariffed services provided by the incumbent local exchange telephone company or companies in the same local serving areas.

By Order dated July 15, 1999, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to analyze the reasonableness of the application and to file a Staff Report, and scheduled a public hearing to receive evidence relevant to Comm South's application.

On September 13, 1999, the Staff Report was filed. The Staff stated that the application is in compliance with the Local Rules, except for the requirements from which Comm South has sought waivers.

The Staff did not object to Comm South's request for waivers from specific Local Rules subject to the following conditions: (1) the Company shall provide full disclosure to consumers about the services and features Comm South will and will not furnish to subscribers of its alternative prepaid month-by-month local exchange service. Sales brochures and other marketing and advertising materials must prominently disclose that service is restricted to residential end users and customers will have no access to directory assistance, operator services, long distance, collect and third-party calls, or any other pay-for-usage services; (2) any waivers granted to Comm South in this case are limited solely to the residential prepaid month-by-month local service described in the Company's filing; (3) any waivers granted to Comm South for its residential prepaid month-by-month local service should be subject to revocation, alteration, or the imposition of additional conditions such as pricing restrictions in the event the Commission subsequently determines the service is operating improperly or is not in the public interest; (4) any subsequent increase in the rate for prepaid month-by-month local service shall be subject to thirty (30) days' notice to the Commission and notice to customers provided through billing inserts or publication for two (2) consecutive weeks as display advertising in newspapers having general circulation in the areas served by the Company; and (5) if at any time Comm South initiates a requirement of customer deposits, any deposits collected by the Company shall be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary.

A hearing was held on September 28, 1999. Comm South provided proof of notice and service as directed by the Commission's July 15, 1999, Order. At the hearing, the proof of notice and service, the application with accompanying exhibits, and the Staff Report were entered into the record without objection. The Applicant agreed to the recommendations of the Staff.

NOW, having considered the application and the Staff Report, the Commission finds that such application, as well as the requested waivers, should be granted. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Comm South Companies of Virginia, Inc., hereby is granted a certificate of public convenience and necessity, No. T-461, to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, § 56-265.4:4 of the Code of Virginia, the provisions of this Order, and the conditions set forth in the Staff Report.

(2) Comm South shall file tariffs with the Division of Communications that conform with all applicable Commission rules and regulations from which the Applicant has not been granted a waiver.

(3) This case shall remain open to evaluate Comm South's residential prepaid month-by-month local exchange service.

CASE NO. PUC990038
JUNE 2, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
OMNIPOINT COMMUNICATIONS CAP OPERATIONS, LLC

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On March 5, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA") and Omnipoint Communications Cap Operations, LLC ("Omnipoint") filed an interconnection agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, Omnipoint and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by March 26, 1999, and none were received.

We find that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and Omnipoint. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Omnipoint is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC990039
JUNE 7, 1999

APPLICATION OF
GTE SOUTH INCORPORATED
and
DPI-TELECONNECT, L.L.C

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On March 8, 1999, GTE South Incorporated ("GTE") and dPi-Teleconnect, L.L.C. ("dPi") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. This Agreement establishes the terms, conditions and prices for the purchase by dPi of certain resale services from GTE.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.2.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest.

Notwithstanding their negotiated agreement, GTE, dPi and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for GTE indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before March 29, 1998, but none were received.

We find that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. The Agreement is binding only on GTE and dPi and should not be viewed as precedent for other agreements. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE and dPi is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC990040
JUNE 7, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
AX TELECOMMUNICATIONS, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On March 10, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA") and Ax Telecommunications, Inc. ("Ax") filed an interconnection agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. This Agreement was described as a resale agreement.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, Ax and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by March 31, 1999, and none were received.

We have one area of concern with the Agreement. Section 30 under the heading of "Responsibility for Charges" appears to obligate Ax to pay for services provided by parties other than BA-VA regardless of whether Ax is paid for those charges by its customers. This Agreement between Ax and BA-VA does not affect the rights of end users to dispute such charges and does not excuse either company from complying with the Commission's billing and collection rules. Notwithstanding this concern, we find that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and Ax. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Ax is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC990041
JUNE 7, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
NOW COMMUNICATIONS, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On March 10, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA") and NOW Communications, Inc. ("NOW") filed an interconnection agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. This Agreement was described as a resale agreement.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, NOW and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by March 31, 1999, and none were received.

We have one area of concern with the Agreement. Section 30 under the heading of "Responsibility for Charges" appears to obligate NOW to pay for services provided by parties other than BA-VA regardless of whether NOW is paid for those charges by its customers. This Agreement between NOW and BA-VA does not affect the rights of end users to dispute such charges and does not excuse either company from complying with the Commission's billing and collection rules. Notwithstanding this concern, we find that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and NOW. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and NOW is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC990042
JUNE 2, 1999

APPLICATION OF
GTE SOUTH INCORPORATED
and
NEXTLINK VIRGINIA, L.L.C.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On March 11, 1999, GTE South Incorporated ("GTE") and NEXTLINK Virginia, L.L.C. ("NEXTLINK") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

This Agreement establishes the terms, conditions and prices pursuant to which GTE and NEXTLINK will offer and provide wireless to land line interconnection and certain additional services and coordinated service arrangements to each other within each LATA in which each operates in Virginia and the terms and conditions of the collocation of certain NEXTLINK equipment in GTE's premises.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.2.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, GTE, NEXTLINK and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for GTE and NEXTLINK indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Any comments upon the application were to be filed on or before April 1, 1999, but none were received.

As required by § A(2) of the procedural rules, we have reviewed the negotiated portions of the Agreement pursuant to § 252(e)(2)(A) of the Act. Under these criteria, we find no reason to reject this Agreement.

We find that the Agreement should be approved. The Agreement is binding only on GTE and NEXTLINK and should not be viewed as precedent for other agreements. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE and NEXTLINK is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC990044
APRIL 8, 1999

APPLICATION OF
JONES TELECOMMUNICATIONS OF VIRGINIA, INC.

For amendment of its certificate of public convenience and necessity

ORDER DISMISSING

On March 16, 1999, Jones Telecommunications of Virginia, Inc. ("Jones" or "Company"), together with the City of Manassas, filed a Request for Amendment to Authorization or, in the Alternative, for Clarification in Case No. PUC960003. That is the case in which Jones was awarded its certificate of public convenience and necessity, by Final Order dated July 1, 1996, and has long been dismissed. A new docket was established for the consideration of the relief sought by Jones in its motion.

The Commission will deny the motion because it seeks relief that Jones does not need. The motion sought amendment to its certificate "to ensure that Jones has authority to provide service within the corporate limits of Manassas." The Company already possesses such authority by virtue of the Final Order referenced above.

In that case, Jones asked for permission to provide local exchange telecommunications services within the "City of Alexandria, and within the Virginia Counties of Arlington, Prince William, and Fairfax, including all cities and incorporated areas within those counties." The Commission granted the Company's request. The Commission's Final Order grants the request in word-for-word language.

The Commission will state that it understood Jones' request to embrace service to all cities and towns geographically within, i.e., encompassed or surrounded by, the named counties, including those like Manassas that possess political independence from the county in which it is geographically situated. Nothing in the application sought exemption from service authority for politically independent cities and towns and nothing in the Final Order limited the authority thusly. Jones currently possesses authority pursuant to its certificate to provide service within Manassas.

Accordingly, IT IS ORDERED that:

(1) This matter is docketed and assigned Case No. PUC990044;

(2) The Company's Request for Amendment to Authorization or, in the Alternative, for Clarification is denied; and

(3) There being nothing further to come before the Commission this matter is dismissed and the papers transferred to the file for ended causes.

CASE NO. PUC990045
AUGUST 24, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement Extended Local Service from its Chatham exchange to Sprint/Centel's Bachelors Hall exchange

FINAL ORDER

On March 18, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA" or "the Company"), filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of § 56-484.2 of the Code of Virginia. BA-VA proposed to notify its Chatham exchange customers of the

increases in monthly rates that would be necessary to expand their local service to include the Bachelors Hall exchange of Sprint/Centel. Customers in the Bachelors Hall exchange had previously petitioned the Commission for local calling to Chatham. In a poll conducted in response to the petition, a majority of Bachelors Hall customers responding to the poll supported paying higher rates for local calling to Chatham. A poll of Chatham customers in response to this application was not required under § 56-484.2(A) of the Code of Virginia because the proposed rate increase for one-party residential service does not exceed five (5) percent of the existing monthly one-party residential rate.

By Order dated June 22, 1999, the Commission directed BA-VA to furnish by direct-mail notice of the proposed increase. Affected telephone customers were given until August 2, 1999, to file comments or to request a hearing on the proposal. There were five (5) comments objecting to the proposal and one (1) comment favoring the proposal. On June 30, 1999, BA-VA filed proof of notice as required by the Commission's June 22, 1999, Order.

On August 13, 1999, the Commission's Staff submitted its report regarding the Company's application. The Staff recommended that BA-VA's application to implement extended local service from its Chatham exchange to Sprint/Centel's Bachelors Hall exchange be approved. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from BA-VA's Chatham exchange to Sprint/Centel's Bachelors Hall exchange shall be implemented.

(2) The two (2) companies shall file the tariff revisions necessary for the proposed extension of local service.

(3) Since there is nothing further to come before the Commission, this case is dismissed and removed from the Commission's docket of active cases.

CASE NO. PUC990047
AUGUST 3, 1999

APPLICATION OF
DPI TELECONNECT, L.L.C.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On May 11, 1999, dPi Teleconnect, L.L.C. ("dPi" or "Applicant") completed an application for a certificate of public convenience and necessity ("certificate") requesting authority to provide local exchange telecommunications services throughout the Commonwealth of Virginia.

In its application, dPi states that it is a non-facilities based reseller that proposes to offer its customers pre-paid monthly recurring, flat-rate local exchange service, including extended area service, toll restriction, call control options, tone dialing, custom calling services, and any other services available on a resale basis from the underlying incumbent local exchange carriers.

In order to provide this prepaid month-by-month service, dPi requests waivers of certain provisions of Section C 1 of the Commission's Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules") requiring a new entrant, either directly or through arrangements with others, to provide access to directory assistance, access to operator services, equal access to interLATA long distance carriers, and a waiver of Section C 5 which requires access to intraLATA service for all local exchange customers. The Applicant further requests a waiver of Section D 3 of the Local Rules, 20 VAC 5-400-180, limiting the proposed rate for service provided by the new entrant not to exceed the highest of the comparable tariffed services provided by the incumbent local exchange telephone company or companies in the same local serving areas.

By Order dated May 18, 1999, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to dPi's application.

On July 21, 1999, the Staff filed its report finding that the application is in compliance with the Commission's certification requirements of the Local Rules. In addition, the Staff did not object to dPi's requests for waiver from specific Commission Rules for its residential monthly prepaid local service, subject to the following conditions: (i) the Applicant shall provide audited financial statements to the Staff no later than one year from the effective date of its initial tariff; (ii) the Applicant shall provide full disclosure to consumers about the services and features dPi will and will not furnish to subscribers of its alternative, prepaid, month-by-month local exchange service. Sales brochures and other marketing and advertising materials must prominently disclose that service is restricted to residential end-users and customers will have no access to directory assistance, operator services, long distance, collect and third party calls, or any other pay-for-usage services; (iii) any waivers granted to dPi in this case are limited solely to the residential, prepaid, month-by-month local service described in the Applicant's filing; (iv) any waivers granted to dPi for its residential, prepaid, month-by-month local service should be subject to revocation, alteration, or the imposition of additional conditions such as pricing restrictions in the event the Commission subsequently determines the service is operating improperly or is not in the public interest; (v) any subsequent increase in the rate for dPi's prepaid, month-by-month local service shall be subject to 30 days notice to the Commission, and notice to customers provided through billing inserts or publication for two consecutive weeks as display advertising in newspapers having general circulation in the areas served by the Applicant; and (vi) if at any time dPi initiates a requirement of customer deposits, any deposits collected by the Applicant shall be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary.

A hearing was held on July 29, 1999. The Applicant filed proof of publication and proof of service as required by the May 18, 1999, scheduling order. At the hearing, the application, with accompanying exhibits, and the Staff Report were entered into the record without objection.

Having considered the application and the Staff Report, the Commission finds that such application, as well as the requested waivers, should be granted. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) dPi Teleconnect, L.L.C. is hereby granted a certificate of public convenience and necessity, No. T-454, to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, § 56-265.4:4 of the Code of Virginia, the provisions of this Order, and the conditions set forth in the Staff Report.

(2) dPi shall file tariffs with the Division of Communications that conform with all applicable Commission rules and regulations from which the Applicant has not been granted a waiver.

(3) This case shall remain open to evaluate dPi's residential prepaid, month-by-month local exchange service.

CASE NO. PUC990048
JUNE 21, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
CAVALIER TELEPHONE, L.L.C.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On March 22, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA") and Cavalier Telephone, L.L.C. ("Cavalier") filed an interconnection agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, Cavalier and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by April 13, 1999, and none were received.

We find that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and Cavalier. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Cavalier is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC990051
JULY 29, 1999

APPLICATION OF
CONCERT COMMUNICATIONS SALES OF VIRGINIA LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On March 29, 1999, Concert Communications Sales of Virginia LLC ("CCS" or "the Company") filed an application for certificates of public convenience and necessity ("certificate") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. The Company also requested authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated May 4, 1999, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to CCS's application. On June 29, 1999, the Staff filed its report finding that CCS's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service, as codified in 20 VAC 5-400-180 and the Rules Governing the Certification of Interexchange Carriers, as codified in 20 VAC 5-400-60.

Based upon its review of CCS's application and the audited financial statements of CCS's ultimate parent, British Telecommunications plc ("BT"), the Staff determined it would be appropriate to grant an interexchange certificate and a local exchange certificate to CCS.

A hearing was conducted on July 13, 1999. CCS filed proof of publication and proof of service as required by the May 4, 1999, scheduling order. At the hearing, the application and accompanying attachments, and the Staff Report were entered into the record without objection.

Having considered the application and the Staff Report, the Commission finds that CCS should be granted certificates to provide local exchange and interexchange telecommunications services. Having considered § 56-481.1, the Commission further finds that CCS may price its interexchange services competitively. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Concert Communications Sales of Virginia LLC is hereby granted a certificate of public convenience and necessity, No. TT-72A, to provide interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) Concert Communications Sales of Virginia LLC is hereby granted a certificate of public convenience and necessity, No. T-452, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Offering of Competitive Local Exchange Telephone Service, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) CCS shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) Pursuant to § 56-481.1 of the Code of Virginia, CCS may price its interexchange services competitively.

(5) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.

CASE NO. PUC990052
JUNE 22, 1999

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For approval of an interconnection agreement with PageNet, Inc. under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On April 2, 1999, Central Telephone Company of Virginia ("Central") filed an interconnection agreement ("Agreement") with PageNet, Inc. ("PageNet") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, Central, PageNet, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for Central indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before April 23, 1999, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on Central and PageNet. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by Central and PageNet hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC990053
JUNE 22, 1999

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

For approval of an interconnection agreement with PageNet, Inc. under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On April 2, 1999, United Telephone-Southeast, Inc. ("United") filed an interconnection agreement ("Agreement") with PageNet, Inc. ("PageNet") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, United, PageNet, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for United indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before April 23, 1999, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on United and PageNet. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by United and PageNet hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC990054
JULY 2, 1999

APPLICATION OF
GTE SOUTH INCORPORATED
and
AX TELECOMMUNICATIONS, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On April 7, 1999, GTE South Incorporated ("GTE") and AX Telecommunications, Inc. ("AX") filed an interconnection agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. This Agreement establishes the terms, conditions, and prices for the purchase by AX of certain resale services from GTE.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.2.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, GTE, AX, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for GTE indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before April 28, 1999, and none were received.

We find that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. The Agreement is binding only on GTE and AX and should not be viewed as precedent for other agreements. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE and AX is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC990056
JUNE 2, 1999

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA
and
dPI-TELECONNECT, L.L.C.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On April 8, 1999, Central Telephone Company of Virginia ("Centel") and dPI-Teleconnect, L.L.C. ("dPI") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. This Agreement was described as a resale agreement.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, Centel, dPI, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for Centel indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before April 29, 1999, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on Centel and dPI. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by Centel and dPI hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC990057
JUNE 25, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
SPRINT COMMUNICATIONS COMPANY, L.P.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On April 9, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA") and Sprint Communications Company, L.P. ("Sprint") filed an interconnection agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. This Agreement was described as a resale agreement.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, Sprint and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by April 30, 1999, and none were received.

We have one area of concern with the Agreement. Section 30.2 under the heading of "Responsibility for Charges" appears to obligate Sprint to pay for services provided by parties other than BA-VA regardless of whether Sprint is paid for those charges by its customers. This Agreement between Sprint and BA-VA does not affect the rights of end users to dispute such charges and does not excuse either company from complying with the Commission's billing and collection rules. Notwithstanding this concern, we find that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and Sprint. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Sprint is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC990058
JUNE 25, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
UNIDIAL COMMUNICATIONS, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On April 9, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA") and UniDial Communications, Inc. ("UniDial") filed an interconnection agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. This Agreement was described as a resale agreement.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, UniDial and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by April 30, 1999, and none were received.

We have one area of concern with the Agreement. Section 30.2 under the heading of "Responsibility for Charges" appears to obligate UniDial to pay for services provided by parties other than BA-VA regardless of whether UniDial is paid for those charges by its customers. This Agreement between UniDial and BA-VA does not affect the rights of end users to dispute such charges and does not excuse either company from complying with the Commission's billing and collection rules. Notwithstanding this concern, we find that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and UniDial. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and UniDial is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC990058
SEPTEMBER 28, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
UNIDIAL COMMUNICATIONS, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AMENDMENT

On April 9, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA"), and UniDial Communications, Inc. ("UniDial"), filed an interconnection agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. The Commission approved this Agreement on June 25, 1999.

On June 30, 1999, BA-VA and UniDial filed a Joint Application in the above-captioned case requesting the Commission's approval of an Amendment to their Agreement ("Amendment"), pursuant to § 252(e) of the Act.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated Amendment, BA-VA, UniDial and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by July 21, 1999, and none were received.

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the Amendment submitted by BA-VA and UniDial Communications, Inc., is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Amendment shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC990059
AUGUST 6, 1999

APPLICATION OF
VIRGINIA NETWORK INCORPORATED

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On May 21, 1999, Virginia Network Incorporated ("VNI" or "the Company") completed an application for certificates of public convenience and necessity ("certificate") to provide local exchange and interexchange telecommunications services in twenty-seven counties (and the cities and towns contained therein) of the Commonwealth of Virginia.[1] The Company also requested authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated May 18, 1999, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to VNI's application. On July 19, 1999, the Staff filed its report finding that VNI's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service, as codified in 20 VAC 5-400-180 and the Rules Governing the Certification of Interexchange Carriers, as codified in 20 VAC 5-400-60.

Based upon its review of VNI's application and the unaudited financial statements of its parent corporation, SmythNet, the Staff determined it would be appropriate to grant an interexchange certificate and a local exchange certificate to VNI, subject to the following conditions:

(1) Any customer deposits collected by the Company be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary.

[1] The application requests certificates to serve the Counties of Craig, Botetourt, Bedford, Campbell, Halifax, Pittsylvania, Henry, Franklin, Roanoke, Montgomery, Giles, Pulaski, Floyd, Patrick, Carroll, Grayson, Wythe, Bland, Tazewell, Buchanan, Dickenson, Wise, Lee, Scott, Russell, Washington, and Smyth.

(2) The Company shall provide audited financial statements to the Division of Economics and Finance, no later than one (1) year from the effective date of its initial tariff.

A hearing was conducted on July 29, 1999. VNI filed proof of publication and proof of service as required by the May 18, 1999, scheduling order. At the hearing, the application and accompanying attachments and the Staff Report were entered into the record without objection and the Company agreed to the Staff recommendations.

Having considered the application and the Staff Report, the Commission finds that VNI should be granted certificates to provide local exchange and interexchange telecommunications services subject to the Company's compliance with Staff's recommendations. Having considered § 56-481.1, the Commission further finds that VNI may price its interexchange services competitively. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Virginia Network Incorporated is hereby granted a certificate of public convenience and necessity, No. TT-74A, to provide interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) Virginia Network Incorporated is hereby granted a certificate of public convenience and necessity, No. T-455, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Offering of Competitive Local Exchange Telephone Service, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) VNI shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) Pursuant to § 56-481.1 of the Code of Virginia, VNI may price its interexchange services competitively.

(5) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.

CASE NO. PUC990060
OCTOBER 18, 1999

APPLICATION OF
NOW COMMUNICATIONS OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On July 30, 1999, NOW Communications of Virginia, Inc. ("NOW" or "Applicant") completed an application for a certificate of public convenience and necessity ("certificate") and requested authority to provide local exchange telecommunications services throughout the Commonwealth of Virginia. Additionally, on July 30, 1999, NOW filed a request for waiver of certain requirements of the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules"), 20 VAC 5-400-180, in order to offer prepaid local exchange service in Virginia.

NOW states that it is a non-facilities based reseller that proposes to offer residential customers prepaid, month-by-month local exchange service, which blocks access to toll services, operator assistance services (including collect, third-party billed, and person-to-person calls), and directory assistance. NOW proposes to provide unlimited local calling and 1-8XX toll free dialing, without the imposition of credit checks or deposit requirements.

In order to provide this residential prepaid, month-by-month local exchange service, NOW requested waivers of subsection C 5 and certain provisions of subsection C 1 of the Local Rules. These subsections require that a new entrant, either directly or through arrangements with others, provide the following telecommunications services: directory assistance (subsection C 1 d); access to operator services (subsection C 1 e); equal access to interLATA long distance carriers (subsection C 1 f); and access to intraLATA services (subsection C 5) to all local exchange customers. The Applicant further requested a waiver from the requirement of limiting the proposed rate for local exchange services provided by the new entrant not to exceed the highest of the comparable tariffed services provided by the incumbent local exchange telephone company or companies in the same local serving areas (subsection D 3).

By Order dated August 9, 1999, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to NOW's application.

On October 1, 1999, the Staff filed its report. The Staff found that the application is in compliance with the certification requirements of the Local Rules. Furthermore, the Staff recommended that the Commission approve NOW's application and grant a certificate. In addition, the Staff did not object to NOW's request for waivers from specific Local Rules for its residential prepaid, month-by-month local exchange service, subject to the following conditions: (i) regarding the Applicant's prepaid, month-by-month local exchange service, the Company shall not be allowed to collect customer deposits under any circumstances; (ii) regarding the Applicant's prepaid, month-by-month local exchange service offering, the Applicant shall provide full disclosure to consumers about the services and features the Applicant will and will not furnish to subscribers of its alternative prepaid, month-by-month local exchange service; sales brochures and other marketing and advertising materials must prominently disclose that service is restricted to residential end users and customers will have no access to directory assistance, operator services, long distance, collect and third-party calls, or any other pay-for-usage services; (iii) any waivers granted to the Applicant in this case for its residential prepaid, month-by-month local exchange service described in the Company's filing are limited solely to that service offering; (iv) any waivers granted to the Applicant for its residential prepaid, month-by-month local service should be subject to revocation, alteration, or the imposition of additional conditions such as pricing restrictions in the event the Commission subsequently determines

the service is operating improperly or is not in the public interest; and (v) any subsequent increase in the rate for the Applicant's prepaid, month-by-month local service shall be subject to thirty (30) days' notice to the Commission, and notice to customers provided through billing inserts or publication for two (2) consecutive weeks as display advertising in newspapers having general circulation in the areas served by the Applicant.

A hearing was held on October 13, 1999. NOW filed a proof of publication and proof of service as required by the August 9, 1999, Scheduling Order. At the hearing, the application, with accompanying exhibits, the Applicant's prefiled direct testimony, and the Staff Report were entered into the record without objection.

Having considered the application, the Applicant's direct testimony, and the Staff Report, the Commission finds that such application, as well as the requested waivers, should be granted. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) NOW Communications of Virginia, Inc. is hereby granted a certificate of public convenience and necessity, No. T-466, to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, § 56-265.4:4 of the Code of Virginia, the provisions of this Order, and the conditions set forth in the Staff Report.

(2) NOW shall file tariffs with the Division of Communications that conform to all applicable Commission rules and regulations from which the Company has not been granted a waiver.

(3) This case shall remain open to evaluate NOW's residential prepaid, month-by-month local exchange service.

CASE NO. PUC990061
JULY 14, 1999

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.
and
dPi-TELECONNECT, L.L.C.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On April 16, 1999, United Telephone-Southeast, Inc., ("United") and dPi-Teleconnect, L.L.C., ("dPi") filed an interconnection agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, United, dPi, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for United indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before May 7, 1999, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on United and dPi. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by United and dPi hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC990062
JULY 2, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
FIRST REGIONAL TELECOM, LLC

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On April 16, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA") and First Regional Telecom, LLC ("First Regional") filed an interconnection agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, First Regional, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by May 7, 1999, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and First Regional. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and First Regional is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC990063
OCTOBER 14, 1999

APPLICATION OF
U S WEST !NTERPRISE AMERICA OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On June 2, 1999, U S WEST !nterprise America of Virginia, Inc. ("!nterprise" or "Applicant"), completed an application for certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia.

By Order dated July 2, 1999, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to !nterprise's application.

On September 14, 1999, Staff filed its report finding that !nterprise's application was in compliance with the Commission's Rules Governing the Offering of Competitive Local Exchange Telephone Service, 20 VAC 5-400-180 ("Local Rules") and the Commission's Rules Governing the Certification of Interexchange Carriers, 20 VAC 5-400-60 ("IXC Rules"). The Staff reported that !nterprise will not offer switched local exchange services but rather private line, high-capacity fiber optic transmission services. !nterprise has agreed to meet all applicable conditions for certification identified in § C of the Local Rules. Additionally, Staff recommends that at such time as voice services are initiated by the Applicant, !nterprise shall provide/comply with all remaining requirements of § C (Conditions for Certification) of the Local Rules.

A hearing was conducted on September 28, 1999. !nterprise provided proof of service and proof of publication of newspaper notice, as directed by the Commission's July 2, 1999, Order. At the hearing, the proof of service, proof of notice, the application and accompanying attachments, and the Staff's Report were entered into the record without objection. Applicant agreed to the recommendation of the Staff report.

Having considered the application and the Staff Report, the Commission finds that !nterprise's application should be granted. We also find that !nterprise should comply with the above recommendation of Staff. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) U S WEST !nterprise America of Virginia, Inc. hereby is granted a certificate of public convenience and necessity, No. TT-79A, to provide interexchange telecommunications services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) U S WEST !nterprise America of Virginia, Inc. is granted a certificate of public convenience and necessity, No. T-464, to provide local exchange telecommunications services subject to the restrictions set forth in the Commission's Rules Governing the Offering of Competitive Local Exchange Telephone Service, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) !nterprise shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) At such time as !nterprise initiates voice services, !nterprise shall provide/comply with all requirements of § C of the Local Rules.

(5) Since there is nothing further to come before the Commission, this case shall be dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUC990074
APRIL 23, 1999

APPLICATION OF
ATLANTIC TELECOM, INC.

To cancel certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

ORDER CANCELING CERTIFICATES

By Commission order dated May 1, 1997, in Case No. PUC970004, Atlantic Telecom, Inc.("Atlantic Telecom"), was authorized to provide local exchange telecommunications services pursuant to Certificate No. T-378 and to provide interexchange telecommunications services pursuant to Certificate No. TT-35A.

On February 5, 1999, Atlantic Telecom and PICUS Communications, LLC ("PICUS") (collectively, "the Companies") filed an application requesting authority to transfer the operating assets of Atlantic Telecom to PICUS. By order dated April 6, 1999, in Case No. PUA990005, the Commission granted the Companies the requested authority.

On February 5, 1999, PICUS filed an application requesting certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. That case was docketed as Case No. PUC990026.

In a Staff Report filed on April 2, 1999, in that case, the Staff recommended that, upon the issuance of an order granting approval in Case No. PUA990005 and the issuance of an order granting the requested authority in Case No. PUC990026[1], the certificates issued to Atlantic Telecom be canceled.

Subsequently, pursuant to a letter and affidavit filed on April 16, 1999, in Case No. PUC990026, John R. Burrows, the President of Atlantic Telecom, stated that Atlantic Telecom desires to relinquish the certificates granted to it in Case No. PUC970004.

NOW THE COMMISSION, having considered the above referenced matter, is of the opinion that Atlantic Telecom's certificates should be canceled. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Certificate of public convenience and necessity, No. T-378, granted to Atlantic Telecom, Inc. to provide local telecommunications services is hereby canceled.

(2) Certificate of public convenience and necessity No. TT-35A, granted to Atlantic Telecom, Inc. to provide interexchange telecommunications services is hereby canceled.

(3) There being nothing further to be done in this matter, this case shall be dismissed and the papers placed in the file for ended causes.

[1] An order granting PICUS certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services was issued on April 23, 1999, in Case No. PUC990026.

CASE NO. PUC990075
JULY 2, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
DSL NET COMMUNICATIONS VA, INC., d/b/a DSL.NET

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On April 21, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA") and DSL Net Communications VA, Inc., d/b/a DSL.NET ("DSL.NET") filed an interconnection agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, DSL.NET, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by May 12, 1999, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and DSL.NET. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and DSL.NET is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC990075
OCTOBER 12, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
DSL NET COMMUNICATIONS VA, INC., d/b/a DSL.NET

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AMENDMENT

On April 21, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA"), and DSL Net Communications VA, Inc., d/b/a DSL.NET ("DSL.NET"), filed an interconnection agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. The Commission approved this Agreement on July 2, 1999.

On September 3, 1999, BA-VA and DSL.NET filed a Joint Application in the above-captioned case requesting the Commission's approval of an Amendment to their Agreement ("Amendment"), pursuant to § 252(e) of the Act.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5 B and § 56-265.4:4 C 1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated Amendment, BA-VA, DSL.NET and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by September 24, 1999, and none were received. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the Amendment submitted by BA-VA and DSL.NET is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Amendment shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC990076
JULY 6, 1999

APPLICATION OF
GTE SOUTH INCORPORATED
and
SPRINTCOM, INC., d/b/a SPRINT PCS

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On April 26, 1999, GTE South Incorporated ("GTE") and SprintCom, Inc., d/b/a Sprint PCS ("Sprint PCS"), filed an interconnection agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, GTE, Sprint PCS, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for GTE indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before May 17, 1999, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on GTE and Sprint PCS. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE and Sprint PCS hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC990077
MAY 5, 1999

APPLICATION OF
NTEL COMMUNICATIONS, LLC

To cancel existing certificate and issue certificate reflecting new name

FINAL ORDER

On February 12, 1999, Ntel Communications, L.L.C.("Ntel") and the Net2000 Companies (collectively referred to as "Applicants") filed an application, pursuant to the Utility Transfers Act, requesting authority *nunc pro tunc* for transfer of control of Ntel from its current owner to Net2000 Communications, Inc.("Net2000 Communications"), effective November 1, 1998. Applicants also requested authority for Ntel to change its name to Net2000 Communications of Virginia, L.L.C.

An order approving the above referenced transfer was issued by the Commission on May 4, 1999. In that Order, the Commission noted the certificate of merger issued on November 2, 1998, in the name of the surviving entity. The Commission found that the certificate of public convenience and necessity issued to Ntel (Certificate No. T-405) in Case No. PUC970179 should be canceled and a new certificate issued reflecting that entity's new name. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Certificate of Public Convenience and Necessity No. T-405 is hereby canceled.

(2) Certificate No. T-405a is hereby issued to Net2000 of Virginia, L.L.C., formerly known as Ntel Communications, L.L.C.

(3) There being nothing further to be done in this matter, it is hereby dismissed and the papers placed in the file for ended causes.

CASE NO. PUC990078
AUGUST 13, 1999

APPLICATION OF
VPS COMMUNICATIONS, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On April 29, 1999, VPS Communications, Inc. ("VPSC" or "the Company"), filed an application for a certificate of public convenience and necessity ("certificate") to provide local exchange telecommunications services throughout the Commonwealth of Virginia. By Order dated May 18, 1999, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to such application.

On July 7, 1999, Cavalier Telephone, LLC ("Cavalier"), filed its written comments in opposition to the application. Cavalier opposes granting a certificate to VPSC as being contrary to the public interest. Cavalier bases its opposition primarily upon its complaint against the corporate parent of VPSC, Virginia Electric and Power Company ("Virginia Power"), regarding the terms and conditions upon which attachments may be made to Virginia Power's poles by Cavalier and other competitive local exchange carriers ("CLECs") and the potential for discriminatory preference being given to Virginia Power's subsidiary, VPSC.

On July 22, 1999, Staff filed its report finding that VPSC's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service, as codified in 20 VAC 5-400-180. The Staff recommended granting a local exchange certificate to VPSC, subject to certain conditions discussed below.

A hearing was conducted on July 13, 1999. VPSC filed proof of publication and proof of service as required by the May 18, 1999, Order. At the hearing, the application, the Company's exhibits, and the Staff Report were entered into the record without objection. While no testimony was adduced at hearing, counsel for VPSC and the Staff responded to questions from the Commissioners concerning a pole attachment agreement executed between VPSC and Virginia Power in July of 1998.

The Staff Report addressed Cavalier's comments concerning the possibility that VPSC's entry into the local exchange market might disadvantage other CLECs. The Staff Report recognized that the affiliate transaction involving the pole attachment agreement could disadvantage other CLECs, in violation of § 56-265.4:4.C.1(ii) of the Code of Virginia. It is Staff's view that any concerns about preferential treatment to VPSC may be considered in the context of a filing of the pole attachment agreement under the Public Utilities Affiliates Act. The Staff has, therefore, recommended that any pole attachment agreement(s) between Virginia Power and VPSC should be filed for approval, pursuant to Chapter 4 of Title 56 of the Code of Virginia. VPSC has agreed to this recommendation, indicating that Virginia Power will make its filing by September 17, 1999.[1]

The Commission accepts the recommendation of Staff that VPSC's application should be approved, subject to the requirement that any and all pole attachment agreements between Virginia Power and VPSC must be filed pursuant to Chapter 4 of Title 56 of the Code of Virginia in a separately docketed case for this Commission's review and/or approval. The Commission reserves judgment until the separately docketed proceeding on whether the subject pole attachment agreement has been filed in compliance with Chapter 4 of Title 56 of the Code of Virginia and whether there are any violations of the Public Utilities Affiliates Act occasioned by the pole attachment agreement.

The Commission also accepts Staff's second condition for approval, agreed to by VPSC, that VPSC be required to file its own annual financial statements with the Commission's Division of Economics and Finance.

Based upon the record of the hearing, it appears that under the executed pole attachment agreement between VPSC and Virginia Power, VPSC has obtained pole attachments for its facilities as a certificated interexchange carrier ("IXC").[2] Irrespective of VPSC's IXC certification, we are concerned that the pole attachment agreement between VPSC and Virginia Power must be approved by this Commission before it becomes effective, pursuant to § 56-77 of the Code of Virginia. Therefore, this Commission must determine whether such prior approval was effectively given in Case No. PUC960136, Order of August 8, 1997, as urged by VPSC, and if not, whether such affiliate contract should now be approved.

Therefore, the Commission concludes that VPSC should not act under or otherwise participate in or receive any benefits from the pole attachment agreement with Virginia Power until the Commission either determines that said executed pole attachment agreement does not require further approval, pursuant to the Order of August 8, 1997, in Case No. PUC960136, or makes a determination in a separate docketed proceeding that this affiliate contract should be approved.

---

[1] VPSC reserves the right to argue that the Commission's approval is no longer required, under the Order of August 8, 1997, in Case No. PUC960136.

[2] VPSC was granted interexchange authority in Case No. PUC960136 (Certificate No. TT-38A). In that consolidated case, the Commission also approved Virginia Power's Affiliate Services Agreement and Fiber Lease Agreement with VPSC pursuant to Chapter 4 of Title 56 of the Code of Virginia.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) VPS Communications, Inc., is hereby granted a certificate of public convenience and necessity, No. T-457, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Offering of Competitive Local Exchange Telephone Service, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) VPS shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(3) VPS is prohibited from acting under or participating in or receiving benefits from the pole attachment agreement with its parent, Virginia Power, until further order of the Commission, as described above.

(4) There being nothing further to come before the Commission, this case shall be dismissed and the papers placed in the file for ended causes.

CASE NO. PUC990078
AUGUST 19, 1999

APPLICATION OF
VPS COMMUNICATIONS, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

ORDER

On August 13, 1999, the Commission issued a Final Order in the above-captioned case and on August 17, 1999, VPS Communications, Inc. ("VPSC") filed its Petition For Rehearing and Suspension ("Petition"). The Petition requests that reconsideration and suspension of the operation of ordering paragraph (3), p. 5 of the Final Order be granted. In the alternative, VPSC seeks the Commission's immediate interim approval of the provision by Virginia Electric and Power Company ("Virginia Power") of pole attachment services to VPSC for interexchange telecommunications traffic (pursuant to the July 1, 1998, pole attachment agreement between Virginia Power and VPSC), pending the outcome of the proceeding to be conducted pursuant to the Affiliates Act, Chapter 4 of Title 56 of the Code of Virginia.

The law in Virginia is clear with respect to agreements between public service companies, such as Virginia Power, and their affiliates. According to the law, no agreement or arrangement for, among other things, providing certain services and exchanges and leases of any property right or thing "shall be valid or effective unless and until it shall have been filed with and approved by the Commission." (§ 56-77 A of the Code of Virginia.)

The position of VPSC is that the subject pole attachment agreement has already been approved, through the Commission's approval of the Affiliate Services Agreement in Case No. PUC960136, order issued August 8, 1997. However, VPSC has agreed, as a condition to their grant of CLEC authority, that the subject pole attachment agreement will be filed in a separately docketed proceeding, pursuant to the Affiliates Act, while reserving its right to maintain that separate approval in that proceeding is not required.

We now clarify and amend the Final Order so that ordering paragraph (3) therein applies only to the CLEC operations of VPSC.

In clarifying and amending the Final Order, we are not granting an exemption under § 56-77 B of the Code of Virginia, nor are we granting interim approval of the July 1, 1998, pole attachment agreement.[1] If, upon consideration of the subject pole attachment agreement, we determine that the agreement was required to be filed for our approval and was not, the Commission may find that there are violation(s) of the Public Utility Affiliates Act.

Accordingly, IT IS ORDERED THAT ordering paragraph (3) of the Final Order issued in this case on August 13, 1999, shall only apply to VPSC's operations as a CLEC.

[1] The Commission cannot grant the requested interim approval of an agreement that was neither attached to the Petition nor otherwise presented for our consideration.

CASE NO. PUC990079
SEPTEMBER 22, 1999

APPLICATION OF
NCN VIRGINIA CORP.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On April 30, 1999, NCN Virginia Corp. ("NCN" or "Company") filed an application for certificates of public convenience and necessity ("certificate") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. As part of its application, NCN requested a waiver of the requirement that audited financial statements be filed with the application. The Company also requested authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated May 19, 1999, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to NCN's application.

On August 10, 1999, Staff filed its Report finding that NCN's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service, as codified in 20 VAC 5-400-180, and the Rules Governing the Certification of Interexchange Carriers, as codified in 20 VAC 5-400-60, except that NCN did not provide audited financial statements. Accordingly, Staff recommended granting a local exchange certificate and an interexchange certificate to NCN conditioned on the Company establishing an unaffiliated, third-party, escrow account for any customer deposits, and that NCN provide audited financial statements of NCN's parent, NewComm Net, Inc., to Staff no later than one (1) year from the effective date of NCN's initial tariff in Virginia.

A hearing was conducted on September 7, 1999, at which time NCN filed all proofs of publication and proof of service as required by the May 19, 1999, scheduling order. At the hearing, the application and accompanying attachments, and the Staff Report were entered into the record without objection.

Having considered the application and the Staff Report, the Commission finds that NCN should be granted certificates to provide local exchange and interexchange telecommunications services subject to the conditions that any customer deposits collected by the Company shall be retained in an unaffiliated, third-party, escrow account until such time as the Staff or Commission determines it is no longer necessary, and that NCN provide audited financial statements of NCN's parent, NewComm Net, Inc., to Staff no later than one (1) year from the effective date of NCN's initial tariff.

Having considered § 56-481.1, the Commission further finds that NCN may price its interexchange services competitively.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) NCN Virginia Corp. is hereby granted a certificate of public convenience and necessity, No. T-458, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Offering of Competitive Local Exchange Service, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) NCN Virginia Corp. is hereby granted a certificate of public convenience and necessity, No. TT-76A, to provide interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) NCN shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) No later than one (1) year following the effective date of its initial tariff, NCN shall provide to the Division of Economics and Finance audited financial statements of NewComm Net, Inc., for the most recent annual period.

(5) Should NCN collect customer deposits, it shall establish and maintain an escrow account, held by an unaffiliated third party to hold such funds, and shall notify the Commission Staff of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

(6) Pursuant to § 56-481.1 of the Code of Virginia, NCN may price its interexchange services competitively.

(7) There being nothing further to come before the Commission, this case shall be dismissed and the papers placed in the file for ended causes.

CASE NO. PUC990082
JULY 6, 1999

JOINT APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA
and
UNITED TELEPHONE-SOUTHEAST, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On May 4, 1999, Central Telephone Company of Virginia ("Centel") and United Telephone-Southeast, Inc., ("United") jointly filed an interconnection agreement ("Agreement") with Triton PCS Operating Company, L.L.C., ("Triton") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, Centel, United, Triton, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for Centel and United indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before May 25, 1999, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on Centel, United, and Triton. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by Centel and United with Triton hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC990084
JULY 16, 1999

APPLICATION OF
IXC COMMUNICATIONS SERVICES OF VIRGINIA, INC.

For certificate of public convenience and necessity to provide interexchange telecommunications services

FINAL ORDER

On May 5, 1999, IXC Communications Services of Virginia, Inc. ("IXC" or "the Company") filed an application for a certificate of public convenience and necessity ("certificate") to provide interexchange telecommunications services throughout the Commonwealth of Virginia. As part of its application, IXC requested authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated May 27, 1999, the Commission directed the Company to provide notice to the public of its application, which invited interested persons to file comments and request a hearing, and directed the Commission Staff to conduct an investigation and, if necessary, file a report. IXC filed its proof of publication and notice on June 22, 1999, and no comments or requests for hearing were received. On July 2, 1999, the Staff filed a report finding that IXC's application was in compliance with the Commission's Rules Governing the Certification of Interexchange Carriers.[1]

Based upon its review of IXC's application and the Company's responses to Staff data requests, the Staff determined it would be appropriate to grant an interexchange certificate to IXC.

NOW THE COMMISSION, having considered IXC's application and the Staff report, is of the opinion and finds that IXC should be granted a certificate to provide interexchange telecommunications services. Having considered § 56-481.1, the Commission further finds that IXC may price its interexchange services competitively. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) IXC Communications Services of Virginia, Inc. is hereby granted a certificate of public convenience and necessity, No. TT-70A, to provide interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) IXC shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(3) Pursuant to § 56-481.1 of the Code of Virginia, IXC may price its interexchange services competitively.

(4) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.

---

[1] 20 VAC 5-400-60.

CASE NO. PUC990088
JULY 29, 1999

APPLICATION OF
ADVANCED TELCOM GROUP OF VIRGINIA, INCORPORATED

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On May 25, 1999, Advanced TelCom Group of Virginia, Incorporated ("ATG" or "Company"), completed an application for certificates of public convenience and necessity ("certificate") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. The Company also requested authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated May 28, 1999, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to ATG's application.

On June 29, 1999, Staff filed its report finding that ATG's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service, as codified in 20 VAC 5-400-180, and the Rules Governing the Certification of Interexchange Carriers, as codified in 20 VAC 5-400-60. Accordingly, Staff recommended granting a local exchange certificate and an interexchange certificate to ATG conditioned on the Company establishing an unaffiliated, third-party, escrow account for any customer deposits.

A hearing was conducted on July 13, 1999, at which time ATG filed all proofs of publication and proof of service as required by the May 28, 1999, scheduling order. At the hearing, the application and accompanying attachments, and the Staff Report were entered into the record without objection.

Having considered the application, and the Staff Report, the Commission finds that ATG should be granted certificates to provide local exchange and interexchange telecommunications services subject to the condition that any customer deposits collected by the Company shall be retained in an unaffiliated, third-party, escrow account until such time as the Staff or Commission determines it is no longer necessary. Having considered § 56-481.1, the Commission further finds that ATG may price its interexchange services competitively.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) Advanced TelCom Group of Virginia, Incorporated, is hereby granted a certificate of public convenience and necessity, No. T-453, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Offering of Competitive Local Exchange Service, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) Advanced TelCom Group of Virginia, Incorporated, is hereby granted a certificate of public convenience and necessity, No. TT-73A, to provide interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) ATG shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) Should ATG collect customer deposits, it shall establish and maintain an escrow account, held by an unaffiliated third party to hold such funds, and shall notify the Commission Staff of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

(5) Pursuant to § 56-481.1 of the Code of Virginia, ATG may price its interexchange services competitively.

(6) There being nothing further to come before the Commission, this case shall be dismissed and the papers placed in the file for ended causes.

CASE NO. PUC990089
OCTOBER 5, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

For approval of tariff revisions to introduce CALL54 Service and Classify it as Competitive

ORDER CLASSIFYING CALL54 SERVICE AS A COMPETITIVE SERVICE

On May 7, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA"), filed revisions to its Competitive Services Tariff, SCC-Va. No. 206, to provide Call54 Service, a reverse directory search service. Call54 Service became effective June 7, 1999.

Pursuant to the Commission's Orders issued June 11, 1999, and August 4, 1999, an evidentiary hearing was convened on September 29, 1999, to consider BA-VA's proposed classification of Call54 as Competitive, as prescribed by ¶ 4.A of BA-VA's Plan for Alternative Regulation ("Plan"). Testimony and other evidence was presented by BA-VA and the Commission's Staff. One member of the public, a provider of information services that includes reverse search services, appeared and testified.

The Commission finds that BA-VA's Call54 Service is a Competitive Service within the meaning of ¶ 3.B.1 of its Plan.

While privacy is a legitimate concern, the information that will be disclosed by such service is currently publicly available from several sources. Moreover, with respect to Call54 Service, consumer privacy and safety should be addressed by the present opt out option which will remain available throughout the provision of this reverse search service. BA-VA is instructed to more prominently display the precise means by which any person may opt out of the Call54 Service database. These instructions shall be prominently displayed in all directories, as well as any promotional advertising and literature relating to the service.

Accordingly, IT IS ORDERED THAT:

(1) Call54 Service is classified as a Competitive Service, consistent with the findings above.

(2) Bell Atlantic-Virginia, Inc. shall prominently display the precise means by which any person may opt out of the Call54 Service database. These instructions shall be prominently displayed in all directories, as well as any promotional advertising and literature relating to the service.

(3) There being nothing further to come before the Commission, this case shall be dismissed and the papers placed in the file for ended causes.

CASE NO. PUC990090
JULY 9, 1999

APPLICATION OF
FIRST REGIONAL TELECOM, LLC

For a waiver of certain Rules for Local Exchange Competition

ORDER GRANTING WAIVERS

First Regional Telecom, LLC ("First Regional" or "the Company") holds a certificate of public convenience and necessity, No. T-404, authorizing it to provide local exchange telecommunications services in Virginia.[1] On May 13, 1999, First Regional filed an application for waiver of certain Commission Rules for Local Exchange Competition ("Local Rules").[2] The Company supplemented its application on May 17, 1999.

First Regional seeks to offer a prepaid, month-by-month, residential local exchange service option at rates that would exceed the comparable tariffed local exchange services provided by the incumbent local exchange carrier in the same local service territory. The prepaid service would provide unlimited monthly local calling, but would block all toll calls. First Regional therefore requests a waiver of the price ceiling requirement in Local Rule § D.3; the requirement in Local Rule § C.1.f for equal access to interLATA long distance carriers; and the intraLATA access requirements of Local Rule § C.5.

The Company states in its application that the service is targeted towards residential end-users whose telephone service has been disconnected for nonpayment of local charges, customers who have voluntarily left their underlying carriers, or those who have chosen this alternative type of service for "money management reasons." First Regional will not require deposits or credit checks with this proposed prepaid service.

Unlike other local exchange providers who offer a "less than basic" local exchange service offering to the same target market, First Regional will be providing access to directory assistance and access to operator services to its residential prepaid local exchange service customers. Thus, the Company does not seek a waiver of Local Rules §§ C.1.d and C.1.e. The Company intends on billing for its directory assistance and operator services on a post-paid monthly basis to its prepaid customers.

NOW THE COMMISSION, upon consideration of First Regional's application and the applicable Local Rules, finds that the Company's requested waivers should be granted, subject to certain conditions to safeguard the public interest. Under Local Rule § D.3.d, the Commission may permit rates of a new entrant's local exchange service(s) that do not conform with the price ceiling established in Local Rule § D.3.c, unless there is a showing that the public interest will be harmed.

While the prepaid, month-by-month, residential local exchange service First Regional proposes to offer does not fully conform with the Local Rules, the Commission does not conclude at this time that it will harm the public interest. It may enable certain individuals, who are not otherwise eligible for traditional telephone service, to acquire some form of local telephone service.

In accordance with Local Rule § D.3.d, the Commission will allow First Regional to offer the proposed service without the price ceilings established by § D.3.c. In addition, we waive the following § C conditions for certification: § C.1.f, equal access to interLATA long distance carriers, and § C.5, access to intraLATA services.

First Regional may offer its residential prepaid local exchange service in Virginia only with these waivers and subject to the following conditions:

1. First Regional shall provide full disclosure to consumers about the features it will and will not furnish with its prepaid, month-by-month, local exchange service. Sales brochures and other marketing and advertising materials must prominently disclose that service is restricted to residential customers and that customers will have no access to interLATA and intraLATA long distance services.

2. The waivers granted herein are limited solely to the residential prepaid, month-by-month, local service described in First Regional's filing.

[1] Application of First Regional Telecom, LLC, Case No. PUC970178, Final Order (Feb. 17, 1998).

[2] 20 VAC 5-400-180.

3. To the extent the Company offers any other local exchange services, those services must be in full compliance with all Commission rules and regulations unless additional waivers are granted.

4. Any subsequent increase in the rate for First Regional's residential prepaid, month-by-month, local exchange service shall be subject to thirty (30) days' notice to the Commission and notice to customers provided through billing inserts or publication for two (2) successive weeks as display advertising in newspapers having general circulation in the areas served by the Company.

5. If any time First Regional initiates a requirement for customer deposits for its residential prepaid, month-by-month, local exchange service, any deposits collected by the Company shall be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary.

The waivers granted for First Regional's residential prepaid, month-by-month service are subject to revocation, alteration, or the imposition of additional conditions such as pricing restrictions in the event the Commission subsequently determines the service is operating improperly or is not in the public interest. Accordingly,

IT IS ORDERED THAT:

(1) Subject to the conditions set forth above, First Regional is granted waivers from the requirements of §§ C.1.f, C.5, and D.3 of the Local Rules in order to offer its residential prepaid, month-by-month local exchange service;

(2) First Regional shall provide disclosure to consumers as described above;

(3) First Regional is permitted to price its prepaid, month-by-month local exchange service without conforming to the price ceiling requirements of § D.3.c of the Local Rules;

(4) First Regional shall file tariffs with the Division of Communications that conform with all applicable Commission rules and regulations, as modified by the waivers granted herein;

(5) This case shall remain open to evaluate First Regional's residential prepaid, month-by-month, local exchange service.

CASE NO. PUC990091
AUGUST 10, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
NTEL COMMUNICATIONS, LLP

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On May 14, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA") and NTEL Communications, LLP ("NTEL") filed an interconnection agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, NTEL, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by June 5, 1999, and none were received.

We find that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and NTEL. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and NTEL is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC990092
MAY 25, 1999

APPLICATION OF
AMSC SUBSIDIARY CORPORATION OF VIRGINIA

To cancel existing certificate and issue certificate reflecting new name

FINAL ORDER

On April 8, 1999, AMSC Subsidiary Corporation of Virginia ("AMSC" or "the Company") requested authority to change its name from Access Point of Virginia, Inc. to AMSC Subsidiary Corporation of Virginia. The Company requests that the Commission reissue Certificate No. T-424 in the name of AMSC Subsidiary Corporation of Virginia.

The Commission is of the opinion and finds that the certificate of public convenience and necessity issued to Access Point of Virginia, Inc. in Case No. PUC980134 should be canceled and a new certificate issued reflecting that entity's new name. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Certificate of Public Convenience and Necessity No. T-424 hereby is cancelled.

(2) Certificate No. T-424a hereby is issued to AMSC Subsidiary Corporation of Virginia, formerly known as Access Point of Virginia, Inc.

(3) Since there is nothing further to be done in this matter, it is hereby dismissed and the papers placed in the file for ended causes.

CASE NO. PUC990095
OCTOBER 12, 1999

APPLICATION OF
2ND CENTURY COMMUNICATIONS OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On June 4, 1999, 2nd Century Communications of Virginia, Inc. ("2nd Century-VA" or "Applicant"), completed an application for a certificate of public convenience and necessity to provide local exchange telecommunications services throughout the Commonwealth of Virginia. By Order dated July 26, 1999, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to 2nd Century-VA's application.

On September 21, 1999, Staff filed its report finding that 2nd Century-VA's application was in compliance with 20 VAC 5-400-180, the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules"). The Staff recommended granting a local exchange certificate to 2nd Century-VA subject to the condition that any customer deposits collected by the Company be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary.

A hearing was conducted on September 28, 1999. 2nd Century-VA provided proof of service and proof of publication of newspaper notice as directed by the Commission's July 26, 1999, Order. At the hearing, the proof of service, proof of notice, the application and accompanying attachments, and the Staff's Report were entered into the record without objection.

NOW, having considered the application and the Staff's Report, the Commission is of the opinion and finds that 2nd Century-VA should be granted a certificate to provide local exchange telecommunications services subject to Applicant's compliance with Staff's recommendation. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) 2nd Century Communications of Virginia, Inc., hereby is granted a certificate of public convenience and necessity, No. T-463, to provide local exchange telecommunications services throughout the Commonwealth of Virginia. This certificate is granted subject to the restrictions set forth in the Local Rules, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) 2nd Century Communications of Virginia, Inc., shall provide tariffs to the Division of Communications that conform with all applicable Commission rules and regulations.

(3) Should 2nd Century-VA collect customer deposits, it shall establish and maintain an escrow account, held by an unaffiliated third party, for such funds and shall notify the Commission Staff of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained for such time as the Staff or the Commission determines necessary.

(4) Since there is nothing further to come before the Commission, this case shall be and hereby is dismissed.

CASE NO. PUC990096
JULY 16, 1999

JOINT APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
VITTS NETWORKS, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On May 25, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA"), and VITTS Networks, Inc. ("VITTS"), jointly filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, VITTS, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before June 15, 1999, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and VITTS. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and VITTS hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC990097
JULY 28, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
CCCVA, INC. d/b/a Connect!

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On May 25, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA") and CCCVA, Inc. d/b/a Connect! ("Connect!") jointly filed an interconnection agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, Connect! and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by June 15, 1999, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and Connect!. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Connect! is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC990098
OCTOBER 19, 1999

APPLICATION OF
AFFINITY NETWORK INCORPORATED

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On May 26, 1999, Affinity Network Incorporated ("ANI" or "Company") filed an application for a certificate of public convenience and necessity ("certificate") to provide local exchange telecommunications services throughout the Commonwealth of Virginia.

By Order dated July 28, 1999, the Commission directed the Company to provide notice to the public of its application, directed the Commission staff ("Staff") to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to ANI's application.

On September 29, 1999, Staff filed its Report finding that ANI's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service, as codified in 20 VAC 5-400-180. Accordingly, Staff recommended granting a local exchange certificate to ANI conditioned on the Company establishing an unaffiliated, third-party, escrow account for any customer deposits, such account to be maintained until such time as the Staff or Commission determines that it is no longer necessary.

A hearing was conducted on October 13, 1999, at which time ANI filed all proofs of publication and proof of service as required by the July 28, 1999, Scheduling Order. At the hearing, the application and accompanying attachments and the Staff Report were entered into the record without objection.

Having considered the application and the Staff Report, the Commission finds that ANI should be granted a certificate to provide local exchange telecommunications services subject to the condition that any customer deposits collected by the Company shall be retained in an unaffiliated, third-party, escrow account until such time as the Staff or Commission determines that such third-party escrow account is no longer necessary.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) Affinity Network Incorporated is hereby granted a certificate of public convenience and necessity, No. T-465, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Offering of Competitive Local Exchange Service, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) ANI shall provide tariffs to the Division of Communications which conform to all applicable Commission rules and regulations.

(3) Should ANI collect customer deposits, it shall establish and maintain an escrow account, held by an unaffiliated third party to hold such funds, and shall notify the Commission Staff of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

(4) There being nothing further to come before the Commission, this case shall be dismissed and the papers placed in the file for ended causes.

CASE NO. PUC990099
SEPTEMBER 22, 1999

APPLICATION OF
P. V. TEL OF VIRGINIA, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On May 28, 1999, P.V. Tel of Virginia, LLC ("P.V. Tel" or "Applicant"), filed an application for certificates of public convenience and necessity ("certificate") requesting authority to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. P.V. Tel also requested waivers of certain requirements of the Commission's Rules for Local Exchange Telephone Competition ("Local Rules"), 20 VAC 5-400-180, to allow it to offer a prepaid local exchange service in addition to standard local exchange services. In addition, the Applicant requested authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

In addition to standard residential local exchange services, P.V. Tel proposes to offer a residential prepaid, month-by-month, local telephone service, which blocks access to toll services, operator services (including collect and third-party calls), and directory assistance. The proposed prepaid service provides unlimited local calling, access to 911 emergency services and 1-8xx toll free dialing, without the imposition of credit checks or deposit requirements.

In order to provide this residential, prepaid, month-by-month service, P.V. Tel requested waivers of § C 5 and certain provisions of § C 1 of the Local Rules requiring a new entrant, either directly or through arrangements with others, to provide access to directory assistance (§ C 1 d), access to operator services (§ C 1 f), equal access to intraLATA long distance carriers (§ C 1 e), and equal access to interLATA services (§ C 5) to all local exchange customers. The Applicant further requested a waiver of § D 3 of the Local Rules that limit the proposed rate for local exchange services provided by the new entrant not to exceed the highest of the comparable tariffed services provided by the incumbent local exchange telephone company or companies in the same local serving areas.

P.V. Tel also requested a waiver of § B 5 a of the Local Rules which require the Applicant to provide audited financial statements with its application.

By Order dated July 15, 1999, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to P.V. Tel's application.

On August 26, 1999, the Staff filed its report, finding that the application is in compliance with the Commission's certification requirements of the Local Rules and the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"), 20 VAC 5-400-60, except for the requirements from which P.V. Tel has sought waivers.

The Staff did not object to P.V. Tel's request for waivers from specific Local Rules subject to the following conditions: (i) the Applicant shall provide audited financial statements of its parent, P.V. Tel, Inc., to the Staff no later than one (1) year from the effective date of its initial tariff; (ii) P.V. Tel shall provide full disclosure to consumers about the services and features P.V. Tel will and will not furnish to subscribers of its alternative, prepaid, month-by-month local exchange service. Sales brochures and other marketing and advertising materials must prominently disclose that service is restricted to residential end users and that customers will have no access to directory assistance, operator services, long distance, collect and third-party calls, or any other pay-for-usage services; (iii) any waivers granted P.V. Tel in this case are limited solely to the residential, prepaid, month-by-month local service described in the Applicant's filing; (iv) any waivers granted to P.V. Tel for its residential, prepaid, month-by-month local service should be subject to revocation, alteration, or the imposition of additional conditions such as pricing restrictions in the event the Commission subsequently determines the service is operating improperly or is not in the public interest; (v) any subsequent increase in the rate for the residential, prepaid, month-by-month local service shall be subject to thirty (30) days' notice to the Commission, and notice to customers provided through billing inserts or publication for two (2) consecutive weeks as display advertising in newspapers having general circulation in the areas served by the Applicant; and (vi) if at any time P.V. Tel initiates a requirement of customer deposits, any deposits collected by the Applicant shall be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary.

A hearing was held on September 7, 1999. P.V. Tel had filed its proof of publication and proof of service on August 24, 1999. At the hearing, the application with accompanying exhibits and the Staff Report were entered into the record without objection, and the Applicant agreed to the recommendations of Staff.

Having considered the application and the Staff Report, the Commission finds that such application, as well as the requested waivers, should be granted. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) P.V. Tel of Virginia, LLC, is hereby granted a certificate of public convenience and necessity, No. T-459, to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, § 56-265.4:4 of the Code of Virginia, the provisions of this Order, and the conditions set forth in the Staff Report.

(2) P.V. Tel of Virginia, LLC, is hereby granted a certificate of public convenience and necessity, No. TT-77A, to provide interexchange services subject to the restrictions set forth in the IXC Rules, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) P.V. Tel shall file tariffs with the Division of Communications that conform with all applicable Commission rules and regulations from which the Applicant has not been granted a waiver.

(4) No later than one (1) year following the effective date of its initial tariff, P.V. Tel shall provide to the Division of Economics and Finance audited financial statements of its parent, P.V. Tel, Inc., for the most recent annual period.

(5) Should P.V. Tel collect customer deposits, it shall establish and maintain an escrow account, held by an unaffiliated third party, and shall notify the Commission Staff of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained until such time the Staff of the Commission determines it is no longer necessary.

(6) This case shall remain open to evaluate P.V. Tel's residential, prepaid, month-to-month local exchange service.

CASE NO. PUC990100
NOVEMBER 29, 1999

JOINT PETITION OF
BELL ATLANTIC CORPORATION
and
GTE CORPORATION

For approval of agreement and plan of merger

ORDER APPROVING PETITION

On October 2, 1998, Bell Atlantic Corporation ("Bell Atlantic") and GTE Corporation ("GTE") (collectively "Petitioners") filed a joint petition requesting approval, pursuant to § 56-88.1 of the Code of Virginia, of a transaction that would result in GTE becoming a wholly owned subsidiary of Bell Atlantic. Bell Atlantic and GTE are, respectively, the parent companies of Bell Atlantic-Virginia, Inc. ("BA-VA"), and GTE South Incorporated ("GTE South"), both of which provide local exchange and intraLATA toll service in Virginia. The case was docketed as Case No. PUA980031.

The Commission entered its Final Order disapproving the Petitioners' proposed merger in Case No. PUA980031 on March 31, 1999, following a hearing. In this first merger Order, we found that the Petitioners had not provided sufficient information to enable us to ". . . be satisfied that adequate service to the public at just and reasonable rates will not be impaired or jeopardized . . ." by granting the Petition.[1] We directed the Petitioners, upon our expectation that the Petition would be re-filed, to provide additional evidence or information in several important areas that we believed would be necessary for us to evaluate in order that we meet our statutory duty.

On May 28, 1999, Petitioners re-filed their Joint Petition, together with testimony and exhibits that were designed to address the shortcomings we found in their earlier filing. We entered a procedural Order on June 24, 1999, to establish the schedule for receipt of testimony and to set a hearing. Petitioners published appropriate notice of their application, as also directed in this Order. The case was heard by the Commission on October 25-26, 1999, and November 2-3, 1999.

During the several days of hearing, the parties, including the Petitioners, the Commission Staff, and Protestants -- MCI WorldCom, AT&T, and Sprint -- offered testimony of 28 witnesses and introduced 75 evidentiary exhibits to address whether the Petitioners had met their burden of proof and, if so, whether the Commission should impose conditions upon the merger in addition to those proposed by the Petitioners. Twelve public witnesses also appeared and offered testimony. The parties filed post-hearing briefs and reply briefs.

NOW THE COMMISSION, having considered the evidence of record, the pleadings filed herein, and the applicable statutes and rules, is of the opinion and finds that the Joint Petition should be approved, subject to the conditions established herein. The Commission has also determined that it will take certain additional actions as described below.

The record as developed by the parties and the Staff addresses numerous items of considerable importance. The Commission finds that several issues argued in this case can be more efficiently considered in a number of other pending dockets and do not require us to impose additional conditions upon the Petitioners here, except to the extent set out below.

As an initial matter, the Commission has concluded that the issue of the appropriate level of BA-VA's and GTE South's access charges should, and will, be considered in two pending dockets, Case Nos. PUC960021 and PUC990043. We will issue procedural orders in these cases, or in another docket we may establish, within the next few weeks. We expect also to receive evidence in these proceedings regarding the proposal to establish LATA-wide call termination rates.

We were urged herein to re-open the alternative regulatory plans of BA-VA and GTE South as a condition of approval of their proposed merger. We will not now take that step. However, we advise the Petitioners that it may well be necessary or appropriate to review those plans in light of the proposed merger at the conclusion of our examinations of their access charges, or perhaps in conjunction with these examinations.

Next, the Commission notes that GTE South is providing unbundled network elements and services under interim prices established in Case No. PUC970006, which remains pending. Upon appropriate request the Commission will consider establishing permanent prices for GTE South.

The Commission also notes that in Case No. PUC970146 it is considering revisions to its Rules Governing Service Standards for Local Exchange Telephone Companies. We will soon issue an order inviting further comments in that docket.

Regarding the issue of collocation, the Commission has established Case Nos. PUC960164 and PUC990101, and comments in these dockets will be filed on or before December 13, 1999.

Finally, in 1996, shortly after the enactment of the Telecommunications Act of 1996, 47 U.S.C. § 151 et seq., (the "Act"), the Commission established Case No. PUC960111, to investigate whether BA-VA has met the requirements set out in § 271 of the Act. On October 21, 1999, BA-VA filed its Motion in Support of Initiating Third-Party Testing. Preliminary comments on this motion were filed on November 19, 1999. The Commission heard testimony and argument in the instant case related to the same issues we expect to address in Case No. PUC960111, regarding appropriate steps to take to ensure that BA-VA opens its market area to competition and enables others to make efficient use of its operations support systems. In the established case, we will take measures to secure such compliance.

We recognize GTE South is not required to comply with § 271 of the Act. The Commission received evidence in this case regarding whether to impose conditions upon the merger to ensure that GTE South opens its market area to competition and enables others to make efficient use of its operations

[1] The quoted language is taken from § 56-90 of the Code of Virginia and constitutes the standard that must be met for approval of all petitions filed pursuant to the Utility Transfers Act.

support systems. We adopt the approach to this issue suggested by the Staff and will establish a collaborative committee, under the supervision of the Director of the Division of Communications, or his designee, to consider and recommend measures to the Commission on these and other issues, including appropriate remedies should the subject telephone companies fail to meet any performance standards ultimately adopted through the collaborative committee process. We will issue a separate order establishing a docket and procedural schedule on this matter expeditiously. We will order BA-VA and GTE South to designate representatives to participate in the collaborative committee. Each of the parties hereto is also invited to participate in the collaborative committee's efforts.

The Petitioners, in their pre-filed direct and rebuttal testimony, proposed several conditions and made several commitments for our consideration. We will adopt several of these as proposed, and will modify others.

First, the Joint Petitioners promised to file a plan with the Commission to expand local calling areas in contiguous exchanges both within and between their respective service territories. We find this commitment, which was the subject of the comments of several of the public witnesses, to be appropriate. We will therefore direct the filing of such plan not later than 30 days following the consummation of the proposed merger. We note that this plan is subject to modification and subsequent approval as necessary.

To ensure that adequate service to the public at just and reasonable rates will not be impaired, we will extend the rate cap on basic local exchange telephone service provided by BA-VA until January 1, 2004, unless otherwise ordered by the Commission in any review of the BA-VA alternative regulatory plan. Further, we will impose a continuing moratorium on price increases for services classified by the BA-VA plan as "Discretionary" during any period in which BA-VA fails to attain satisfactory performance levels in any of the Commission's service quality measurements. No month during which BA-VA has less than satisfactory performance levels in any service measurement shall be included in the calculation of permissible price increases pursuant to Paragraph 7 B 2 of the BA-VA plan.[2] This moratorium will also continue unless otherwise ordered by the Commission in any review of the BA-VA alternative regulatory plan.

With regard to the adequacy of GTE South's rates and services, we will require GTE South, as proposed by the Joint Petitioners, to eliminate the separate rate group elements for its Southwest Virginia service area within 90 days of the consummation of the proposed merger. Customers in the Southwest area will be migrated to the appropriate existing rate groups used for GTE South's other customers throughout the Commonwealth.

Further, we will direct GTE South to make its Custom Local Area Signaling Services ("CLASS") available to all its customers as soon as possible, but in no event later than 24 months after the merger. These advanced services should be made available to customers in all areas of the state, including the many rural areas served by GTE South.

Not later than 30 days prior to the consummation of the proposed merger, BA-VA and GTE South will provide to the Division of Communications a full report of the "best practices" they have decided to adopt from one another, the target date for implementation of each such best practice, and an estimate of the expected savings that will result. We encourage the companies to give priority to unifying their practices with regard to interactions with the competitive local exchange carriers. Together with the list of adopted practices, the companies shall submit an analysis of whether and how each "best practice" will affect the provision of adequate service at just and reasonable rates. Subsequent to the initial report, additional reports shall be submitted every six months for a period of three years, and shall include an update of expected and realized savings for each best practice.

For each of the calendar years 2000-02, BA-VA and GTE South have committed to capital expenditures in Virginia at the levels achieved during the period 1996-98. BA-VA has additionally committed that in 2000 and 2001 its actual outlays for outside plant capital and expenses will equal, if not exceed, the actual amount it invested in 1998, the most recent year for which such information is available.

Based on the testimony, we will adopt these proposals, but we expressly determine that these levels of capital expenditures shall be a "floor." Our approval of this condition shall not preclude any determinations we might subsequently find necessary with regard to network expansion and modernization, particularly that of GTE South. The proposed investments shall be used for the expansion and modernization of the wireline telecommunications network.

The Commission is particularly concerned with the availability of services and service quality in Virginia. BA-VA and GTE South are directed to work with the Staff to develop an annual report detailing their forecasted and actual capital expenditures and availability of advanced services to consumers in Virginia. These reports will be required to be filed annually by the end of the first quarter of every year beginning in 2000. At a minimum, the report should include: (1) budgeted capital expenditures and maintenance for the current year and succeeding year; (2) actual capital expenditures and maintenance for the preceding year; (3) identification and description of proposed capital investment projects exceeding $100,000 for the current year; (4) current availability of custom calling services by exchange; (5) current availability of CLASS services by exchange; (6) current availability of broadband and high speed access services by type (i.e., ISDN, ADSL) by exchange, disaggregated between residential and business customers; and (7) additional information as requested by the Staff. Further, the companies and Staff shall develop a means for the Commission to compare the availability of advanced services in the Commonwealth to the availability of such services in the other jurisdictions where Bell Atlantic and GTE provide service.

Both BA-VA and GTE South have previously been granted limited exemptions from the filing and pre-approval requirements of the Utility Affiliates Act, § 56-76 et seq. of the Code of Virginia. We find it appropriate to continue the existing exemptions but will not, at this time, extend those exemptions to include direct transactions between GTE South and BA-VA, or transactions between either company and the affiliates of the other. In other words, for the present, we will require all transactions that involve GTE South or any of its affiliates on the one hand and BA-VA or any of its affiliates on the other hand to be filed for prior Commission approval. Such requirement is not intended to foreclose our consideration of modifications that might impose a minimal exemption requirement following an appropriate period of analysis of such transactions.

GTE South has committed to notify the Division of Public Utility Accounting at least 90 days in advance of the proposed effective date of any change in any of its accounting policies and to provide an estimate of the effect of such change on its books of account. We will adopt this proposal and apply it to BA-VA as well.

---

[2] Paragraph 7 B 2 permits price increases for Discretionary service at the rate of .83% times the number of months since the last such increase, with a maximum increase in any year of 25 percent. BA-VA's voluntary proposal not to increase rates for Discretionary services during periods of less than satisfactory service necessarily requires that it not "bank" these months for use in calculating subsequent price increases.

Next, upon the consummation of the proposed merger, both GTE South and BA-VA have committed to adopt any non-price contract term in any future interconnection agreement entered into by the other company, if the negotiations which led to the adoption of such term began after the Commission's approval of the proposed merger and the other company's network can technically accommodate the request. We will require the companies to adopt any non-price contract term contained in any interconnection agreement entered into by either of them subsequent to the date of this Order, provided that their network can technically accommodate the request. We will require the companies as well to adopt any such term adopted in Virginia as the result of a Commission arbitration order entered after the date of this Order.

Finally, BA-VA and GTE South have committed to submit annual reports to the Division of Public Utility Accounting that show actual costs and savings associated with their merger. Both companies shall make such reports for a minimum of 5 years. The reports shall provide a detailed and documented account of the merger costs, merger implementation costs, and merger savings along with detailed explanation and documentation of all allocations made. GTE South shall book its merger and merger implementation costs to ensure that such costs do not exceed merger savings in any year. With respect to any GTE South proceedings, including its Annual Informational Filings, GTE South shall have the burden of proving merger and merger implementation costs, merger savings, and all allocations.

In addition to the foregoing, BA-VA and GTE South made certain other commitments in their testimony and accompanying materials that we expect to be honored, but which do not require action by us. There are, however, two remaining matters that should be noted. First, following our Order in Case No. PUA980031, the Joint Petitioners filed a petition with the Federal Communications Commission ("FCC") to obtain the necessary relief to permit GTE South to continue to provide its interLATA local calling plans. The cessation of such service would constitute an impermissible impairment of service, and the Joint Petitioners have pledged not to consummate the proposed merger unless such services can continue to be provided after the merger.

Lastly, the Joint Petitioners acknowledge that GTE Long Distance will be unable to continue to provide interLATA interexchange service after the merger unless the FCC grants it such authority. If authority is not granted, we will expect GTE Long Distance to proceed immediately to assist its customers in Virginia to obtain such service from other qualified carriers.

Based upon the conditions and actions described above, the Commission finds the Joint Petition should be approved. Accordingly,

IT IS HEREBY ORDERED THAT:

(1) The Joint Petition is approved, as modified and subject to the conditions established herein.

(2) Not later than thirty (30) days following the consummation of the proposed merger, BA-VA and GTE South shall file their plan for expansion of their local calling areas.

(3) BA-VA shall not raise prices for Basic Local Exchange Telecommunications services, as designated pursuant to its Plan for Alternative Regulation, adopted in Case No. PUC930036, earlier than January 1, 2004, unless otherwise ordered by the Commission following a review of its Plan for Alternative Regulation.

(4) BA-VA shall not raise prices for Discretionary Services, as designated in its Plan for Alternative Regulation, adopted in Case No. PUC930036, at any time that it has failed to attain satisfactory performance levels in any of the Commission's service quality measurements, and no period of such prohibition shall be included in the calculation of permissible price increases set out in Paragraph 7 B 2 of that plan. This condition shall continue unless otherwise ordered by the Commission following a review of its Plan for Alternative Regulation.

(5) Not later than ninety (90) days following consummation of the proposed merger, GTE South shall file with the Division of Communications tariffs that eliminate the separate rate group elements for its Southwest Virginia exchanges.

(6) Not later than twenty-four (24) months following consummation of the proposed merger, GTE South shall make Custom Local Area Signaling Services available throughout its service areas in Virginia.

(7) Not later than thirty (30) days prior to the consummation of the proposed merger, BA-VA and GTE South shall submit to the Division of Communications a report detailing the best practices each has adopted from the other, as set out herein, together with an analysis of whether and how such adoption will affect the provision of adequate service at just and reasonable rates, and shall thereafter semi-annually submit reports that include updates of the expected and realized best practice savings.

(8) For calendar years 2000, 2001 and 2002, BA-VA and GTE South shall make investment in the expansion and modernization of their service networks as set out herein.

(9) Beginning in the first quarter of the year 2000, and on similar calendar date for each succeeding year, BA-VA and GTE South shall submit the report of their planned and prior year investment and maintenance activity, as set out herein.

(10) BA-VA and GTE South shall file all affiliate agreements between themselves and affiliates of the other, as set out herein, for prior Commission approval pursuant to § 56-77 of the Code of Virginia, until further ordered.

(11) BA-VA and GTE South shall notify the Division of Public Utility Accounting not less than ninety (90) days prior to the proposed effective date of any change in any of its accounting policies and provide an estimate of the effect of such change on its books of account.

(12) Upon consummation of the proposed merger, BA-VA and GTE South shall adopt any requested non-price term contained in any interconnection agreement of the other, as set out herein.

(13) BA-VA and GTE South shall submit to the Division of Public Utility Accounting annual reports that provide the actual costs and savings realized by their merger and shall adopt the booking methodology referenced herein.

(14) The Joint Petitioners shall not consummate the proposed merger unless the FCC authority to continue GTE South's interLATA local calling plans is received.

(15) There being nothing further to come before the Commission, this matter is dismissed.

CASE NO. PUC990101
JUNE 25, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

For approval of its Network Services Interconnection Tariff, S.C.C.–Va.-No. 218

ORDER ACCEPTING TARIFF ON INTERIM BASIS AND OPENING INVESTIGATION

On May 28, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA" or "the Company") filed with the Commission's Division of Communications a proposed Network Services Interconnection Tariff ("collocation tariff"). The proposed effective date of the collocation tariff is June 28, 1999. On June 23, 1999, the Commission's Staff ("the Staff"), by counsel, filed a motion requesting that a proceeding be initiated for an investigation of the proposed collocation tariff, and that the tariff be permitted to go into effect on an interim basis only with the rates, charges, terms, and conditions provided therein subject to refund and/or modification.

BA-VA's filing states that its collocation tariff sets forth the terms, conditions, and pricing for collocation services under which it offers to provide any requesting competitive local exchange carrier ("CLEC") pursuant to § 251 of the Telecommunications Act of 1996 ("the Act"). The Company further states that the rates and charges in the proposed tariff were developed in accordance with the methodology established in the Commission's pricing proceeding for the Company in Case No. PUC970005.

The Staff motion asserts that, based on its preliminary analysis of the filing, BA-VA's collocation tariff may include rates, terms, and conditions for collocation that are not just, reasonable, and nondiscriminatory, contrary to the requirements of § 251(c)(6) of the Telecommunications Act of 1996. The Staff further states that CLECs will have a critical interest in the terms, conditions, and pricing proposed in BA-VA's collocation tariff and should be provided an opportunity to comment on the filing.

NOW THE COMMISSION, upon consideration of BA-VA's filing, the Staff's motion, and the applicable law, is of the opinion that the Staff motion should be granted. We will permit BA-VA's collocation tariff to go into effect on an interim basis with rates and terms subject to refund and/or modification, and we will establish a procedural schedule for investigation to determine whether the tariff provides for collocation on just, reasonable, and nondiscriminatory prices, terms and conditions.

BA-VA and any interested parties participating in this proceeding should comment on whether BA-VA's proposed collocation tariff complies with the Act, Federal Communications Commission ("FCC") requirements, and the Commission's determinations in Case No. PUC970005, and whether such a tariff filing reviewed outside an arbitration proceeding initiated under § 252 of the Act must or should comply with the Act and FCC requirements. We further encourage any interested parties that object to certain terms in the collocation tariff to propose in their comments alternative tariff language they deem appropriate. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUC990101;

(2) BA-VA's Network Services Interconnection Tariff (S.C.C.-Va.-No. 218) is approved for implementation on an interim basis, subject to refunds of collocation charges and/or modifications in collocation terms and arrangements, effective June 28, 1999;

(3) BA-VA shall promptly furnish a copy of its proposed collocation tariff to any person requesting a copy. Requests should be directed to Warner F. Brundage, Jr., Vice President, General Counsel, and Secretary, Bell Atlantic-Virginia, Inc., 600 East Main Street, 11th Floor, Richmond, Virginia 23219;

(4) On or before July 20, 1999, BA-VA shall file comments on the issues identified in this order. BA-VA shall also at this time file any other supporting documentation it wishes to rely on to support its collocation tariff;

(5) On or before August 20, 1999, any interested party may file comments and a request for hearing on BA-VA's collocation tariff and the issues identified in this order. Any request for hearing should provide an explanation of why the issues cannot be adequately addressed in written comments. Parties shall file an original and fifteen (15) copies of their comments (and requests for hearing) with the Clerk of the State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, referencing Case No. PUC990101, and must serve a copy on BA-VA's counsel at the address provided in paragraph (3) above;

(6) On or before September 15, 1999, the Staff may file a response to the issues identified in this order and the comments of the parties, including any recommendations on further procedural action;

(7) BA-VA may file a response to comments filed by interested parties and the Staff on or before October 1, 1999;

(8) Discovery shall be in accordance with Part VI of the Commission's Rules of Practice and Procedure, except that responses to interrogatories or requests for production of documents shall be made within ten (10) calendar days of service.

CASE NO. PUC990101
SEPTEMBER 30, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

For approval of its Network Services Interconnection Tariff, S.C.C.-Va.-No. 218

ORDER GRANTING MOTION TO ACCEPT REVISED TARIFF PAGES ON INTERIM BASIS

On September 17, 1999, Bell Atlantic-Virginia, Inc ("BA-VA"), filed revised pages for Tariff No. 218 ("collocation tariff"). On September 28, 1999, the Commission's Staff ("the Staff"), by counsel, filed a motion requesting that the revised tariff pages be permitted to go into effect on an interim basis only with the rates, charges, terms, and conditions provided therein subject to refund and/or modification.

The Staff motion asserts that, based on its preliminary analysis of the filing, BA-VA's collocation tariff with the revised pages may include rates, terms, and conditions for collocation that are not just, reasonable, and nondiscriminatory, contrary to the requirements of § 251 (c)(6) of the Telecommunications Act of 1996. The Staff further states that CLECs will have a critical interest in the terms, conditions, and pricing proposed in BA-VA's revised tariff pages, and should be provided an opportunity to comment on the filing.

NOW THE COMMISSION, upon consideration of BA-VA's filing, the Staff's motion, and the applicable law, is of the opinion that the Staff motion should be granted. We will permit BA-VA's revised pages to Tariff No. 218 to go into effect on an interim basis with rates and terms subject to refund and/or modification.

Any interested parties participating in this proceeding should be permitted to comment on whether BA-VA's revised collocation tariff pages comply with the Act, Federal Communications Commission ("FCC") requirements, the Commission's determinations in Case No. PUC970005, and whether these revised tariff pages reviewed outside an arbitration proceeding initiated under § 252 of the Act must or should comply with the Act and FCC requirements. We further encourage any interested parties that object to certain terms in the revised pages of the collocation tariff to propose in their comments alternative tariff language they deem appropriate. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) BA-VA's revised pages for Tariff No. 218 are approved for implementation on an interim basis, subject to refunds of collocation charges and/or modifications in collocation terms and arrangements.

(2) On or before October 27, 1999, any interested parties participating in this proceeding may supplement their comments on BA-VA's original collocation tariff with comments on BA-VA's revised collocation tariff pages. Parties shall file an original and fifteen (15) copies of their supplemental comments with the Clerk of the State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, referencing Case No. PUC990101, and must serve a copy on BA-VA's counsel, directed to Warner F. Brundage, Jr., Vice President, General Counsel, and Secretary, Bell Atlantic-Virginia, Inc., 600 East Main Street, 11th Floor, Richmond, Virginia 23219.

(3) This matter is continued generally.

CASE NO. PUC990103
AUGUST 24, 1999

APPLICATION OF
GTE SOUTH INCORPORATED
and
DIECA COMMUNICATIONS COMPANY, d/b/a COVAD COMMUNICATIONS COMPANY

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On June 3, 1999, GTE South Incorporated ("GTE") and DIECA Communications Company d/b/a Covad Communications Company ("Covad") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

This Agreement establishes the terms, conditions, and prices for the purchase by Covad of unbundled network elements and certain resale services from GTE. However, this Agreement provides for two sets of prices. The first set of prices is the "MCImetro Terms," shown in Appendix 46A, and the second set is the "GTE Terms," shown in Appendix 46B. Section 46 of Article III of the Agreement provides that if the MCImetro Terms are deemed to be unlawful, or are stayed, enjoined or otherwise modified, in whole or part by a court or commission of competent jurisdiction, then the Agreement shall be deemed to have been amended to modify the MCImetro Terms or substitute the GTE Terms, shown in Appendix 46B, retroactive to the effective date of the Agreement.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.2.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must

assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, GTE, Covad and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for GTE indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed on or before June 24, 1999, and none were received.

As required by § A(2) of the procedural rules, we have reviewed the negotiated portions of the Agreement pursuant to § 252(e)(2)(A) of the Act. Under these criteria, we find no reason to reject this Agreement. However, there is at least one portion of the Agreement that requires our attention.

In Article III, Section 46, "Amendment of Certain Rates", the following language appears:

> The rates (including rates which may be applicable under true-up) specified in both the "GTE Terms" and the "MCImetro Terms" are further subject to amendment, retroactive to the Effective Date of the Agreement, to provide for charges or rate adjustments resulting from future Commission or other proceedings, including but not limited to any generic proceeding to determine GTE's unrecovered costs (e.g., historic costs, contribution, undepreciated reserve deficiency, or similar unrecovered GTE costs (including GTE's end user surcharge)), the establishment of a competitively neutral universal service system, or any appeal or other litigation.

The Commission is concerned the language here not be interpreted to define or mandate the parameters for any future Commission proceeding. If and when the Commission conducts any further proceeding(s) to determine prices applicable to interconnection for GTE, it will do as it is required and in accordance with the pricing standards established in § 252(d) of the Act. The parties are free to negotiate activities that they themselves will conduct, but the parties cannot agree to bind or direct future Commission actions. To the extent that there are other sections of the Agreement that attempt to bind the Commission's future actions, they shall not be enforceable.

Despite the above comments, we find that the Agreement should be approved. The Agreement is binding only on GTE and Covad and should not be viewed as precedent for other agreements. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE and Covad is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC990104
AUGUST 24, 1999

APPLICATION OF
GTE SOUTH INCORPORATED
and
SHENTEL COMMUNICATIONS COMPANY

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On June 3, 1999, GTE South Incorporated ("GTE") and ShenTel Communications Company ("ShenTel") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

This Agreement establishes the terms, conditions, and prices for the purchase by ShenTel of unbundled network elements and certain resale services from GTE. However, this Agreement provides for two sets of prices. The first set of prices is the "GTE Terms," shown in Appendix 46A, and the second set is the "Terms Adopted From the Virginia GTE/Cox Arbitrated Agreement," ("Cox Terms") shown in Appendix 46B. Section 46 of Article III of the Agreement provides that if the Cox Terms are deemed to be unlawful, or are stayed, enjoined or otherwise modified, in whole or part by a court or commission of competent jurisdiction, then the Agreement shall be deemed to have been amended to modify the Cox Terms or substitute the GTE Terms, retroactive to the effective date of the Agreement.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.2.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, GTE, ShenTel, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for GTE indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed on or before June 24, 1999, and none were received.

As required by § A(2) of the procedural rules, we have reviewed the negotiated portions of the Agreement pursuant to § 252(e)(2)(A) of the Act. Under these criteria, we find no reason to reject this Agreement. However, there is at least one portion of the Agreement that requires our attention.

In Article III, Section 46, "Amendment of Certain Rates, Terms and Conditions", the following language appears:

> The rates, terms and conditions (including rates which may be applicable under true-up) specified in both the "GTE Terms" and the "Cox Terms" are further subject to amendment, retroactive to the Effective Date of the Agreement, to provide for charges or rate adjustments resulting from future Commission or other proceedings, including but not limited to any generic proceeding to determine GTE's unrecovered costs (e.g., historic costs, contribution, undepreciated reserve deficiency, or similar unrecovered GTE costs (including GTE's end user surcharge)), the establishment of a competitively neutral universal service system, or any appeal or other litigation.

The Commission is concerned the language here not be interpreted to define or mandate the parameters for any future Commission proceeding. If and when the Commission conducts any further proceeding(s) to determine prices applicable to interconnection for GTE, it will do as it is required and in accordance with the pricing standards established in § 252(d) of the Act. The parties are free to negotiate activities that they themselves will conduct, but the parties cannot agree to bind or direct future Commission actions. To the extent that there are other sections of the Agreement that attempt to bind the Commission's future actions, they shall not be enforceable.

Despite the above comments, we find that the Agreement should be approved. The Agreement is binding only on GTE and ShenTel and should not be viewed as precedent for other agreements. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE and ShenTel is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC990105
AUGUST 24, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
ESSEX TELECOMMUNICATIONS OF VIRGINIA, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On June 4, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA"), and Essex Telecommunications of Virginia, Inc. ("Essex"), filed an interconnection agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. This Agreement was described as a resale agreement.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, Essex, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by June 25, 1999, and none were received.

We have one area of concern with the Agreement. Section 30.2 under the heading of "Responsibility for Charges" appears to obligate Essex to pay for services provided by parties other than BA-VA regardless of whether Essex is paid for those charges by its customers. This Agreement between Essex and BA-VA does not affect the rights of end users to dispute such charges and does not excuse either company from complying with the Commission's billing and collection rules. Notwithstanding this concern, we find that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and Essex. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Essex is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC990106
SEPTEMBER 22, 1999

APPLICATION OF
BLUESTAR NETWORKS OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On June 4, 1999, BlueStar Networks of Virginia, Inc. ("BlueStar" or "the Company"), filed an application for certificates of public convenience and necessity ("certificate") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. The Company also requested authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia. Initially, the Company proposes to offer only data services and not voice-grade telecommunications services.

By Order dated June 22, 1999, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a report, and scheduled a public hearing to receive evidence relevant to BlueStar's application. On August 24, 1999, the Staff filed its report finding that BlueStar's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules"), as codified in 20 VAC 5-400-180 and the Rules Governing the Certification of Interexchange Carriers, as codified in 20 VAC 5-400-60.

Based upon its review of BlueStar's application and financial information supplied to it, the Staff determined it would be appropriate to grant an interexchange certificate and a local exchange certificate to BlueStar, conditioned upon the Company providing audited financial statements of its parent, BlueStar Properties, Inc., to the Staff within one (1) year of the effective date of its initial tariff in Virginia. Additionally, Staff requested BlueStar be required to retain any customer deposits it collects in a third-party escrow account and to comply with all requirements of § C of the Local Rules when it begins voice-grade service.

A hearing was conducted on September 7, 1999. BlueStar filed proof of publication and proof of service as required by the June 22, 1999, scheduling order. At the hearing, the application and accompanying attachments, and the Staff Report were entered into the record without objection.

Having considered the application and the Staff Report, the Commission finds that BlueStar should be granted certificates to provide local exchange and interexchange telecommunications services upon the conditions recommended by the Staff. Having considered § 56-481.1, the Commission further finds that BlueStar may price its interexchange services competitively. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) BlueStar Networks of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-78A, to provide interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) BlueStar Networks of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-460, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Offering of Competitive Local Exchange Telephone Service, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) BlueStar shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) Pursuant to § 56-481.1 of the Code of Virginia, BlueStar may price its interexchange services competitively.

(5) BlueStar shall retain any customer deposits it collects in an escrow account maintained by an unaffiliated third party until such time as the Staff or Commission determines it is no longer necessary.

(6) No later than one (1) year after the effective date of the tariff described in Paragraph (3) BlueStar shall submit one (1) copy of the audited financial statements of its parent company, BlueStar Properties, Inc., for the most recent annual period to the Commission's Division of Economics and Finance.

(7) When and if BlueStar undertakes to offer voice-grade telecommunications services to the public it shall comply with all requirements of § C of the Local Rules.

(8) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.

CASE NO. PUC990107
AUGUST 12, 1999

APPLICATION OF
CFW NETWORK INC.

To expand its service territory for the provision of local exchange telecommunications services throughout the Commonwealth of Virginia

FINAL ORDER

CFW Network, Inc. ("CFW" or "Company"), filed an application to expand its service territory for the provision of local exchange telecommunications services to encompass the entire Commonwealth of Virginia on June 7, 1999. On July 2, 1999, the Commission entered an Order directing CFW to publish notice of its application, and allowing interested parties to file comments or requests for hearing on the application by August 6, 1999. None were filed. On August 4, 1999, CFW filed proof of publication of the required notice.

The Commission finds that the Company's request to expand its service territory should be granted.

Accordingly, IT IS ORDERED THAT:

(1) The certificate of public convenience and necessity of CFW Network, Inc., No. T-368, shall be canceled and reissued as Certificate No. T-368a to reflect that the local exchange service territory of CFW Network, Inc., has been expanded to encompass the entire Commonwealth of Virginia.

(2) There being nothing further to come before the Commission, this matter is dismissed.

CASE NO. PUC990108
DECEMBER 30, 1999

APPLICATION OF
HARVARDNET-VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On October 4, 1999, HarvardNet-Virginia, Inc. ("HarvardNet" or "Applicant"), completed an application for certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia.

By Order dated October 14, 1999, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a Staff Report, and scheduled a public hearing to receive evidence relevant to HarvardNet's application.

On December 8, 1999, Staff filed its report finding that HarvardNet's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service, 20 VAC 5-400-180 ("Local Rules") and the Rules Governing the Certification of Interexchange Carriers, 20 VAC 5-400-60 ("IXC Rules"). The Staff reported that HarvardNet will not offer switched local exchange services but rather private line, high-capacity fiber optic transmission services. HarvardNet has agreed to meet all applicable conditions for certification identified in § C of the Local Rules. Additionally, Staff recommends that at such time as voice services are initiated by the Applicant, HarvardNet shall provide/comply with all remaining requirements of § C (Conditions for Certification) of the Local Rules.

A hearing was conducted on December 15, 1999. HarvardNet provided proof of service and proof of publication of newspaper notice, as directed by the Commission's October 14, 1999, Order. At the hearing, the proof of service, proof of notice, the application and accompanying attachments, and the Staff's Report were entered into the record without objection. Applicant agreed to the recommendation of the Staff Report.

Having considered the application and the Staff Report, the Commission finds that HarvardNet's application should be granted. We also find that HarvardNet should comply with the above recommendation of Staff. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) HarvardNet-Virginia, Inc. hereby is granted a certificate of public convenience and necessity, No. TT-83A, to provide interexchange telecommunications services subject to the restrictions set forth in the Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) HarvardNet-Virginia, Inc. is granted a certificate of public convenience and necessity, No. T-472, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Offering of Competitive Local Exchange Telephone Service, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) HarvardNet shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) At such time as HarvardNet initiates voice services, HarvardNet shall provide/comply with all requirements of § C of the Local Rules.

(5) Since there is nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC990111
NOVEMBER 29, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
ALLEGIANCE TELECOM OF VIRGINIA, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On June 10, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA"), and Allegiance Telecom of Virginia, Inc. ("Allegiance"), filed an interconnection agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. The Agreement is a product of Allegiance's adoption, pursuant to § 252(i) of the Act, of BA-VA's agreement with MFS Intelenet of Virginia, Inc. ("MFS").

On August 31, 1999, BA-VA advised that the MFS agreement the parties had appended to their June 10 filing was not, in fact, the actual agreement that formed the basis for its agreement with Allegiance. The parties filed the true and correct MFS agreement at this time. Thereupon, the Commission issued an order that established the period for review of the actual agreement.

This Agreement establishes the terms, conditions, and prices for the mutual exchange and termination of traffic originating on each party's network, the purchase by Allegiance of unbundled network elements from BA-VA, the purchase by Allegiance of certain telecommunications services from BA-VA for resale, and ancillary network services.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5 B and § 56-265.4:4 C 1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, Allegiance, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by September 21, 1999, and none were received.

We have one area of concern with the Agreement. The parties' agreement is dated December 11, 1998, but they did not file it for Commission approval until June 10, 1999, as corrected August 31, 1999. BA-VA is directed to file such interconnection agreements promptly upon execution so that, if approved, they become available for the exercise, by other carriers, of rights conveyed under § 252(i) of the Act. Notwithstanding this concern, we find that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and Allegiance. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Allegiance is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC990112
SEPTEMBER 30, 1999

APPLICATION OF
ROANOKE AND BOTETOURT TELEPHONE COMPANY

To implement Extended Local Service from the Troutville exchange to the Buchanan Exchange

FINAL ORDER

On June 14, 1999, Roanoke and Botetourt Telephone Company ("R & B" 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. R & B proposed to notify its Troutville Exchange customers

of the increases in monthly rates that would be necessary to expand their local service to include the Buchanan Exchange of Bell Atlantic-Virginia, Inc. ("BA-VA"). Telephone customers in the Buchanan Exchange had petitioned the Commission earlier for local calling to Troutville. Using a cost study prepared by BA-VA, the Commission determined the increase in monthly rates that would result from the expansion of the Buchanan local exchange area to include Troutville. Customers in BA-VA's Buchanan Exchange were polled concerning their willingness to pay higher rates for local calling to Troutville. The majority of those responding supported the proposal.

A poll of Troutville customers in response to this application was not required under § 56-484.2 A of the Code of Virginia because the proposed rate increase for one-party residential service did not exceed five (5) percent of the existing monthly one-party residential rate.

By Order dated July 7, 1999, the Commission directed R & B to provide direct mail notice of its application to its customers in the Troutville Exchange. Affected telephone customers were given until September 2, 1999, to file comments or request a hearing on the proposal. On August 31, 1999, R & B filed proof of notice as required by the Commission's July 7, 1999, Order.

Twenty-two (22) comments were filed. Eighteen (18) comments objected to the application. Two (2) of the Troutville customers objecting to the application also requested a hearing. Four (4) customers filed comments in support of the application.

On September 17, 1999, the Commission's Staff filed its report on the Company's application. It recommended that R & B's application to implement Extended Local Service from the Company's Troutville Exchange to BA-VA's Buchanan Exchange be approved. The Staff noted in its report that the total number of customers in the Troutville Exchange is approximately 7,600. It observed that although two customers requested a hearing, the number of customers requesting a hearing was less than that necessary under § 56-484.2 of the Code of Virginia to require a hearing, i.e., the lesser of five (5) percent or one hundred fifty (150) of the customers within the Troutville Exchange.

NOW, upon consideration of the foregoing, the Commission is of the opinion and finds that R & B's application should be granted, and that the Company should be permitted to implement Extended Local Service from the Troutville Exchange to the Buchanan Exchange.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from R & B's Troutville Exchange to BA-VA's Buchanan Exchange shall be implemented.

(2) R & B and BA-VA shall file the tariff revisions necessary for the proposed extension of local service.

(3) 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. PUC990113
OCTOBER 5, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
SPRINT COMMUNICATIONS COMPANY L.P.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On July 8, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA") and Sprint Communications Company L.P. ("Sprint") filed an interconnection agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. The Agreement makes available to Sprint interconnection services, unbundled network elements, and resold telecommunications services. The Agreement is a product of Sprint's adoption, pursuant to § 252(i) of the Act, of BA-VA's agreement with AT&T Communications of Virginia, Inc.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, Sprint, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA and Sprint indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by July 29, 1999, and none were received.

We find that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and Sprint. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Sprint is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC990115
DECEMBER 21, 1999

APPLICATION OF
CAT COMMUNICATIONS INTERNATIONAL, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On September 14, 1999, CAT Communications International, Inc. ("CAT", "Applicant", or "Company"), completed an application for a certificate of public convenience and necessity ("certificate") requesting authority to provide local exchange telecommunications services throughout the Commonwealth of Virginia.

In its application, CAT states that it is a non-facilities based reseller that proposes to provide prepaid local exchange telephone service throughout Virginia.

In order to provide this prepaid service, CAT requests waivers of Rule C 5 and certain provisions of Rule C 1 of the Rules Governing the Offering of Competitive Local Exchange Telephone Service, 20 VAC 5-400-180, ("Local Rules") requiring a new entrant, either directly or through arrangements with others, to provide access to directory assistance, access to operator services, equal access to interLATA long distance carriers, and access to intraLATA service to all local exchange customers. The Applicant further requests a waiver of Rule D 3 c of the Local Rules, limiting the proposed rate for service provided by the new entrant not to exceed the highest of the comparable tariffed services provided by the incumbent local exchange telephone company or companies in the same local serving areas.

By Order dated October 1, 1999, the Commission directed the Applicant to provide notice to the public of its application, directed the Staff to conduct an investigation and file a Staff Report, and scheduled a public hearing to receive evidence relevant to CAT's application. By Order dated November 18, 1999, the Commission extended the time for CAT to complete publication of the notice of its application to November 22, 1999. No comments or objections were received.

On December 8, 1999, the Staff filed its report finding that the application is in compliance with the certification requirements of the Local Rules. In addition, the Staff did not object to CAT's requests for waiver from specific Local Rules for its residential monthly prepaid local service, subject to the following conditions: (i) regarding CAT's prepaid month-by-month local exchange service offering, the Company shall not be allowed to collect customer deposits under any circumstances; (ii) the Company shall provide audited financial statements to the Staff no later than one (1) year from the effective date of its initial tariff; (iii) regarding CAT's prepaid month-by-month local exchange service offering, the Company shall provide full disclosure to consumers about the services and features CAT will and will not furnish to subscribers of its alternative prepaid month-by-month local exchange service. Sales brochures and other marketing and advertising materials must prominently disclose that service is restricted to residential end users and customers will have no access to directory assistance, operator services, long distance, collect and third-party calls, or any other pay-for-usage services; (iv) any waivers granted to CAT in this case for its residential prepaid month-by-month local exchange service described in the Company's filing are limited solely to that service offering; (v) any waivers granted to CAT in this case for its residential prepaid month-by-month local service should be subject to revocation, alteration, or the imposition of additional conditions, such as pricing restrictions, in the event the Commission subsequently determines the service is operating improperly or is not in the public interest; (vi) any subsequent increase in the rate for CAT's prepaid month-by-month local service shall be subject to thirty (30) days' notice to the Commission, and notice to customers provided through billing inserts or publication for two (2) consecutive weeks as display advertising in newspapers having general circulation in the areas served by the Company; and (vii) if at any time CAT begins to offer non-prepaid (standard) local service and the Company collects customer deposits for such service, said deposits shall be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary.

A hearing was held on December 15, 1999. The Applicant filed proof of publication and proof of service as required by the October 1, 1999, and November 18, 1999, scheduling orders. At the hearing, the application, with accompanying exhibits, and the Staff Report were entered into the record without objection.

Having considered the application and the Staff Report, the Commission finds that such application, as well as the requested waivers, should be granted. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) CAT Communications International, Inc. is hereby granted a certificate of public convenience and necessity, No. T-471, to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, § 56-265.4:4 of the Code of Virginia, the provisions of this Order, and the conditions set forth in the Staff Report.

(2) CAT shall file tariffs with the Division of Communications that conform with all applicable Commission rules and regulations from which the Applicant has not been granted a waiver.

(3) This case shall remain open to evaluate CAT's residential prepaid, month-by-month local exchange service.

CASE NO. PUC990116
NOVEMBER 24, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Salem exchange to its Montvale exchange

FINAL ORDER

On June 24, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA" or the "Company"), filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of § 56-484.2 of the Code of Virginia. BA-VA proposed to notify its Salem exchange customers of the increases in monthly rates that would be necessary to extend their local service to include the Montvale exchange. Telephone customers in the Montvale exchange had previously petitioned the Commission for local calling to Salem. In a poll conducted in response to the petition, a majority of the Montvale customers responding supported paying higher rates for local calling to Salem. A poll of Salem customers in response to this application was not required under § 56-484.2 A of the Code of Virginia because the proposed rate increase is solely due to regrouping.

By Order dated August 17, 1999, the Commission directed BA-VA to publish notice of the proposed increase. Affected telephone customers were given until October 15, 1999, to file comments or request a hearing on the proposal. On October 5, 1999, BA-VA filed proof of notice as required by the Commission's August 17, 1999, Order. Twelve Salem exchange customers filed comments objecting to the proposed extension of their local calling area. One of the customers requested a hearing.

On October 28, 1999, the Commission Staff submitted its report. The report noted that the Salem exchange is scheduled to regroup during the first quarter of next year due to normal dial tone line growth. BA-VA is entitled to implement such regrouping pursuant to paragraph C.1.f.(4) of its tariff No. 202. Under this scenario, Salem will regroup with or without Montvale in its local calling area. The Staff recommended approval of the Company's application. Accordingly,

IT IS ORDERED THAT:

(1) The proposed extension of local service from BA-VA's Salem exchange to its Montvale exchange shall be implemented.

(2) BA-VA shall file the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC990117
OCTOBER 18, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Warrenton exchange to its Upperville exchange

FINAL ORDER

On June 24, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA" or the "Company") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of § 56-484.2 of the Code of Virginia. BA-VA proposed to notify its Warrenton exchange customers of the increases in monthly rates that would be necessary to extend their local service to include the Upperville exchange. Telephone customers in the Upperville exchange had previously petitioned the Commission for local calling to Warrenton. In a poll conducted in response to the petition, a majority of the Upperville customers responding supported paying higher rates for local calling to Warrenton. A poll of Warrenton customers in response to this application was not required under § 56-484.2 A of the Code of Virginia because the proposed rate increase for one-party residential service does not exceed five percent of the existing monthly one-party residential rate.

By Order dated July 28, 1999, the Commission directed BA-VA to publish notice of the proposed increase. Affected telephone customers were given until September 16, 1999, to file comments or request a hearing on the proposal. No comments or requests for hearing were filed. On September 10, 1999, BA-VA filed proof of notice as required by the Commission's July 28, 1999, Order.

On September 30, 1999, the Commission Staff submitted its report recommending approval of the Company's application. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from BA-VA's Warrenton exchange to its Upperville exchange shall be implemented.

(2) BA-VA shall file the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC990118
OCTOBER 18, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Christiansburg exchange to its Dublin exchange

FINAL ORDER

On June 24, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA" or the "Company") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of § 56-484.2 of the Code of Virginia. BA-VA proposed to notify its Christiansburg exchange customers of the increases in monthly rates that would be necessary to extend their local service to include the Dublin exchange. Customers in the Dublin exchange had previously petitioned the Commission for local calling to Christiansburg. In a poll conducted in response to the petition, a majority of the Dublin customers responding supported paying higher rates for local calling to Christiansburg. A poll of Christiansburg customers in response to this application was not required under § 56-484.2 A of the Code of Virginia because the proposed rate increase for one-party residential services does not exceed five percent of the existing monthly one-party residential rate.

By Order dated July 28, 1999, the Commission directed BA-VA to publish notice of the proposed increase. Affected telephone customers were given until September 16, 1999, to file comments or request a hearing on the proposal. No comments or requests for hearing were filed. On September 10, 1999, BA-VA filed proof of notice as required by the Commission's July 28, 1999, Order.

On September 30, 1999, the Commission Staff submitted its report recommending approval of the Company's application. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from BA-VA's Christiansburg exchange to its Dublin exchange shall be implemented.

(2) BA-VA shall file the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC990119
NOVEMBER 24, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Stephens City exchange to its Berryville exchange

FINAL ORDER

On June 24, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA" or the "Company"), filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of § 56-484.2 of the Code of Virginia. BA-VA proposed to notify its Stephens City exchange customers of the increases in monthly rates that would be necessary to extend their local service to include the Berryville exchange. Telephone customers in the Berryville exchange had previously petitioned the Commission for local calling to Stephens City. In a poll conducted in response to the petition, a majority of the Berryville customers responding supported paying higher rates for local calling to Stephens City. A poll of Stephens City customers in response to this application was not required under § 56-484.2 A of the Code of Virginia because the proposed rate increase for one-party residential service does not exceed five percent (5%) of the existing monthly one-party residential rate.

By Order dated August 17, 1999, the Commission directed BA-VA to publish notice of the proposed increase. Affected telephone customers were given until October 15, 1999, to file comments or request a hearing on the proposal. On October 5, 1999, BA-VA filed proof of notice as required by the Commission's August 17, 1999, Order. One customer filed a comment objecting to the application.

On October 28, 1999, the Commission Staff submitted its report recommending approval of the Company's application. Accordingly,

IT IS ORDERED THAT:

(1) The proposed extension of local service from BA-VA's Stephens City exchange to its Berryville exchange shall be implemented.

(2) BA-VA shall file the tariff revisions necessary for the proposed extension of local service.

CASE NO. PUC990120
SEPTEMBER 27, 1999

APPLICATION OF
GTE SOUTH INCORPORATED
and
xDSL NETWORKS, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On June 29, 1999, GTE South Incorporated ("GTE") and xDSL Networks, Inc. ("xDSL"), filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. The Agreement constitutes the exercise by xDSL of its right, pursuant to § 252(i) of the Act, to interconnect with GTE under terms and conditions previously made available to any other carrier, in this instance KMC Telecom of Virginia, Inc., an agreement that we approved by Order dated October 7, 1998, in Case No. PUC980102.

This Agreement establishes the terms, conditions, and prices for the mutual exchange and termination of traffic originating on each party's network and the purchase by xDSL of unbundled network elements and certain resale services from GTE. However, this Agreement provides for two sets of prices. The first set of prices is called "GTE Terms," shown in Appendix 40A, and the second set is called "Cox Terms," shown in Appendix 40B. Section 40[1] of Article III of the Agreement provides that if the Cox Terms are deemed to be unlawful, or are stayed, enjoined, or otherwise modified, in whole or in part by a court or commission of competent jurisdiction, then the Agreement shall be deemed to have been amended to modify the Cox Terms or substitute the GTE Terms, retroactive to the effective date of the Agreement. Additional terms and conditions contained in the original GTE-KMC Agreement appear to be modified by letter of the parties appended to their joint application.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.2.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, GTE, xDSL, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for GTE indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed on or before July 21, 1999, and none were received.

As required by § A(2) of the procedural rules, we have reviewed the negotiated portions of the Agreement pursuant to § 252(e)(2)(A) of the Act. Under these criteria, we find no reason to reject this Agreement. However, there is at least one portion of the Agreement that requires our attention.

In Article III, Section 40, "Amendment of Certain Rates, Terms and Conditions", the following language appears:

> The rates, terms and conditions (including rates which may be applicable under true-up) specified in both the "GTE Terms" and the "Cox Terms" are further subject to amendment, retroactive to the Effective Date of the Agreement, to provide for charges or rate adjustments resulting from future Commission or other proceedings, including but not limited to any generic proceeding to determine GTE's unrecovered costs (e.g., historic costs, contribution, undepreciated reserve deficiency, or similar unrecovered GTE costs (including GTE's end user surcharge)), the establishment of a competitively neutral universal service system, or any appeal or other litigation.

The Commission is concerned the language here not be interpreted to define or mandate the parameters for any future Commission proceeding. If and when the Commission conducts any further proceeding(s) to determine prices applicable to interconnection for GTE, it will do as it is required and in accordance with the pricing standards established in § 252(d) of the Act. The parties are free to negotiate activities that they themselves will conduct, but the parties cannot agree to bind or direct future Commission actions. To the extent that there are other sections of the Agreement that attempt to bind the Commission's future actions, they shall not be enforceable.

Despite the above comments, we find that the Agreement should be approved. The Agreement is binding only on GTE and xDSL and should not be viewed as precedent for other agreements. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE and xDSL is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

---

[1] Article III of the GTE-KMC interconnection agreement contains two Section 40's. The referenced language is contained in the second of the two sections.

CASE NO. PUC990122
SEPTEMBER 28, 1999

APPLICATION OF
GTE SOUTH INCORPORATED
and
FOCAL COMMUNICATIONS CORPORATION OF VIRGINIA

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On July 2, 1999, GTE South Incorporated ("GTE") and Focal Communications Corporation of Virginia ("Focal") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. The Agreement constitutes the exercise by Focal of its right, pursuant to § 252(i) of the Act, to interconnect with GTE under terms and conditions previously made available to any other carrier, in this instance KMC Telecom of Virginia, Inc., an agreement that we approved by Order dated October 7, 1998, in Case No. PUC980102.

This Agreement establishes the terms, conditions, and prices for the mutual exchange and termination of traffic originating on each party's network and the purchase by Focal of unbundled network elements and certain resale services from GTE. However, this Agreement provides for two sets of prices. The first set of prices is called "GTE Terms," shown in Appendix 40A, and the second set is called "Cox Terms," shown in Appendix 40B. Section 40[1] of Article III of the Agreement provides that if the Cox Terms are deemed to be unlawful, or are stayed, enjoined, or otherwise modified, in whole or in part by a court or commission of competent jurisdiction, then the Agreement shall be deemed to have been amended to modify the Cox Terms or substitute the GTE Terms, retroactive to the effective date of the Agreement. Additional terms and conditions contained in the original GTE-KMC Agreement appear to be modified by letter of the parties appended to their joint application.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.2.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, GTE, Focal, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for GTE indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed on or before July 23, 1999, and none were received.

As required by § A(2) of the procedural rules, we have reviewed the negotiated portions of the Agreement pursuant to § 252(e)(2)(A) of the Act. Under these criteria, we find no reason to reject this Agreement. However, there is at least one portion of the Agreement that requires our attention.

In Article III, Section 40, "Amendment of Certain Rates, Terms and Conditions", the following language appears:

> The rates, terms and conditions (including rates which may be applicable under true-up) specified in both the "GTE Terms" and the "Cox Terms" are further subject to amendment, retroactive to the Effective Date of the Agreement, to provide for charges or rate adjustments resulting from future Commission or other proceedings, including but not limited to any generic proceeding to determine GTE's unrecovered costs (e.g., historic costs, contribution, undepreciated reserve deficiency, or similar unrecovered GTE costs (including GTE's end user surcharge)), the establishment of a competitively neutral universal service system, or any appeal or other litigation.

The Commission is concerned the language here not be interpreted to define or mandate the parameters for any future Commission proceeding. If and when the Commission conducts any further proceeding(s) to determine prices applicable to interconnection for GTE, it will do as it is required and in accordance with the pricing standards established in § 252(d) of the Act. The parties are free to negotiate activities that they themselves will conduct, but the parties cannot agree to bind or direct future Commission actions. To the extent that there are other sections of the Agreement that attempt to bind the Commission's future actions, they shall not be enforceable.

Despite the above comments, we find that the Agreement should be approved. The Agreement is binding only on GTE and Focal and should not be viewed as precedent for other agreements. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE and Focal is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

---

[1] Article III of the GTE-KMC interconnection agreement contains two Section 40's. The referenced language is contained in the second of the two sections.

CASE NO. PUC990123
NOVEMBER 12, 1999

APPLICATION OF
GTE SOUTH INCORPORATED

To implement extended local service from its Manassas exchange to its Arcola Exchange

FINAL ORDER

On July 9, 1999, GTE South Incorporated ("GTE") filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of § 56-484.2 of the Code of Virginia. GTE proposed to notify its Manassas exchange customers of the increases in monthly rates that would be necessary to expand their local service to include the Company's Arcola exchange. Customers in the Arcola exchange had previously petitioned the Commission for local calling to Manassas. In a poll conducted in response to the petition, the majority of Arcola customers responding to the poll supported paying higher rates for local calling to Manassas. A poll of Manassas customers in response to this application was not required under § 56-484.2(A) of the Code of Virginia because the proposed rate increase for one-party residential customers did not exceed five percent (5%) of the existing monthly one-party residential rate.

By Order dated August 3, 1999, the Commission directed GTE to publish notice of the proposed increase. Affected telephone customers were given until October 8, 1999, to file comments or request a hearing on the proposal. No comments or requests for hearing were received.

On October 8, 1999, GTE filed proof of notice as required by the Commission's August 3, 1999, Order.

On October 29, 1999, the Commission Staff submitted its report regarding the Company's application. The Staff recommended that GTE's application to implement extended local service from its Manassas exchange to its Arcola exchange be approved. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from GTE's Manassas exchange to its Arcola exchange shall be implemented.

(2) GTE shall file the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC990124
DECEMBER 15, 1999

APPLICATION OF
ARBROS COMMUNICATIONS LICENSING COMPANY, VA

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On August 9, 1999, Arbros Communications Licensing Company, VA ("Arbros" or "the Company"), completed an application for a certificate of public convenience and necessity ("certificate") to provide local exchange telecommunications services throughout the Commonwealth of Virginia. By Order dated September 20, 1999, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a Staff Report, and scheduled a public hearing to receive evidence relevant to such application.

On November 15, 1999, Staff filed its report finding that Arbros' application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service, as codified in 20 VAC 5-400-180. The Staff recommended granting a local exchange certificate to Arbros.

A hearing was conducted on November 24, 1999. Arbros provided proof of publication and proof of service as required by the September 20, 1999, Order. At the hearing, the proofs of publication and service of notice, the application including exhibits, and the Staff Report were entered into the record without objection. Arbros agreed to the recommendations contained in the Staff Report.

Having considered the application and the Staff Report, the Commission finds that such application should be granted.

Accordingly, IT IS ORDERED THAT:

(1) Arbros Communications Licensing Company, VA is hereby granted a certificate of public convenience and necessity, No. T-469, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Offering of Competitive Local Exchange Telephone Service, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) Arbros shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(3) At such time as Arbros initiates voice services, Arbros shall provide/comply with all requirements of § C of the Local Rules.

(4) Any customer deposits collected by Arbros shall be retained in an unaffiliated third-party escrow account until such time as the Staff or the Commission determines is no longer necessary.

(5) Arbros shall provide audited financial statements of its parent, Arbros Communications, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of Arbros' initial tariff.

(6) There being nothing further to come before the Commission, this case shall be dismissed and the papers placed in the file for ended causes.

CASE NO. PUC990125
NOVEMBER 30, 1999

APPLICATION OF
JATO COMMUNICATIONS CORP. OF VIRGINIA

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On September 3, 1999, JATO Communications Corp. of Virginia ("JATO" or "Applicant") completed an application for a certificate of public convenience and necessity ("certificate") to provide local exchange telecommunications services throughout the Commonwealth of Virginia. JATO proposes to offer high-speed digital subscriber line data services using its own facilities and unbundled network elements of incumbent local exchange carriers. Initially, JATO will not be offering traditional voice services.

By Order dated September 22, 1999, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to analyze the reasonableness of the application and to file a Staff Report, and scheduled a public hearing to receive evidence relevant to JATO's application.

On November 15, 1999, the Staff Report was filed. The Staff stated that JATO's application was acceptable and in compliance with the certification requirements of 20 VAC 5-400-180, the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules"), subject to the following conditions: (1) at such time as voice services are initiated by JATO, it shall provide/comply with all requirements of § C (Conditions for certification) of the Local Rules; (2) any customer deposits collected by JATO shall be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary; and (3) JATO shall provide audited financial statements for JATO Communications Corp., the parent company of JATO, to the Staff no later than one (1) year from the effective date of JATO's initial tariff.

A hearing was held on November 24, 1999. JATO provided proof of notice and service as directed by the Commission's September 22, 1999, Order. At the hearing, the proof of notice and service, the application with accompanying exhibits, and the Staff Report were entered into the record without objection. The Applicant agreed to the recommendations of the Staff.

NOW, having considered the application and the Staff Report, the Commission finds that such application, as well as the requested waivers, should be granted. Accordingly,

IT IS ORDERED THAT:

(1) JATO Communications Corp. of Virginia hereby is granted a certificate of public convenience and necessity, No. T-467, to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules, § 56-265.4:4 of the Code of Virginia, the provisions of this Order, and the conditions set forth in the Staff Report.

(2) JATO shall file tariffs with the Division of Communications that conform with all applicable Commission rules and regulations from which the Applicant has not been granted a waiver.

(3) Since there is nothing further to come before the Commission, this case shall be and hereby is dismissed.

CASE NO. PUC990127
OCTOBER 14, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
NOS COMMUNICATIONS, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On July 16, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA"), and NOS Communications, Inc. ("NOS"), filed an interconnection agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. This Agreement was described as a resale agreement.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5 B and § 56-265.4:4 C 1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, NOS and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by August 5, 1999, and none were received.

We have one area of concern with the Agreement. Section 30.2 under the heading of "Responsibility for Charges" appears to obligate NOS to pay for services provided by parties other than BA-VA regardless of whether NOS is paid for those charges by its customers. This Agreement between NOS and BA-VA does not affect the rights of end users to dispute such charges and does not excuse either company from complying with the Commission's billing and collection rules. Notwithstanding this concern, we find that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and NOS. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and NOS is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC990130
NOVEMBER 8, 1999

APPLICATION OF
QWEST COMMUNICATIONS CORPORATION OF VIRGINIA

For certificate of public convenience and necessity to provide facilities based interexchange telecommunications services

FINAL ORDER

On July 29, 1999, Qwest Communications Corporation of Virginia ("Qwest" or "the Company") filed an application for a certificate of public convenience and necessity ("certificate") to provide facilities based interexchange telecommunications services throughout the Commonwealth of Virginia. As part of its application, Qwest requested authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated September 3, 1999, the Commission directed the Company to provide notice to the public of its application, which invited interested persons to file comments and request a hearing, and directed the Commission Staff to conduct an investigation and, if necessary, file a report. Qwest filed its proof of publication and notice on September 29, 1999, and no comments or requests for hearing were received. On October 12, 1999, the Staff filed a report finding that Qwest's application was in compliance with the Commission's Rules Governing the Certification of Interexchange Carriers.[1]

Based upon its review of Qwest's application and the Company's responses to Staff data requests, the Staff determined it would be appropriate to grant an interexchange certificate to Qwest.

NOW THE COMMISSION, having considered Qwest's application and the Staff Report, is of the opinion and finds that Qwest should be granted a certificate to provide interexchange telecommunications services. Having considered § 56-481.1, the Commission further finds that Qwest may price its interexchange services competitively. Accordingly,

IT IS ORDERED THAT:

(1) Qwest Communications Corporation of Virginia is hereby granted a certificate of public convenience and necessity, No. TT-80A, to provide interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) Qwest shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(3) Pursuant to § 56-481.1 of the Code of Virginia, Qwest may price its interexchange services competitively.

(4) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.

---

[1] 20 VAC 5-400-60.

CASE NO. PUC990131
OCTOBER 26, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
QWEST COMMUNICATIONS CORPORATION

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On August 2, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA") and Qwest Communications Corporation ("Qwest") filed an interconnection agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. The Agreement is a product of Qwest's adoption, pursuant to § 252(i) of the Act, of BA-VA's agreement with MCImetro Access Transmission Services of Virginia, Inc.

This Agreement establishes the terms, conditions, and prices for the mutual exchange and termination of traffic originating on each party's network; the purchase by Qwest of unbundled network elements and certain resale services from BA-VA; and ancillary services.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5 B and § 56-265.4:4 C 1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, Qwest, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by August 23, 1999, and none were received.

We find that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and Qwest. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Qwest is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC990132
DECEMBER 21, 1999

APPLICATION OF
GTE SOUTH INCORPORATED

To implement extended local service from its Richlands exchange to Bell Atlantic-Virginia, Inc.'s Davenport exchange

FINAL ORDER

On August 3, 1999, GTE South Incorporated ("GTE" 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. GTE proposed to notify its Richlands exchange customers of the increases in monthly rates that would be necessary to extend their local service to include Bell Atlantic-Virginia, Inc.'s ("BA-VA") Davenport exchange. Telephone customers in the Davenport exchange had previously petitioned the Commission for local calling to Richlands. In a poll conducted in response to the petition, a majority of the Davenport customers responding supported paying higher rates for local calling to Richlands. A poll of Richlands customers in response to this application was not required under § 56-484.2 A of the Code of Virginia because the proposed rate increase for one-party residential service does not exceed five percent (5%) of the existing monthly one-party residential rate.

By Order dated September 20, 1999, the Commission directed GTE to publish notice of the proposed increases in monthly rates. Affected telephone customers were given until November 15, 1999, to file comments or request a hearing on the proposal. No comments or requests for hearing were filed. On November 15, 1999, GTE filed proof of notice as required by the Commission's September 20, 1999, Order.

On November 30, 1999, the Commission Staff submitted its report recommending approval of the Company's application. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from GTE's Richlands exchange to BA-VA's Davenport exchange shall be implemented.

(2) GTE shall file the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC990133
DECEMBER 21, 1999

APPLICATION OF
GTE SOUTH INCORPORATED

To implement extended local service from its Big Prater exchange to Bell Atlantic-Virginia, Inc.'s Davenport exchange

FINAL ORDER

On August 3, 1999, GTE South Incorporated ("GTE" 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. GTE proposed to notify its Big Prater exchange customers of the increases in monthly rates that would be necessary to extend their local service to include Bell Atlantic-Virginia, Inc.'s ("BA-VA") Davenport exchange. Telephone customers in the Davenport exchange had previously petitioned the Commission for local calling to Big Prater. In a poll conducted in response to the petition, a majority of the Davenport customers responding supported paying higher rates for local calling to Big Prater. A poll of Big Prater customers in response to this application was not required under § 56-484.2 A of the Code of Virginia because the proposed rate increase for one-party residential service does not exceed five percent of the existing monthly one-party residential rate.

By Order dated September 20, 1999, the Commission directed GTE to publish notice of the proposed increases in monthly rates. Affected telephone customers were given until November 15, 1999, to file comments or request a hearing on the proposal. No comments or requests for hearing were filed. On November 15, 1999, GTE filed proof of notice as required by the Commission's September 20, 1999, Order.

On November 30, 1999, the Commission Staff submitted its report recommending approval of the Company's application.

Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from GTE's Big Prater exchange to BA-VA's Davenport exchange shall be implemented.

(2) GTE shall file the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC990134
DECEMBER 21, 1999

APPLICATION OF
GTE SOUTH INCORPORATED

To implement extended local service from its Grundy exchange to Bell Atlantic-Virginia, Inc.'s Davenport exchange

FINAL ORDER

On August 3, 1999, GTE South Incorporated ("GTE" 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. GTE proposed to notify its Grundy exchange customers of the increases in monthly rates that would be necessary to extend their local service to include Bell Atlantic-Virginia, Inc.'s ("BA-VA") Davenport exchange. Telephone customers in the Davenport exchange had previously petitioned the Commission for local calling to Grundy. In a poll conducted in response to the petition, a majority of the Davenport customers responding supported paying higher rates for local calling to Grundy. A poll of Grundy customers in response to this application was not required under § 56-484.2 A of the Code of Virginia because the proposed rate increase for one-party residential service does not exceed five percent of the existing monthly one-party residential rate.

By Order dated September 20, 1999, the Commission directed GTE to publish notice of the proposed increases in monthly rates. Affected telephone customers were given until November 15, 1999, to file comments or request a hearing on the proposal. No comments or requests for hearing were filed. On November 15, 1999, GTE filed proof of notice as required by the Commission's September 20, 1999, Order.

On November 30, 1999, the Commission Staff submitted its report recommending approval of the Company's application.

Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from GTE's Grundy exchange to BA-VA's Davenport exchange shall be implemented.

(2) GTE shall file the tariff revisions necessary for the proposed extension of local service.

(3) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC990135
OCTOBER 26, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
METROCALL, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On August 3, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA") and Metrocall, Inc. ("Metrocall") filed an interconnection agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. The Agreement is a product of Metrocall's adoption, pursuant to § 252(i) of the Act, of BA-VA's agreement with Paging Network of Washington, Inc.

This Agreement establishes the terms, conditions, and prices for the mutual exchange and termination of traffic originating on each party's network; call transport and termination; and ancillary network services provided by each to the other.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5 B and § 56-265.4:4 C 1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, Metrocall, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by August 24, 1999, and none were received.

We find that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and Metrocall. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Metrocall is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC990136
OCTOBER 12, 1999

APPLICATION OF
GTE SOUTH INCORPORATED
and
TOPP COMM, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On August 4, 1999, GTE South Incorporated ("GTE") and Topp Comm, Inc. ("TOPPCOMM"), filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. This Agreement was described as a resale agreement.

This Agreement establishes the terms, conditions and prices for the purchase by TOPPCOMM of certain resale services from GTE. However, this Agreement provides for two sets of prices. The first set of prices is the GTE Terms, shown in Appendix 45A, and the second set is the AT&T Terms, shown in Appendix 45B. Section 45 of Article III of the Agreement provides that if the AT&T Terms are deemed to be unlawful, or are stayed, enjoined or otherwise modified, in whole or in part, by a court or commission of competent jurisdiction, then this Agreement shall be deemed to have been amended to modify the AT&T Terms or to substitute the GTE Terms, retroactive to the effective date of the AT&T terms.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, GTE, TOPPCOMM and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for GTE indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed by August 25, 1999, and none were received.

As required by § A 2 of the procedural rules, we have reviewed the negotiated portions of the Agreement pursuant to § 252(e)(2)(A) of the Act. Under these criteria, we find no reason to reject this Agreement. However, there is at least one portion of the Agreement that requires our attention.

In Article III, Section 45, "Amendment of Certain Rates, Terms and Conditions," the following language appears:

> The rates, terms and conditions (including rates which may be applicable under true-up) specified in both the "GTE Terms" and the "AT&T Terms" are further subject to amendment, retroactive to the Effective Date of the Agreement, to provide for charges or rate adjustments resulting from future Commission or other proceedings, including but not limited to any generic proceeding to determine GTE's unrecovered costs (e.g., historic costs, contribution, undepreciated reserve deficiency, or similar unrecovered GTE costs (including GTE's end user surcharge)), the establishment of a competitively neutral universal service system, or any appeal or other litigation.

The Commission is concerned that the language here not be interpreted to define or mandate the parameters for any future Commission proceeding. If and when the Commission conducts any further proceeding(s) to determine prices applicable to interconnection for GTE, it will do as it is required and in accordance with the pricing standards established in § 252(d) of the Act. The parties are free to negotiate activities that they themselves will conduct, but the parties cannot agree to bind or direct future Commission actions. To the extent that there are other sections of the Agreement that attempt to bind the Commission's future actions, they shall not be enforceable.

Despite the above comments, we find that the Agreement should be approved. The Agreement is binding only on GTE and TOPPCOMM and should not be viewed as precedent for other agreements. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE South Incorporated and Topp Comm, Inc., is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC990137
OCTOBER 26, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
PICUS COMMUNICATIONS, LLC

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On August 6, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA"), and Picus Communications, LLC ("Picus"), filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, Picus, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Agreement was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190 ("Procedural Rules"). Comments were to be filed by August 27, 1999, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and Picus. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Picus is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC990139
NOVEMBER 8, 1999

APPLICATION OF
GTE SOUTH INCORPORATED
and
PHONE RECONNECT OF AMERICA

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On August 9, 1999, GTE South Incorporated ("GTE") and Phone Reconnect of America ("PRA") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

This Agreement establishes the terms, conditions, and prices for the purchase by PRA of certain telecommunications services from GTE for resale.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5 B and § 56-265.4:4 C 1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, GTE, PRA, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for GTE indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before August 30, 1999, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on GTE and PRA. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE and PRA hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC990140
AUGUST 16, 1999

APPLICATION OF
OMC COMMUNICATIONS OF VIRGINIA, INC.

To cancel its certificate of public convenience and necessity, No. T-416

ORDER CANCELLING CERTIFICATE

By its Final Order, entered on September 23, 1998, in Case No. PUC970136, the Commission awarded a certificate of public convenience and necessity, No. T-416, to OMC Telecommunications of Virginia, Inc. ("OMC" or "Company").

On August 2, 1999, Daniel I. Galkin, Executive Vice-President of OMC, submitted a letter to the Clerk of the Commission requesting the cancellation of the certificate. Mr. Galkin stated that OMC had not begun operations in Virginia and had no tariff on file with the Division of Communications.

The Commission will treat the letter as a motion for the cancellation of the certificate and will grant the motion. Accordingly,

IT IS ORDERED THAT:

(1) This matter be docketed and assigned Case No. PUC990140.

(2) The motion of OMC for cancellation of its certificate, No. T-416, shall be GRANTED.

(3) There being nothing further to come before the Commission, this matter is dismissed.

CASE NO. PUC990141
DECEMBER 15, 1999

APPLICATION OF
CARDINAL COMMUNICATIONS OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On August 25, 1999, Cardinal Communications of Virginia, Inc. ("Cardinal" or "Applicant" or "Company") completed an application for certificates of public convenience and necessity ("certificate") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. Cardinal also requested authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated September 17, 1999, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a Staff Report, and scheduled a public hearing to receive evidence relevant to Cardinal's application.

On November 10, 1999, Staff filed its report finding that Cardinal's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service, 20 VAC 5-400-180 ("Local Rules") and the Rules Governing the Certification of Interexchange Carriers, 20 VAC 5-400-60 ("IXC Rules"). Staff indicated its position that Cardinal had met all applicable conditions for certification identified in § B of the Local Rules. Cardinal is proposing to offer high-speed data telecommunications services to consumers in Virginia.

The Staff Report recommended granting a certificate to Cardinal for interexchange telecommunications services and a certificate for local exchange telecommunications services subject to the following conditions: (1) at such time as voice services are initiated by the Company, Cardinal shall provide/comply with all requirements of § C (Conditions for certification) of the Local Rules; (2) any customer deposits collected by the Company shall be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary; and (3) the Company shall provide audited financial statements of its parent, Cardinal Communications, Inc., to the Staff no later than one (1) year from the effective date of Cardinal's initial tariff.

A hearing was conducted on November 24, 1999. At the hearing, Cardinal's proof of service, proof of notice, the application, and accompanying attachments, along with the Staff's Report, were entered into the record without objection. Applicant agreed to the recommendations contained in the Staff Report.

Having considered the application and the Staff Report, the Commission finds that Cardinal's application should be granted. We also find that Cardinal should comply with the above recommendations of Staff. Accordingly,

IT IS ORDERED THAT:

(1) Cardinal hereby is granted a certificate of public convenience and necessity, No. TT-82A, to provide interexchange telecommunications services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) Cardinal is granted a certificate of public convenience and necessity, No. T-470, to provide local exchange telecommunications services subject to the restrictions set forth in the Commission's Rules Governing the Offering of Competitive Local Exchange Telephone Service, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) Cardinal is granted authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

(4) Cardinal shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(5) The certificates granted to Cardinal are conditioned upon Cardinal complying with the following recommendations of Staff: (a) at such time as voice services are initiated by the Company, Cardinal shall provide/comply with all requirements of § C (Conditions for certification) of the Local Rules; (b) any customer deposits collected by the Company shall be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines is no longer necessary; and (c) the Company shall provide audited financial statements of its parent, Cardinal Communications, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of Cardinal's initial tariff.

(6) Since there is nothing further to come before the Commission, this case shall be dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUC990142
DECEMBER 21, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from its Clintwood exchange to its Dante exchange

FINAL ORDER

On August 16, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA" or "the Company"), filed an application with the State Corporation Commission ("Commission") pursuant to the provisions of § 56-484.2 of the Code of Virginia. BA-VA proposed to notify its Clintwood exchange customers of the increases in monthly rates that would be necessary to extend their local service to include the Dante exchange. Telephone customers in the Dante exchange had previously petitioned the Commission for local calling to Clintwood. In a poll conducted in response to the petition, a majority of Dante customers responding supported paying higher rates for local calling to Clintwood. A poll of Clintwood customers in response to this application was not required under § 56-484.2 A of the Code of Virginia because the proposed rate increase does not exceed five percent (5%) of the existing monthly one-party residential flat rate.

By Order dated October 5, 1999, the Commission directed BA-VA to publish notice of the proposed increase. Affected telephone customers were given until November 22, 1999, to file comments or to request a hearing on the proposal. No comments or requests for a hearing were received. On November 15, 1999, BA-VA filed proof of notice as required by the Commission's Order of October 5, 1999.

On December 3, 1999, the Commission Staff submitted its report recommending approval of the Company's application. Accordingly,

IT IS ORDERED THAT:

(1) The proposed extension of local service from Bell Atlantic-Virginia, Inc.'s Clintwood exchange to its Dante exchange shall be implemented.

(2) BA-VA shall file the tariff revisions necessary for the proposed extension of local service.

(3) Since there is nothing further to come before the Commission, this case is dismissed and removed from the Commission's docket of active cases.

CASE NO. PUC990143
NOVEMBER 15, 1999

APPLICATION OF
GTE SOUTH INCORPORATED
and
QUANTREX COMMUNICATIONS, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On August 16, 1999, GTE South Incorporated ("GTE") and Quantrex Communications, Inc. ("Quantrex") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. This Agreement establishes the terms, conditions and prices for the purchase by Quantrex of certain resale services from GTE.

However, this Agreement contains two sets of prices. One set of prices is the "GTE Terms," shown in Appendix 48B, and the other set is the "Terms Adopted From the Virginia GTE/Cox Arbitrated Agreement," ("Cox Terms") shown in Appendix 48A. Section 46 of Article III of the Agreement

provides that if the Cox Terms are deemed to be unlawful, or are stayed, enjoined or otherwise modified, in whole or part by a court or commission of competent jurisdiction, then the Agreement shall be deemed to have been amended to modify the Cox Terms or substitute the GTE Terms, retroactive to the effective date of the Agreement.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5 B and § 56-265.4:4 C 1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, GTE, Quantrex, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for GTE and Quantrex indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("Procedural Rules"). Comments were to be filed on or before September 6, 1999, and none were received.

In Article III, Section 48, "Amendment of Certain Rates, Terms and Conditions," the following language appears:

> The rates, terms and conditions (including rates which may be applicable under true-up) specified in both the "GTE Terms" and the "COX Terms" are further subject to amendment, retroactive to the Effective Date of the Agreement, to provide for charges or rate adjustments resulting from future Commission or other proceedings, including but not limited to any generic proceeding to determine GTE's unrecovered costs (e.g., historic costs, contribution, undepreciated reserve deficiency, or similar unrecovered GTE costs (including GTE's end user surcharge)), the establishment of a competitively neutral universal service system, or any appeal or other litigation.

The Commission is concerned the language here not be interpreted to define or mandate the parameters for any future Commission proceeding. If and when the Commission conducts any further proceeding(s) to determine prices applicable to interconnection for GTE, it will do so as it is required and in accordance with the pricing standards established in § 252(d) of the Act. The parties are free to negotiate activities that they themselves will conduct, but the parties cannot agree to bind or direct future Commission actions. To the extent that there are other sections of the Agreement that attempt to bind the Commission's future actions, they shall not be enforceable.

Despite the above comments, we find that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. The Agreement is binding only on GTE and Quantrex and should not be viewed as precedent for other agreements. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE and Quantrex is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC990146
NOVEMBER 17, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
AIRTOUCH PAGING OF VIRGINIA, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On August 19, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA"), and AirTouch Paging of Virginia, Inc. ("AirTouch"), filed an interconnection agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. The Agreement is a product of AirTouch's adoption, pursuant to § 252(i) of the Act, of BA-VA's agreement with Paging Network of Washington, Inc.

This Agreement establishes the terms, conditions, and prices for the mutual exchange and termination of traffic originating on each party's network, call transport and termination, and ancillary network services.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5 B and § 56-265.4:4 C 1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, AirTouch, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by September 9, 1999, and none were received.

We find that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and AirTouch. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and AirTouch is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC990147
NOVEMBER 17, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
SHENTEL COMMUNICATIONS COMPANY

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On August 19, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA"), and ShenTel Communications Company ("ShenTel") filed an interconnection agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

This Agreement establishes the terms, conditions, and prices for the mutual exchange and termination of traffic originating on each party's network, the purchase by ShenTel of unbundled network elements and certain resale services from BA-VA, and the purchase of ancillary services offered by BA-VA.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5 B and § 56-265.4:4 C 1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, ShenTel, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by September 9, 1999, and none were received.

We find that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and ShenTel. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and ShenTel is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC990149
SEPTEMBER 3, 1999

APPLICATION OF
ACI CORP.-VIRGINIA

To cancel existing certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services and to issue new certificates reflecting the new corporate name of successor company

FINAL ORDER

On May 20, 1998, the State Corporation Commission ("Commission") entered an Order in Case No. PUC980045, which granted ACI Corp.-Virginia ("ACI-VA") a certificate of public convenience and necessity, No. TT-52A, to provide interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers (as codified in 20 VAC 5-400-60), § 56-265.4:4 of the Code of Virginia, and the provisions of the May 20, 1998, Order. In the same Order, the Commission granted ACI-VA a certificate of public convenience and necessity, No. T-412, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Offering of Competitive Local Exchange Telephone Services (as codified in 20 VAC 5-400-180), § 56-265.4:4 of the Code of Virginia, and the provisions of the May 20, 1998, Order.

On August 23, 1999, Rhythms Links Inc.-Virginia, formerly ACI Corp.-Virginia, ("Rhythms Links" or "the Company") filed a letter with the Commission requesting that certificates of public convenience and necessity, Nos. TT-52A and T-412, issued to ACI Corp.-Virginia in Case No. PUC980045, be canceled, and new certificates of public convenience and necessity be issued in the name of Rhythms Links Inc.-Virginia. In support of its request, the Company stated that ACI Corp.-Virginia began doing business in Virginia under a new name, Rhythms Links Inc.-Virginia, effective August 11, 1999. It noted that all other information regarding the Company remained unchanged.

On August 30, 1999, ACI-VA filed an application requesting the Commission to cancel the certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services issued to it and to issue new certificates in the name of its successor company, Rhythms Links. In support of its application, ACI-VA recited that it had filed Articles of Amendment with the Commission to change its name from ACI Corp.-Virginia to Rhythms Links Inc.-Virginia, and that on August 11, 1999, the Commission issued a Certificate of Amendment changing its corporate name to Rhythms Links Inc.-Virginia.

NOW, UPON CONSIDERATION of the foregoing, the Commission is of the opinion and finds that certificates of public convenience and necessity, Nos. TT-52A and T-412, issued to ACI Corp.-Virginia, should be canceled, and new certificates of public convenience and necessity should be issued to the Company, reflecting the new name of that corporation, Rhythms Links Inc.-Virginia.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) This matter is hereby docketed and assigned Case No. PUC990149.

(2) Certificate of public convenience and necessity, No. TT-52A, issued to ACI Corp.-Virginia, is hereby canceled.

(3) Certificate of public convenience and necessity, No. TT-52B, is hereby issued to Rhythms Links Inc.-Virginia, authorizing the Company to provide interexchange telecommunications services, subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers (codified in 20 VAC 5-400-60), § 56-265.4:4 of the Code of Virginia, and the provisions previously set out in the Commission's May 20, 1998, Final Order entered in Case No. PUC980045.

(4) Certificate of public convenience and necessity, No. T-412, issued to ACI Corp.-Virginia, is hereby canceled.

(5) Certificate of public convenience and necessity, No. T-412a, is hereby issued to Rhythms Links Inc.-Virginia, authorizing the Company to provide local exchange telecommunications services subject to the restrictions set forth in the Commission's Rules for Local Exchange Telephone Competition (codified in 20 VAC 5-400-180), § 56-265.4:4 of the Code of Virginia, and the provisions previously set out in the May 20, 1998, Final Order entered in Case No. PUC980045.

(6) Rhythms Links Inc.-Virginia shall file new tariffs no later than October 29, 1999, with the Commission's Division of Communications that conform with all applicable Commission rules and regulations and which use Rhythms Links Inc.-Virginia's name rather than that of ACI Corp.-Virginia. The tariffs filed in ACI Corp.-Virginia's name with the Commission's Division of Communications shall be canceled after Rhythms Links Inc.-Virginia's tariffs are accepted.

(7) There being nothing further to be done in this matter, this cause shall be removed from the Commission's docket of active proceedings, and the papers filed herein placed in the Commission's file for ended causes.

CASE NO. PUC990150
NOVEMBER 29, 1999

JOINT APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA, AND UNITED TELEPHONE-SOUTHEAST, INC.
and
HYPERION COMMUNICATIONS OF VIRGINIA, LLC

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On September 1, 1999, Central Telephone Company of Virginia and United Telephone-Southeast, Inc. ("United/Centel"), and Hyperion Communications of Virginia, LLC ("Hyperion"), filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. Hyperion has exercised its right under § 252(i) of the Act to adopt the agreement between United/Centel and US LEC of Virginia, L.L.C., approved by the Commission in Case No. PUC980185, on March 8, 1999.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, United/Centel, Hyperion and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for United/Centel indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before September 22, 1999, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The agreement is directly binding only on United/Centel and Hyperion. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by United/Centel and Hyperion hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC990153
OCTOBER 12, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
MFN OF VA, L.L.C.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On September 8, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA"), and MFN of VA, L.L.C. ("MFN"), filed an interconnection agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, MFN, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by September 29, 1999, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and MFN. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and MFN is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC990154
DECEMBER 7, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
360 COMMUNICATIONS COMPANY OF CHARLOTTESVILLE d/b/a ALLTEL

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On September 8, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA"), and 360 Communications Company of Charlottesville d/b/a Alltel ("Alltel") filed an interconnection agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. The Agreement is a product of Alltel's adoption, pursuant to § 252(i) of the Act, of BA-VA's agreement with MCImetro Access Transmission Services of Virginia, Inc.

This Agreement establishes the terms, conditions, and prices for the mutual exchange and termination of traffic originating on each party's network, the purchase by Alltel of unbundled network elements and certain resale services from BA-VA, the purchase by Alltel of certain telecommunications services from BA-VA for resale, and ancillary network services offered by BA-VA.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5 B and § 56-265.4:4 C 1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, Alltel, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by September 29, 1999, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and Alltel. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and Alltel is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC990155
DECEMBER 21, 1999

APPLICATION OF
WILLIAMS COMMUNICATIONS OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On September 13, 1999, Williams Communications of Virginia, Inc. ("Williams" or "Applicant"), filed an application for a certificate of public convenience and necessity to provide local exchange telecommunications services throughout the Commonwealth of Virginia.

By Order dated October 14, 1999, the Commission directed the Applicant to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a Staff Report, and scheduled a public hearing to receive evidence relevant to Williams' application.

On December 2, 1999, Staff filed its report finding that Williams' application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service, 20 VAC 5-400-180 ("Local Rules"). The Staff reported that Williams will not initially offer switched local exchange services but rather private line, high-capacity fiber optic transmission services. Williams has agreed to meet all applicable conditions for certification identified in § C of the Local Rules.

A hearing was conducted on December 15, 1999. Williams provided proof of service and proof of publication of newspaper notice, as directed by the Commission's October 14, 1999, Order. At the hearing, the proof of service, proof of notice, the application and accompanying attachments, and the Staff Report were entered into the record without objection. Applicant agreed to the recommendation of the Staff Report.

Having considered the application and the Staff Report, the Commission finds that Williams' application should be granted. We also find that Williams should comply with the above recommendation of Staff. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Williams Communications of Virginia, Inc. is granted a certificate of public convenience and necessity, No. T-473, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Offering of Competitive Local Exchange Telephone Service, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) Williams shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(3) At such time as Williams initiates voice services, it shall provide/comply with all requirements of § C of the Local Rules.

(4) Since there is nothing further to come before the Commission, this case shall be dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC990161
DECEMBER 17, 1999

APPLICATION OF
GTE SOUTH INCORPORATED
and
NET2000 COMMUNICATIONS SERVICES, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On September 24, 1999, GTE South Incorporated ("GTE") and Net2000 Communications Services, Inc. ("Net2000") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. The Agreement is a product of Net2000's adoption, pursuant to § 252(i) of the Act, of GTE's agreement with KMC Telecom of Virginia, Inc.

This Agreement establishes the terms, conditions, and prices for the mutual exchange and termination of traffic originating on each party's network; collocation of certain Net2000 equipment in GTE's premises, and provides for reciprocal access by the parties to poles, ducts, conduits, and rights-of-way; the purchase by Net2000 of unbundled network elements and certain resale services from BA-VA; and the purchase by Net2000 of certain telecommunications services from BA-VA for resale. However, this Agreement provides for two sets of prices. The first set of prices is the GTE Terms, shown in Appendix 40A, and the second set is the COX Terms, shown in Appendix 40B. Section 40[1] of Article III of the Agreement provides that if the COX Terms are deemed to be unlawful, or are stayed, enjoined or otherwise modified, in whole or part by a court or commission of competent jurisdiction, then the Agreement shall be deemed to have been amended to modify the COX Terms or substitute the GTE Terms, retroactive to the effective date of the Agreement.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5 B and § 56-265.4:4 C 1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, GTE, Net2000, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for GTE and Net2000 indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed on or before October 15, 1999, and none were received.

As required by subdivision A 2 of the procedural rules, we have reviewed the negotiated portions of the Agreement pursuant to § 252(e)(2)(A) of the Act. Under these criteria, we find no reason to reject this Agreement. However, there is at least one portion of the Agreement that requires our attention.

[1] Article III of the GTE-KMC interconnection agreement contains two § 40's. The referenced language is contained in the second of the two sections.

In Article III, Section 40, "Amendment of Certain Rates, Terms and Conditions," the following language appears:

> The rates, terms and conditions (including rates which may be applicable under true-up) specified in both the "GTE Terms" and the "COX Terms" are further subject to amendment, retroactive to the Effective Date of the Agreement, to provide for charges or rate adjustments resulting from future Commission or other proceedings, including but not limited to any generic proceeding to determine GTE's unrecovered costs (e.g., historic costs, contribution, undepreciated reserve deficiency, or similar unrecovered GTE costs (including GTE's end user surcharge)), the establishment of a competitively neutral universal service system, or any appeal or other litigation.

The Commission is concerned the language here not be interpreted to define or mandate the parameters for any future Commission proceeding. If and when the Commission conducts any further proceeding(s) to determine prices applicable to interconnection for GTE, it will do so as it is required and in accordance with the pricing standards established in § 252(d) of the Act. The parties are free to negotiate activities that they themselves will conduct, but the parties cannot agree to bind or direct future Commission actions. To the extent that there are other sections of the Agreement that attempt to bind the Commission's future actions, they shall not be enforceable.

Despite the above comments, we find that the Agreement should be approved. The Agreement is binding only on GTE and Net2000 and should not be viewed as precedent for other agreements. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE and Net2000 is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC990165
DECEMBER 17, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
dPi-TELECONNECT, L.L.C.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On September 30, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA"), and dPi-Teleconnect, L.L.C. ("dPi") filed an interconnection agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

This Agreement establishes the terms, conditions, and prices for the purchase by dPi of certain telecommunications services from BA-VA for resale.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5 B and § 56-265.4:4 C 1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, dPi, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by October 21, 1999, and none were received.

We have one area of concern with the Agreement. Section 30 under the heading of "Responsibility for Charges" appears to obligate dPi to pay for services provided by parties other than BA-VA regardless of whether dPi is paid for those charges by its customers. This Agreement between dPi and BA-VA does not affect the rights of end users to dispute such charges and does not excuse either company from complying with the Commission's billing and collection rules. Notwithstanding this concern, we find that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and dPi. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and dPi is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC990166
DECEMBER 17, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
US LEC OF VIRGINIA, L.L.C.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On October 1, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA"), and US LEC of Virginia, L.L.C. ("US LEC") filed an interconnection agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. The Agreement is a product of US LEC's adoption, pursuant to § 252(i) of the Act, of BA-VA's agreement with MCI.

This Agreement establishes the terms, conditions, and prices for the mutual exchange and termination of traffic originating on each party's network, the purchase by US LEC of unbundled network elements and certain resale services from BA-VA, the purchase by US LEC of certain telecommunications services from BA-VA for resale, and ancillary services. This Agreement supercedes US LEC's original agreement with BA-VA, which expired July 1, 1999.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5 B and § 56-265.4:4 C 1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, US LEC, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by October 22, 1999, and none were received.

We find that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and US LEC. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and US LEC is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC990167
DECEMBER 17, 1999

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
HARVARDNET, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On October 1, 1999, Bell Atlantic-Virginia, Inc. ("BA-VA"), and HarvardNet, Inc. ("HarvardNet") filed an interconnection agreement ("Agreement") for Commission approval, pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. The Agreement is a product of HarvardNet's adoption, pursuant to § 252(i) of the Act, of BA-VA's agreement with DIECA Communications, Inc.

This Agreement establishes the terms, conditions, and prices for the mutual exchange and termination of traffic originating on each party's network, the purchase by HarvardNet of unbundled network elements and certain resale services from BA-VA, the purchase by HarvardNet of certain telecommunications services from BA-VA for resale, and ancillary services.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5 B and § 56-265.4:4 C 1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, BA-VA, HarvardNet, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for BA-VA indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed by October 22, 1999, and none were received.

We find that the Agreement should be approved pursuant to the standards of § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on BA-VA and HarvardNet. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by BA-VA and HarvardNet is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This case is continued generally for the consideration of any subsequent amendments or revisions to the Agreement.

CASE NO. PUC990168
NOVEMBER 30, 1999

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.
and
COMPASS TELECOMMUNICATIONS, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On October 4, 1999, United Telephone-Southeast, Inc. ("United"), and Compass Telecommunications, Inc. ("Compass"), filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

This Agreement establishes the terms, conditions, and prices for the purchase by Compass of certain telecommunications services from United for resale and ancillary services, including 911/E911, directory listings, directory assistance, and operator services.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, United, Compass, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for United indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before October 25, 1999, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on United and Compass. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by United and Compass hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC990169
NOVEMBER 30, 1999

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA
and
COMPASS TELECOMMUNICATIONS, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On October 4, 1999, Central Telephone Company of Virginia ("Centel") and Compass Telecommunications, Inc. ("Compass"), filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

This Agreement establishes the terms, conditions, and prices for the purchase by Compass of certain telecommunications services from Centel for resale and ancillary services, including 911/E911, directory listings, directory assistance, and operator services.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, Centel, Compass, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for Centel indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before October 25, 1999, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on Centel and Compass. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by Centel and Compass hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC990170
NOVEMBER 30, 1999

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.
and
PHONELINK, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On October 4, 1999, United Telephone-Southeast, Inc. ("United"), and PhoneLink, Inc. ("PhoneLink"), filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

This Agreement establishes the terms, conditions, and prices for the purchase by PhoneLink of certain telecommunications services from United for resale and ancillary services, including 911/E911, directory listings, directory assistance, and operator services.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, United, PhoneLink, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for United indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before October 25, 1999, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on United and PhoneLink. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by United and PhoneLink hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC990171
DECEMBER 30, 1999

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA
and
VIRGINIA NETWORK, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On October 6, 1999, Central Telephone Company of Virginia ("Centel") and Virginia Network, Inc. ("VNI"), filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

This Agreement establishes the terms, conditions, and prices for VNI's purchase of certain resale services and ancillary services, including 911/E911, directory listings, directory assistance, and operator services from Centel.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, Centel, VNI, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for Centel indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before October 27, 1999, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on Centel and VNI. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by Centel and VNI hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC990172
DECEMBER 30, 1999

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.
and
VIRGINIA NETWORK, INC.

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On October 6, 1999, United Telephone-Southeast, Inc. ("United") and Virginia Network, Inc. ("VNI") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

This Agreement establishes the terms, conditions, and prices for VNI's purchase of certain resale services and ancillary services, including 911/E911, directory listings, directory assistance and operator services from United.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, United, VNI, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for United indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before October 27, 1999, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on United and VNI. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by United and VNI hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC990173
DECEMBER 30, 1999

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA
and
PV TEL OF VIRGINIA

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On October 6, 1999, Central Telephone Company of Virginia ("Centel") and PV Tel of Virginia ("PV Tel") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

This Agreement establishes the terms, conditions, and prices for PV Tel's purchase of certain resale services, network maintenance, local number portability, and ancillary services, including 911/E911, directory listings, directory assistance and operator services from Centel.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, Centel, PV Tel, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for Centel indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before October 27, 1999, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on Centel and PV Tel. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by Centel and PV Tel hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC990174
DECEMBER 30, 1999

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.
and
PV TEL OF VIRGINIA

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On October 6, 1999, United Telephone-Southeast, Inc. ("United") and PV Tel of Virginia ("PV Tel") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252.

This Agreement establishes the terms, conditions, and prices for PV Tel's purchase of certain resale services, network maintenance, local number portability, and ancillary services, including 911/E911, directory listings, directory assistance and operator services from United.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5.B and § 56-265.4:4.C.1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, United, PV Tel, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for United indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Act, as adopted in Case No. PUC960059, 20 VAC 5-400-190. Comments were to be filed on or before October 27, 1999, and none were received.

The Commission finds that the Agreement should be approved pursuant to the standards set forth in § 252(e)(2)(A) of the Act. It should not, however, be viewed as Commission precedent for other agreements. The Agreement is directly binding only on United and PV Tel. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by United and PV Tel hereby is approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC990175
DECEMBER 30, 1999

APPLICATION OF
GTE SOUTH INCORPORATED
and
PICUS COMMUNICATIONS, LLC

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

ORDER APPROVING AGREEMENT

On October 6, 1999, GTE South Incorporated ("GTE") and Picus Communications, LLC ("Picus") filed an interconnection agreement ("Agreement") for Commission approval pursuant to §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), 47 U.S.C. §§ 251 and 252. The Agreement is a product of Picus's adoption, pursuant to § 252(i) of the Act, of GTE's agreement with Dieca Communications, Inc., d/b/a Covad Communications Company.

This Agreement establishes the terms, conditions, and prices for the mutual exchange and termination of traffic originating on each party's network and the purchase by Picus of undbundled network elements and certain resale services from GTE. The Agreement also establishes the terms and conditions for the collocation of certain Picus equipment on GTE's premises, and provides for reciprocal access by the parties to poles, conduits, and rights of way. However, this Agreement provides for two sets of prices. The first set of prices is the MCImetro Terms, shown in Appendix 46A, and the second set is the GTE Terms, shown in Appendix 46B. Section 46 of Article III of the Agreement provides that if the MCImetro Terms are deemed to be unlawful, or are stayed, enjoined or otherwise modified, in whole or in part, by a court or commission of competent jurisdiction, then the Agreement shall be deemed to have been amended to modify the MCImetro Terms or substitute the GTE Terms, retroactive to the effective date of the Agreement.

The Commission has constitutional and statutory duties to regulate the operations of telecommunications public service companies to assure conformance to the public interest. See Va. Const. art. IX, § 2 and § 56-35 of the Code of Virginia. This authority has been reaffirmed by the enactment of § 56-235.5 B and § 56-265.4:4 C 1. Whether the Commission is authorizing alternative forms of regulation or certificating competitive providers, it must

assure the continuation of quality local exchange services and protect the public interest. Notwithstanding their negotiated agreement, GTE, Picus, and all other providers of local exchange services must comply with all statutory standards and Commission rules and regulations.

Counsel for GTE and Picus indicated that a copy of the Application was served on the modified service list in this case as defined in the Commission's Procedural Rules for Implementing §§ 251 and 252 of the Telecommunications Act of 1996, as adopted in Case No. PUC960059, 20 VAC 5-400-190, ("procedural rules"). Comments were to be filed on or before October 27, 1999, and none were received.

As required by subdivision A 2 of the procedural rules, we have reviewed the negotiated portions of the Agreement pursuant to § 252(e)(2)(A) of the Act. Under these criteria, we find no reason to reject this Agreement. However, there is at least one portion of the Agreement that requires our attention.

In Article III, Section 46, "Amendment of Certain Rates," the following language appears:

> The rates (including rates which may be applicable under true-up) specified in both the "GTE Terms" and the "MCImetro Terms" are further subject to amendment, retroactive to the Effective Date of the Agreement, to provide for charges or rate adjustments resulting from future Commission or other proceedings, including but not limited to any generic proceeding to determine GTE's unrecovered costs (e.g., historic costs, contribution, undepreciated reserve deficiency, or similar unrecovered GTE costs (including GTE's end user surcharge)), the establishment of a competitively neutral universal service system, or any appeal or other litigation.

The Commission is concerned the language here not be interpreted to define or mandate the parameters for any future Commission proceeding. If and when the Commission conducts any further proceeding(s) to determine prices applicable to interconnection for GTE, it will do so as it is required in accordance with the pricing standards established in § 252(d) of the Act. The parties are free to negotiate activities that they themselves will conduct, but the parties cannot agree to bind or direct future Commission actions. To the extent that there are other sections of the Agreement that attempt to bind the Commission's future actions, they shall not be enforceable.

Despite the above comments, we find that the Agreement should be approved. The Agreement is binding only on GTE and Picus and should not be viewed as precedent for other agreements. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the Commission's authority to regulate public service companies as authorized by the Virginia Constitution, art. IX, § 2 and § 56-35 of the Code of Virginia, the interconnection agreement submitted by GTE and Picus is hereby approved as complying with § 252(e) of the Act.

(2) Pursuant to § 252(h) of the Act, a copy of this Agreement shall be kept on file in the Commission's Division of Communications for inspection by the public.

(3) This matter is continued generally for the consideration of any subsequent revisions or amendments to the Agreement.

CASE NO. PUC990202
NOVEMBER 18, 1999

APPLICATION OF
COX COMMUNICATIONS, INC.
and
COX COMMUNICATIONS TELCOM, INC.

For cancellation of certificates of public convenience and necessity

ORDER

By letter dated October 27, 1999, Cox Communications, Inc., and Cox Communications Telcom, Inc. ("Applicants"), have requested the Commission cancel the certificates of public convenience and necessity issued to Media General Telecommunications, Inc. ("Media General"), in Case No. PUC990036, by Order dated June 7, 1999.

By Final Order entered in Case No. PUA990042, the Commission approved the acquisition of Media General by Cox Communications, Inc. Subsequently, Media General changed its corporate name to Cox Communications Telcom, Inc. Applicants have determined that there is no necessity of maintaining the certificates, Nos. T-446 and TT-69A, issued to Media General, since an affiliated corporate subsidiary, Cox Virginia Telcom, Inc., possesses similar authority from the Commission for the provision of local and interexchange telecommunications services in the Commonwealth. Media General had not begun offering service prior to its acquisition, nor has it done so since. Additionally, Media General does not have tariffs on file with the Division of Communications. The Commission finds that the request for the cancellation of the certificates should be granted.

Accordingly, IT IS ORDERED THAT:

(1) This matter should be docketed and assigned Case No. PUC990202.

(2) The request of Applicants for cancellation of the certificates of public convenience and necessity, Nos. T-446 and TT-69A, shall be granted and said certificates are hereby cancelled.

(3) This matter is dismissed.

CASE NO. PUC990206
NOVEMBER 18, 1999

APPLICATION OF
ACCESS VIRGINIA, INC.

For cancellation of its certificate of public convenience and necessity

ORDER

By letter of counsel, Access Virginia, Inc. ("Company"), has requested the Commission to cancel its certificate of public convenience and necessity, No. T-382, issued by Order dated July 23, 1997, in Case No. PUC970038. By this certificate, the Company was permitted to provide competitive local exchange services. The Company has advised that it has no customers in Virginia and provides no telecommunications services in the Commonwealth. The Commission finds that the request for cancellation of certificate should be granted.

Accordingly, IT IS ORDERED THAT:

(1) This matter should be docketed and assigned Case No. PUC990206.

(2) The request of Access Virginia, Inc., for cancellation of its certificate of public convenience and necessity, No. T-382, shall be granted and said certificate is hereby cancelled.

(3) The tariffs of Access Virginia, Inc., on file with the Commission's Division of Communications are likewise cancelled.

(4) This matter is dismissed.

DIVISION OF ENERGY REGULATION

CASE NO. PUE960133
MARCH 3, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
GEORGE M. HUDGINS, et al.
v.
SYDNOR HYDRODYNAMICS, INC.

FINAL ORDER

In a petition filed on July 24, 1996, the First Colony Civic Association requested that the Commission assume jurisdiction, pursuant to § 13.1-620(G) of the Code of Virginia, to determine if Sydnor Hydrodynamics, Inc.'s, ("Sydnor" or "the Company") rates were reasonable and its service adequate for the First Colony water system in James City County, Virginia. That petition was signed by 85 percent of the system's customers.

Sydnor's current rates challenged in this proceeding include: a bimonthly minimum charge of $33.00 which includes 4,000 gallons of usage per month and a $4.125 per 1,000 gallons charge for all usage in excess of 4,000 gallons.

Sydnor's current rates were established by a contract with the original developer of the First Colony subdivision, effective July 15, 1963. That contract established the original water rates and authorized Sydnor to increase rates periodically in accordance with a cost of living escalator tied to the increase in the Consumer Price Index.

On March 31, 1997, the Commission entered a Consent Order reciting the agreement of Sydnor, Staff and the Division of Consumer Counsel, Office of the Attorney General, to make rates interim, subject to refund, effective April 1, 1997.

On April 15, 1997, the Commission issued an order scheduling a hearing in the matter and requiring the Company to implement a cost tracking procedure on a going-forward basis. The Commission also required the Company to submit financial data for the First Colony system based on a six-month period ending June 30, 1997.

A hearing was held on November 5, 1997, before Chief Hearing Examiner Deborah V. Ellenberg. Counsel appearing were John D. Sharer, Esquire, for the Company, and Marta B. Curtis, Esquire, and C. Meade Browder, Jr., Esquire, for the Commission's Staff.

Three public witnesses appeared and offered testimony at the hearing. One witness expressed concern with service quality, notably extended outages. Another expressed skepticism with Sydnor's allocations of costs among its many systems, and the final witness noted issues of service reliability, reasonableness of rates, and customer relations.

At the hearing the Company challenged the Commission's jurisdiction in this matter. The Company argued that the Commission's jurisdiction over unregulated water companies was limited to the provisions of Chapter 10.2 of Title 56 of the Code of Virginia. It also argued that any attempt to adjust the Company's rates set pursuant to a private contract would violate the contract clauses of the constitutions of the United States and Virginia. Further, the Company argued that any effort to reduce Sydnor's rates would result in an unconstitutional taking without due process or just compensation. Staff asserted that the Commission had clear authority to assert jurisdiction over the Company and proposed several adjustments to determine the Company's revenue requirement.

There were also accounting and quality of service issues in controversy at the hearing. The Company disagreed with Staff's adjustments reducing the Company's rate case expense, expense related to the controller's time spent on tracking costs for the First Colony system, salary expense, leak expense, uncollectible expense, meter expense, and other miscellaneous expenses. Staff also took exception with the Company's proposal to add two temporary surcharges to recover the costs of this proceeding and to recover costs associated with the tracking and reporting of First Colony system expenses.

The Company also took issue with Staff's recommendation that the Commission retain jurisdiction over the Company for two years in order to monitor the Company's service. While the Company did not oppose Staff's recommendation that the Company be required to implement toll-free calling for service problems, it argued that the additional cost associated with implementing such service should be included in its cost of service.

On October 7, 1998, the Hearing Examiner filed her Report. In her Report, she found that:

(1) The use of a six-month test period ending June 30, 1997, is proper in this proceeding;

(2) The Company's annual operating revenues, for the First Colony system, after all adjustments, were $82,995;

(3) The Company's annual operating revenue deductions for the First Colony system, after all adjustments, were $76,564;

(4) The Company's net operating income for the First Colony system, after all adjustments, was $6,431;

(5) The Company's current rates produce a return on adjusted rate base of 40.70%;

(6) The Company's First Colony system adjusted rate base is $15,802;

(7) The Company's current rates are unjust and unreasonable because they will produce revenue which would generate a return on rate base of 40.70%;

(8) The Company requires $78,995 in gross annual revenues to earn a 24.99% return on rate base;

(9) The Company should be required to refund, with interest, all revenues collected under its interim rates in excess of the amount found just and reasonable;

(10) The Company shall maintain a detailed record of service interruptions, including the date, the location and a brief description of the interruption;

(11) The Company shall implement toll-free calling for after business hours service problems; and

(12) The Commission should retain jurisdiction over Sydnor for two years from the date of the final order.

The Examiner recommended that the Commission enter an order that adopts the findings in her Report; reduces the Company's rates as described in the Report; and directs the refund of all amounts collected under interim rates in excess of the rate increase found just and reasonable therein.

In her discussion of the jurisdictional issues, the Examiner relied on the 1974 amendment to § 13.1-620(G) and Commission precedent[1] to support her finding that the Commission had authority to exercise jurisdiction over Sydnor. The Examiner rejected Sydnor's argument that the 1974 amendment is unconstitutional and in conflict with § 56-265.11. The Examiner noted that, even if a conflict exists, § 13.1-620(G) would prevail as it was enacted subsequent to the enactment of § 56-265.11.

In discussing her finding that there were no contract clause violations, the Examiner relied on the overriding public policy interest to assure that an essential service is being provided at fair rates as articulated in the Oak Hill Water Company and Broadview Water Works cases. The Examiner found no improper taking if the Commission accepted the reduced rates recommended in her Report as there was no denial of due process and her recommendation would fairly compensate the Company. The Examiner also found that Sydnor's interests did not outweigh public interest considerations in this instance.

Pursuant to a Commission order entered on October 21, 1998, the Company filed comments and exceptions to the Report of the Hearing Examiner on November 12, 1998. The Company took exception with the Examiner's finding that the Commission had jurisdiction over the proceeding pursuant to § 13.1-620(G) and requested that the Commission dismiss the case with prejudice.

If the case were not dismissed, it was the Company's position that the Commission should find First Colony's rates just and reasonable and include $39,000 of rate case expense in its cost of service. The Company also urged the Commission to adopt First Colony's adjustment to normalize test year expenses for leak repairs; to include the adjustment expensing the replacement of water meters; and to adjust cost of service by $55.00 per month to provide for the cost of implementing the Hearing Examiner's recommendation regarding the establishment of toll-free, twenty-four hour calling service.

The Company took exception with the Examiner's recommendation that the Commission retain jurisdiction over the First Colony System for two years. If the Commission retains such jurisdiction, the Company requested that it clarify that such jurisdiction applies solely to the First Colony water system and not to the Company as a whole. The Company also requested that, if such jurisdiction were retained, water rates for the First Colony system be governed by the 1963 contract and the rate increase provisions of such contract.

NOW THE COMMISSION, having considered the record, the Examiner's Report and the comments thereto, as well as the applicable law, is of the opinion that the findings and recommendations of the Examiner, with the exceptions noted below, are reasonable and will be adopted.

We agree with the Examiner's finding that the Commission has jurisdiction over this matter. The Examiner's Report did not contain a lengthy discussion of the constitutional issues raised by Sydnor. Given the vigor with which the Company puts forth its constitutional arguments, we will address these issues in some detail.

The contract clauses of the Unites States Constitution[2] and the Virginia Constitution[3] protect against the same fundamental invasion of rights, and judicial interpretations of the two clauses have been consistent.[4]

The federal contract clause, however, "does not operate to obliterate the police power of the States,"[5] and correspondingly, the Virginia Constitution declares that the police power of the Commonwealth to regulate the affairs of corporations shall never be abridged.[6] The police power "is an exercise of the sovereign right of the Government to protect the lives, health, morals, comfort, and general welfare of the people, and is paramount to any

[1] Report at 7 (discussing Application of Oak Hill Water Co., Case No. 19475, 1975 S.C.C. Ann. Rep. 206; Commonwealth ex rel. State Corp. Comm'n v. Broadview Water Works, Inc., Case No. 19543, 1976 S.C.C. Ann. Rep. 107).

[2] "No state shall . . . pass any . . . Law impairing the Obligation of Contracts." U.S. Const. art I, § 10.

[3] "The General Assembly shall not pass any law impairing the obligation of contracts." Va. Const. art. I, § 11.

[4] Working Waterman's Ass'n v. Seafood Harvesters, Inc., 227 Va. 101 (1984) (citing 1 A. Howard, Commentaries on the Constitution of Virginia, 203, 207 (1974)).

[5] Allied Structural Steel Co. v. Spannaus, 438 U.S. 234, 241 (1978).

[6] Va. Const. art. IX, § 6.

rights under contracts between individuals."[7] The fact that utility rates prescribed by contract may be set aside by the Commission in the exercise of the Commonwealth's police power to regulate such rates is well settled, and has been so since the turn of this century. Commonwealth ex rel. Page Milling Co. v. Shenandoah River Light & Power Corp., 135 Va. 47 (1923).[8]

We are particularly perplexed at Sydnor's assertion that "no legitimate public purpose" justifies the impairment of its rights under contract that would occur with Commission regulation of the First Colony system.[9] Sydnor has reminded us that it is not incorporated as a public service corporation. In enacting the 1974 amendment to § 13.1-620(G), however, the General Assembly clearly showed that it did not choose to surrender the Commonwealth's police power over otherwise unregulated private water companies.[10] It is beyond reasonable dispute that Sydnor's privately-owned monopoly water system serving the First Colony subdivision is devoted to a public use, and when private property is so affected, it is subject to public regulation. Munn v. Illinois, 94 U.S. 85, 86 (1877).

For these reasons, we agree with the Examiner that § 13.1-620(G) may be properly applied to Sydnor in its operation of the First Colony system.[11] The General Assembly's power to protect the public interest cannot be frustrated by a private desire to have an enterprise affected with a public interest remain immune from the lawful police power of the state to protect the general welfare of the people.

We will next address several accounting issues with which Sydnor takes exception. First, Sydnor objects to the Examiner's recommendation to reduce a Company adjustment for leak repair expense by $2,487. The reduction results from annualizing the Company's actual repair expense incurred over the six-month test period, during which time the Company experienced fewer leaks than in the past. The annualization results in an expense allowance of $8,862 for leak repairs. Sydnor sought a total allowance of $11,349 for this expense based on historical leak repair data. We find that the evidence points toward a downward trend in the occurrence of leaks in the future,[12] and therefore we will not accept the Company's adjustment. However, to the extent the test period data may reflect an abnormally low level leak repair expense, we will average the Company's and Staff's recommended allowances and permit a total allowance of $10,106 for this expense.[13]

The Company also complains that $371 in costs associated with replacement of water meters should be expensed rather than capitalized, as recommended by the Examiner. In its comments to the Report, Sydnor cites for our convenience the following "Guidelines for Establishing and Maintaining Continuing Property Records" from the NARUC Model Valuation, Plant Costs and Continuing Property Records Manual: "The property units generally fall into four broad categories. First are 'cradle to grave' units such as meters and line transformers. These units are capitalized on purchase and cost of subsequent removing and resetting are charged to expense."[14]

The costs at issue are for the replacement, rather than repair, of meters. The cost of labor and minor supplies associated with removing and resetting meters are indeed expensed; however, the meters themselves are capitalized. Since we understand the costs here are associated with materials,[15] we agree with the Examiner that the costs are to be capitalized.[16]

---

[7] Allied Structural Steel at 241 (quoting Manigault v. Springs, 199 U.S. 473, 480 (1905).

[8] In support of its holding in Page Milling, the Virginia Supreme Court cites to numerous decisions of other state courts and of the United States Supreme Court. The Court notes that, "[t]hese decisions, a few from many to like effect, should suffice to satisfy the most skeptical or belated investigator that the right of private contract must yield to the exigencies of the public welfare when determined in an appropriate manner by the authority of the State." 135 Va. at 57 (quoting Union Dry Goods Co. v. Georgia Public Serv. Corp., 248 U.S. 372, 377 (1919)).

[9] Post-Hearing Brief of Sydnor Hydrodynamics, Inc. at 15.

[10] Section 13.1-620(G) requires water or sewer companies serving more than fifty customers to incorporate as a public service company, but it "grandfathers" companies such as Sydnor that were incorporated before and operating a water or sewer system on January 1, 1970. The 1974 amendment to the statute (since further amended) provides the following exception to extend Commission jurisdiction over grandfathered companies:

> [A]s to any water or sewer system serving more than fifty customers, upon application to the Commission by a majority of the customers or by the company, a hearing may be held after thirty days' notice to the company and the system's customers or a majority thereof, and the Commission may order such, if any, improvements or rate changes or both as are just and reasonable. Upon ordering into effect any rate changes or improvements found to be just and reasonable, the water or sewer system shall remain subject to the Commission's regulatory authority in the same manner as a public utility for such reasonable period as the Commission may direct. (Emphasis added.)

[11] We also adopt the Examiner's finding that § 56-265.11 is not in conflict with, nor does it limit, the application of, § 13.1-620(G).

[12] See Ex. JLR–1 at 3-5; Ex. JAS-8 at 9-10; Tr. at 73.

[13] We note that the record before us lacks supporting detail for the Company's proposed adjustment of $6,918 for leak repair expense. See Ex. BCD-3 at 6-7, Sched. 4; BCD-4 at 12. While we are accepting a significant portion of the Company's proposed adjustment in this instance, it is generally incumbent upon a company to ensure that the record contains sufficient evidence purporting to support its proposed adjustments.

[14] Comments and Exceptions of Sydnor Hydrodynamics, Inc. at 20-21.

[15] Tr. at 89.

[16] This finding is in accordance with the Uniform System of Accounts ("USOA") for Class A Water Utilities which states that the meters account:

> shall include the cost of meters, devices and appurtenances attached thereto . . . whether actually in service or held in reserve. It shall also include the cost of labor employed, materials used and expenses incurred in connection with the original installation of a customer's meters and devices and appurtenances attached thereto. A sample of items to be included in this account include: Meters, including badging and initial testing; remote

The Examiner recommended that Sydnor provide 24-hour toll-free calling for customers to report service problems. Sydnor objects to the Examiner's failure to permit it to include in its cost of service the expense associated with this telephone service. We do not disagree with the Company that it should be able to recover such costs. However, we must deny the Company's request to include such expense in its cost of service because there is no evidence in the record that even begins to establish what that cost would be. The Examiner properly found that without such evidence no adjustment can be made to the cost of service for First Colony.

Finally, we find that the Examiner's analyses and recommendations as to rate case expenses are reasonable and should be adopted.

The changes we have made require a total reduction in First Colony's adjusted revenues in the amount of $2,756. This will afford the Company an opportunity to generate total annual revenues in the amount of $80,239 and annual net operating income in the amount of $3,949. We find that aggregate rates designed to produce annual revenues of $80,239 are just and reasonable and will not provide revenues in excess of actual cost incurred in serving Sydnor's First Colony customers.

We agree with the Examiner's recommendation that the Commission should retain jurisdiction over Sydnor in its operation of the First Colony water system. Pursuant to § 13.1-620(G), we will retain jurisdiction for a minimum of two years from the date of this order, and, during such time, the First Colony system will be subject to our regulatory authority in the same manner as a regulated public utility.[17] We will entertain a motion from the Company after eighteen months from the date of this Final Order to determine if it is appropriate for the Commission to relinquish jurisdiction at the end of the two-year period.

We will direct Sydnor to file a tariff reflecting rates to produce the revenues approved herein. The Company may maintain existing rules and regulations for service for the First Colony water system that are not inconsistent with this order. Sydnor's contractual provisions relating to rates and rate increases are, however, superseded by the exercise of our authority under § 13.1-620(G) and shall have no effect during the term of the Commission's jurisdiction over the First Colony system. Accordingly,

IT IS ORDERED THAT:

(1) The findings and recommendations of the Chief Hearing Examiner as stated in her October 7, 1998, Report, as modified herein, are hereby adopted.

(2) Consistent with the above referenced findings, the rates for the First Colony water system shall be reduced to effect a revenue reduction of $2,756 to generate $80,239 in gross annual revenues, effective April 1, 1997.

(3) The Company's rates and services for the First Colony water system shall remain subject to the Commission's jurisdiction for a period of at least two years from the date of this order.

(4) Within thirty days from the date of this order, the Company shall file with the Division of Energy Regulation a tariff for rates of service consistent with the terms of this order.

(5) On or before August 1, 1999, Sydnor shall refund to customers of the First Colony water system, with interest, as directed below, all revenues collected from the application of the interim rates which were effective for service commencing April 1, 1997, to the extent that such revenues exceeded the revenues which would have been produced by the rates approved herein.

(6) Interest upon the ordered refunds shall be computed from the date payment of each bimonthly bill was due during the interim period until the date refunds are made, at an average prime rate for each calendar quarter. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin, or in the Federal Reserve's Selected Interest Rates ("Selected Interest Rates") (Statistical Release G.13), for the three months of the preceding calendar quarter.

(7) The interest required to be paid shall be compounded quarterly.

(8) The refunds ordered in Paragraph 5 above, may be accomplished by credit to the appropriate customer's account for current customers (each 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. Syndor may offset the credit or refund to the extent no dispute exists regarding the outstanding balances of its current customer, 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. Sydnor may retain refunds owed to former customers when such refund amount is less than $1; however, Sydnor 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 Syndor and request refunds, such refunds shall be made promptly. All unclaimed refunds shall be handled in accordance with § 55-210.6:2 of the Code of Virginia.

(9) On or before September 1, 1999, Sydnor 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.

---

meter registers; installation labor (first installation only); meter coupling; meter bars; meter yokes; meter fittings, connections and shelves; meter vaults or boxes; and stops.

National Association of Regulatory Utility Commissioners USOA for Class A Water Utilities 1996 at 106.

[17] Our jurisdiction arising out of this proceeding will extend to the First Colony water system only and not to other Sydnor systems.

(10) Sydnor shall bear all costs of the refunding directed in this Order.

(11) This matter shall be removed from the Commission's docket, and the papers placed in the file for ended causes.

CASE NO. PUE960133
MARCH 24, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
GEORGE M. HUDGINS, et al.
v.
SYDNOR HYDRODYNAMICS, INC.

ORDER ON RECONSIDERATION

On March 16, 1999, Sydnor Hydrodynamics, Inc. ("Sydnor" or "the Company") filed a Petition for Reconsideration of the Commission's March 3, 1999, Final Order in this proceeding. Sydnor request that we reconsider two cost of service issues: the recovery of $600.00 in annual costs to implement twenty-four hour toll-free calling for customers to report service problems; and the recovery of an additional $19,000 in rate case expenses incurred by the Company. The Company's motion is supported by a copy of an executed contract, dated March 16, 1999, between Sydnor and a Williamsburg telephone answering service; and invoices for accounting and legal services performed for the Company.

In our Final Order we adopted the Hearing Examiner's recommendation that the Company provide twenty-four hour toll-free calling to its customers in the First Colony subdivision. We further adopted the Examiner's recommendation that Sydnor not recover the expense for such service in its cost of service because the Company did not introduce into the record evidence of the expense. While the issue of providing this service was raised for the first time in Staff's prefiled testimony, and thus was not a part of the Company's initial filing, it would appear the Company had ample time to respond to this issue and could have introduced data supporting its request at the evidentiary hearing.

Nevertheless, we believe the contract cost of $600.00 for the calling service appears to be reasonable and we will permit it to be recovered by the Company. It is not, however, our intention to grant, even in similar situations, such requests in the future. Where there is sufficient time, we will expect all companies to present their evidence by the close of the hearing or other evidentiary portion of a proceeding.

With respect to Sydnor's request regarding rate case expenses, we will not reopen the record. As we stated in the Final Order, we believe that the Hearing Examiner was correct in her analysis and recommendation on this issue. Our ruling on rate case expenses will therefore stand. Accordingly,

IT IS ORDERED THAT:

(1) The Company's Petition for Reconsideration is GRANTED on the issue of recovery for toll-free customer calling, and it may include $600.00 per year in its cost of service for that expense.

(2) The Company's Petition for Reconsideration is DENIED on the issue of the level of rate case expenses included in cost of service.

(3) The Commission's Final Order of March 3, 1999, is modified to the extent that the Company's rates for the First Colony water system shall be reduced to effect a revenue reduction of $2,156 (instead of $2,756) to generate $80,839 in gross annual revenues (instead of $80,239), effective April 1, 1997.

(4) The Company shall forthwith file with the Division of Energy Regulation a tariff for rates of service consistent with the terms of our March 3, 1999, Final Order, as modified herein.

(5) This matter shall be removed from the Commission's docket, and the papers placed in the file for ended causes.

CASE NO. PUE960301
FEBRUARY 18, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: Investigation of Electric Utility Industry Restructuring – Appalachian Power Company

and

APPLICATION OF
APPALACHIAN POWER COMPANY

For an Alternative Regulatory Plan

FINAL ORDER

On June 13, 1997, Appalachian Power Company ("Appalachian" or "the Company") filed with the Commission an application, direct testimony, and exhibits for approval of an alternative regulatory plan ("Plan") and for a general increase in electric rates. Appalachian's application requested a general revenue increase of $30,488,249 in base rates on an annual basis, an increase of approximately 4.8% over current revenues. The Company's request for general rate relief was based upon a calendar 1996 test period, was predicated upon a 9.789% overall rate of return on rate base, and incorporated a return on common equity of 12.9%. The Company also filed proposed tariffs to implement its general rate increase. The Commission suspended the Company's rates for a period of 150 days, and the proposed rates went into effect, subject to refund, with interest, on November 11, 1997.

Appalachian's Plan would have instituted a moratorium period during which no changes would be made prior to January 1, 2001, from the total base rate revenue levels requested by the Company. The proposed Plan did, however, permit shifts in revenues among the Company's customer classes from year to year. In addition, the Plan included a freeze on the Company's 1.482¢/kWh fuel factor for the same period of time as its base rate moratorium; a sharing of earnings above certain levels between the Company and its customers; and acceleration of the recovery of certain regulatory assets.

The Commission granted several extensions for the filing of testimonies, protests, and rebuttal testimony, and granted a general continuance of the hearing date, on advice that the Staff and certain parties to this proceeding had begun and were continuing discussions that were intended to narrow the issues in this case. A hearing for public witnesses only was held on May 19, 1998.

On January 8, 1999, the Staff, the Company, the Division of Consumer Counsel of the Office of the Attorney General ("the Attorney General"), and the Old Dominion Committee for Fair Utility Rates ("the Committee"), hereafter collectively referred to as the "Stipulating Participants," entered into a Stipulation that resolved certain rate issues among themselves in these proceedings.

On January 11, 1999, the Staff and the Company filed the proposed Stipulation with an accompanying motion requesting its consideration. The major components of the Stipulation include: (1) a refund, including interest, of all the increase collected under interim rates from November 11, 1997, to the present, an amount that, at present, exceeds $38 million; (2) a rate reduction of $6 million annually, effective for service rendered on and after January 1, 1998;[1] (3) the filing of an earnings test for each year of the Plan, calculating earned ROE using the methodology and comparable adjustments adopted by the Commission in Case No. PUE940063; (4) Appalachian's intention to hold rates at these levels through December 31, 2000, but permitting a rate change request by any party if changes of circumstance or other factors make it necessary for the protection of the legitimate interests of the Company's customers or its shareholders; (5) an investment by the Company of at least $90 million in Virginia distribution facilities to maintain the overall quality and reliability of electric service; (6) the continuation of the Company's fuel factor and deferred accounting mechanism under current regulation; (7) a benchmark rate of return on equity of 10.85% upon which future earnings will be tested (at the conclusion of the Plan Period, one-third of any net cumulative earnings above that amount will be retained by the Company and the remaining two-thirds will be refunded to ratepayers); and (8) full amortization of certain regulatory assets over the 36-month period, from January 1, 1998, through December 31, 2000, on a straight-line basis.

The Commission issued its Order on the Proposed Stipulation on January 13, 1999, setting dates for the filing of comments or testimony on the Stipulation, replies to comments and testimony, and notices of intent to participate in the hearing.

On January 25, 1999, the Staff filed the testimonies of Lawrence T. Oliver of the Commission's Division of Economics and Finance, Patrick W. Carr of the Division of Public Utility Accounting, and Eswara B. Raju and Thomas E. Lamm of the Division of Energy Regulation. The Staff's testimony supported the Stipulation and settlement and proposed that the issue of the unbundling of Appalachian's rates be transferred to Case No. PUE980814. On February 3, 1999, the Attorney General and the Committee filed comments supporting the terms of the Stipulation and the Staff's proposed handling of the unbundling issue. On February 5, 1999, each of the parties filed notices of intent to participate in the hearing, but no party indicated an interest in presenting witnesses or cross-examining any Staff witnesses.

At the hearing on February 11, 1999, the Company's application and testimony, and the Staff's testimony were entered into the record without cross-examination. The Company's proof of notice, filed on January 11, 1999, and the Stipulation, filed on the same date, were also admitted to the record.

In reaching our findings and conclusions, we have considered the entire record, including the testimony of the Company and Staff, and the comments of the parties. We find that the Stipulation provides for an appropriate refund to Virginia jurisdictional customers and is in the public interest. We find that, based on the record, the rates that will result from the plan will be just and reasonable, and that the plan protects the public interest, will not unreasonably prejudice or disadvantage any customer or class of customers, and will not jeopardize the continuation of reliable electric service. We also find that it is appropriate to transfer the issue of unbundling Appalachian's rates to Case No. PUE980814.

---

[1] Because this rate reduction is being implemented as of January 1, 1998, additional refunds will be made to customers.

IT IS THEREFORE ORDERED THAT:

(1) The regulatory plan for Appalachian Power Company contained in the Stipulation is ADOPTED in its entirety, without change or condition.

(2) On or before May 18, 1999, Appalachian shall refund to its Virginia jurisdictional customers, for the period November 11, 1997, through December 31, 1997, the difference, with interest as directed below, between the amounts that were collected subject to refund, and the amounts that would have been collected under the pre-November 11, 1997, base rates.

(3) On or before May 18, 1999, Appalachian shall refund to its Virginia jurisdictional customers, for the period January 1, 1998, through the implementation date of the stipulated rates, the difference, with interest as directed below, between the amounts that were collected subject to refund, and the amounts that would have been collected under the final base rates specified in Exhibit 2 to the Stipulation.

(4) On or before March 1, 1999, Appalachian shall file with Division of Energy Regulation revised tariffs implementing the base rates specified in Exhibit 2 to the Stipulation.

(5) Interest upon the ordered refunds shall be computed from the date payment of each monthly bill was due during the periods covered by the refunds 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) The interest required to be paid shall be compounded quarterly.

(7) The refunds ordered may be accomplished by credit to current customer's accounts (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. 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 amount is less than $1; however, Appalachian will prepare and maintain a list detailing each of the former accounts for which refunds are less than $1 and in the event such former customers contact Appalachian and request refunds, such refunds shall be made promptly. All unclaimed refunds shall be handled in accordance with § 55-210.6:2 of the Code of Virginia.

(8) On or before July 1, 1999, Appalachian 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.

(9) Appalachian shall bear all costs of the refunding directed in this Order.

(10) The issue of the unbundling of Appalachian's rates shall be transferred to Case No. PUE980814.

(11) There being nothing further to come before the Commission, this matter shall be removed from the docket and papers placed in the file for ended causes.

CASE NO. PUE960303
MARCH 31, 1999

PETITION OF
KENTUCKY UTILITIES COMPANY, d/b/a OLD DOMINION POWER COMPANY

For injunctive relief and/or declaratory judgment against Powell Valley Electric Cooperative

FINAL ORDER

On November 21, 1996, Kentucky Utilities Company ("KU"), doing business in the Commonwealth as Old Dominion Power Company, filed a Petition requesting that the Commission enjoin Powell Valley Electric Cooperative ("PVEC") from selling or delivering electric power to Sigmon Coal Company, Inc. ("Sigmon") for use at mining operations in KU's Virginia service territory or declare that PVEC's provision of such service violates the Utility Facilities Act.[1]

As discussed below, the Petition was assigned to a Hearing Examiner, who, after a hearing and briefs, granted PVEC's motion to dismiss on the basis that the Commission lacked jurisdiction over the matter. For the reasons discussed herein, we reject the Examiner's findings regarding our jurisdiction. We find that there is no basis for PVEC's assertion that we do not have the authority to decide this case. Further, we will grant KU's Petition as we find that PVEC's provision of electric service to Sigmon operations in KU's service territory in Virginia violates Virginia law.

---

[1] Va. Code § 56-265.1, *et seq.*

Background

PVEC is an electric cooperative incorporated in Virginia that provides retail electric service in southwestern Virginia and northeastern Tennessee. PVEC purchases its power at wholesale from the Tennessee Valley Authority ("TVA")[2] for retail distribution to its members.

KU is an investor-owned electric utility incorporated in Kentucky and Virginia. KU provides electric service in five counties in southwestern Virginia and in parts of Kentucky, including Harlan County.

Both PVEC and KU provide service in Lee County, Virginia. Lee County borders Harlan County, Kentucky, and is southeast of the Virginia-Kentucky border. The boundary between the Virginia service territories of PVEC and KU runs southeasterly from the state line into Lee County, and then northeasterly, to form a "V" shape immediately south of Calvin, Virginia. KU's service territory is in and to the north of the "V" and PVEC's service territory is immediately south of the "V."

The Sigmon mining operations are located on properties in Lee County and Harlan County, covering approximately 13,120 acres. Sigmon does not own these properties but has mineral leases that give it the rights to the coal and the surface where coal is mined. In Virginia, the area controlled by Sigmon spans the Lee County service territories of both KU and PVEC. Our jurisdiction over this matter addresses the retail electric service provided to Sigmon mining operations in Virginia and does not, of course, extend to service provided in Kentucky.

The material facts of this case are not in dispute.

In 1985, Sigmon acquired mineral rights to properties located near Calvin in Lee County and across the Virginia-Kentucky border in Harlan County. From 1985 to 1992, KU exclusively served Sigmon's mining operations in Lee County from KU's Calvin substation and in Harlan County from KU's Keokee substation. The Calvin substation served no load other than Sigmon's mining operations within KU's Virginia service territory.[3]

PVEC also has provided service to Sigmon in PVEC's service territory at least since 1985. Specifically, PVEC furnished electricity to two mines in the "Belcher Mine" area, located in Lee County, Virginia. Sigmon suspended operations in the Belcher Mine area in 1994.[4] Currently, the only activity in PVEC's service territory that requires electricity for Sigmon operations is at the "Harlan Seam mine." The mine itself is idled but electricity is required for the running of fans and pumping of water.[5]

In 1992, Sigmon decided to construct a new coal preparation plant ("Preparation Plant") located in KU's service territory near Calvin, Virginia (hereinafter, the "Calvin area"). In May of 1992, PVEC approached Sigmon about the possibility of serving additional load for Sigmon, including the Preparation Plant.[6] PVEC proposed to furnish such electricity from a single, consolidated delivery point (the "Sigmon Delivery Point") that would be located in PVEC's territory immediately south of the PVEC/KU boundary.[7]

The Preparation Plant was placed into service in early January of 1993. Initially, KU served the plant. Sigmon installed a private distribution system and, on January 18, 1993, Sigmon disconnected the Preparation Plant's load from KU's system and connected it to PVEC's system. This marked the first time PVEC provided service to Sigmon for use in KU's service territory, a load of approximately 1 MW.[8] PVEC's facilities in that area, however, were unable to handle the Sigmon load in addition to its preexisting load on the same PVEC circuit and, later in that month, Sigmon transferred part of its load back to KU.[9]

On May 11, 1993, KU formally requested PVEC to discontinue providing service to Sigmon. By letter dated May 20, 1993, PVEC sought an advisory opinion from the Commission's Staff whether such service was lawful. On July 21, 1993, Staff sent a letter stating that, based on a telecommunications case,[10] PVEC's provision of service to Sigmon in KU's service territory did not violate Virginia law since PVEC would transport power and energy to a delivery point within PVEC's service territory.[11]

As stated, PVEC experienced difficulties in serving the Sigmon load it took on in January of 1993. PVEC concluded that it needed to build a new substation in the Calvin Area in order to serve Sigmon's growing load and other customers previously served by another PVEC substation. PVEC and KU had discussed building such a substation since 1992. Such construction, however, could not commence unless KU agreed to supply the necessary

[2] The TVA is an entity created by Congress pursuant to the Tennessee Valley Authority Act, 16 U.S.C. §§ 831 *et seq.* The sale of the TVA's surplus power is subordinate to its primary purposes of promoting the navigation, and controlling the floodwaters, of the Tennessee River system. *Tennessee Valley Authority v. Ashwander*, 78 F.2d 578 (5th Cir. 1935), *aff'd*, 297 U.S. 288 (1936) ("*Ashwander*").

[3] KU's Keokee substation, located in Virginia, provided service to part of Sigmon's mining load as well as to the community of Keokee, Virginia.

[4] Ex. RWM-5 at 11. The two mines in this area were closed in 1990; apparently, other activities associated with mining operations continued until 1994. *Id.*

[5] Tr. at 181-82, 198-200, 203.

[6] Ex. RWM-5 at 8-9.

[7] *Id.* at 9-10.

[8] Tr. at 60.

[9] RMH-1 at 7; Tr. at 57-60, 145-47.

[10] *Commonwealth ex rel. Citizens Tel. Coop. v. C&P Tel. Co. of Va.*, 1984 S.C.C. Ann. Rept. 354.

[11] Staff correctly stated in the letter that its finding did not represent a binding Commission adjudication.

transmission service since PVEC and the TVA have no transmission lines in that area.[12] KU states that the TVA contacted KU in December of 1993 to discuss building PVEC's new substation and that KU was informed that the substation was needed to serve projected residential and commercial loads, not Sigmon's mining operations in KU's service territory.[13] On April 1, 1995, KU and the TVA negotiated an interconnection agreement that increased the amount of capacity that PVEC could deliver to the Calvin area by approximately 5 MW.[14]

In April of 1996, PVEC began constructing a new, high-capacity substation ("the Keokee Substation") at the northern boundary of its service territory located in closest proximity to the Sigmon mining operations in KU's service territory.[15] The new substation is immediately south of the "V" that is formed by the PVEC-KU boundary. Also in 1996, Sigmon contracted for the construction of a 34.5 kV subtransmission line.[16] That line runs northward from the boundary of KU's and PVEC's service territories to the Calvin area, and then across the Virginia-Kentucky state line to Sigmon's mining operations in Kentucky.

In July of 1996, construction of PVEC's Keokee Substation was largely completed and placed in service. The substation enabled PVEC to serve the entire remaining Sigmon load in Virginia and in Harlan County, Kentucky, a load of approximately 5 MW. PVEC's Keokee Substation serves as a wholesale delivery point for PVEC's receipt of power purchased from the TVA. PVEC delivers power from this substation to the Sigmon Delivery Point, from where it is transported over Sigmon's subtransmission line to Sigmon mining operations in KU's Virginia and Kentucky service territories. PVEC asserts that the Keokee Substation is approximately 300 feet from the Sigmon Delivery Point, but, according to KU, the distance is roughly 50 feet.[17]

On or about October 12, 1996, Sigmon was disconnected from KU's system and PVEC became the sole source of power for Sigmon's mining operations formerly served by KU. KU states that PVEC's "capture" of the Sigmon load resulted in completely idling KU's Calvin substation and also idling much of KU's Keokee substation.[18]

On November 21, 1996, KU filed the petition initiating this proceeding.

The Commission entered an order on December 13, 1996, in which it made PVEC a party to this proceeding and appointed a hearing examiner to conduct all further proceedings in this matter. The Commission directed the parties to file a stipulation of agreed upon facts and a list of legal issues in dispute on February 21, 1997, and legal briefs on March 21, 1997.

On January 21, 1997, PVEC filed an Answer to the Petition.

After several extensions at the requests of both KU and PVEC, the Examiner directed the parties to file their joint stipulation of facts and list of legal issues in dispute by October 1, 1997, and to file briefs on the disputed legal issues by October 31, 1997.

On November 12, 1997, KU filed a motion to establish a procedural schedule for the filing of testimony and to schedule an evidentiary hearing.

On November 21, 1997, approximately a year after KU's Petition was filed, PVEC filed a motion to establish a procedural schedule and a motion to dismiss KU's Petition. PVEC asserted that the Commission lacked jurisdiction over this matter because the TVA is a party to the contract underlying the dispute and the TVA's participation "clothes the contract with an overriding federal interest that precludes state regulation."[19] PVEC argued that because the TVA is free from state regulation and control, and Sigmon and PVEC are parties to a contract with the TVA, so too are Sigmon and PVEC free from state regulation or control that would interfere with the performance of the contract.

On December 12, 1997, the Examiner issued a Ruling taking the Motion to Dismiss under advisement and established a procedural schedule.

The hearing in this matter was held on March 12, 1998, before Hearing Examiner Howard P. Anderson, Jr. Representing KU were Kendrick R. Riggs and Richard F. Newell, and counsel for PVEC were William C. Carriger, Mark W. Smith, Donald M. Schubert, Calvin F. Major and David H. Stanifer. The Commission's Staff was represented by C. Meade Browder, Jr.

On October 19, 1998, the Examiner issued his Report. The Examiner noted that in a recently issued order,[20] the Commission had considered a case involving a similar situation. The Examiner stated that the primary distinction between the two cases is that, in this case, "Sigmon is purchasing its power from the TVA, a federal entity."[21] The Examiner stated that under §§ 56-265.3 and 56-265.4 of the Code of Virginia, the certificated utility has an

[12] RMH-1 at 9-13; Tr. at 56-57.

[13] RMH-1 at 10, 14-15.

[14] Ex. RWM-5 at 14. *See also* Tr. at 60

[15] Ex. RMH-1 at 14-15; Ex. RWM-5 at 9. Thus, both KU and PVEC have substations in the area referred to as the "Keokee" Substation.

[16] Ex. RMH-1 at 16; Tr. at 172-73.

[17] Tr. at 176, 236-37.

[18] Tr. at 267-68.

[19] PVEC Motion to Dismiss at 3.

[20] *Petition of Prince George Elec. Coop. and Petition of RGC (USA) Mineral Sands, Inc. and RGC (USA) Minerals, Inc.*, __ S.C.C. Ann. Rep. __, Case No. PUE960295, Document Control No. 980630278 (June 25, 1998) ("*Prince George*").

[21] Hearing Examiner's Report at 10.

exclusive right, and duty, to serve customers within its service territory boundaries. He found that, in this case, unless the point of delivery test is applied,[22] PVEC would be in clear violation of the Utility Facilities Act by providing power to a customer, Sigmon, for its use in another utility's service territory. The Examiner found that the TVA's authority to propose resale rate schedules "cannot be limited by state legislatures."[23] Further, the Examiner found that "enforcement" of the Utility Facilities Act in this case would "result in significant interference with, and perhaps nullification of the contract between the TVA, PVEC and Sigmon."[24] The Examiner therefore granted PVEC's motion to dismiss.

KU filed comments on the Hearing Examiner's Report taking exception to the Examiner's recommendation that PVEC's Motion to Dismiss be granted. KU argues that the Examiner's jurisdictional finding is "based on an erroneous understanding of the relationship of the parties to the contract, as well as a misinterpretation of applicable law."[25] KU states that there are two distinct contracts at issue; one between PVEC and Sigmon, and the other among PVEC, Sigmon and the TVA. KU states that the Examiner's conclusion that the Commission lacks jurisdiction over this matter rests on the erroneous view that Sigmon is buying power from the TVA. Pointing to several provisions in the three party contract, KU contends the plain language of the contract demonstrates it is PVEC, not the TVA, that is obligated under that contract to sell and deliver power to Sigmon. KU states that this case involves PVEC's ability to resell power, from whatever source it was obtained, for use outside of PVEC's service territory, not the earlier sale from the TVA to PVEC.[26]

KU argues that there is no implied preemption in this case either as a matter of law or based on the facts of this case. KU first contends there is no implied preemption because it has long been recognized that the regulation of retail electric utility service territories is an area of traditional state concern and regulation. KU states that federal law is not preempted unless Congress's intent to preempt is clear and manifest, and neither the plain language of the TVA Act, nor its legislative history indicate such intent.[27] KU argues that implied preemption does not occur in this case because PVEC can comply with both the Utility Facilities Act and the TVA Act, so there is no conflict between the two statutes. Moreover, PVEC's compliance with Virginia's requirement of exclusive service territories does not create an impediment to achieving the goals of the TVA Act.

KU points out that PVEC has acquiesced to, and sought the protection of, the Commission's jurisdiction since the Utility Facilities Act was passed, and operates under certificates of public convenience and necessity granted by the Commission. KU notes that the TVA itself has recognized that its distributors are established and regulated by state, not federal, law. KU quotes from an affidavit submitted by a TVA Vice President, R. Larry Taylor, in an action filed against it in Alabama, in which he states that the TVA's distributors, including rural electric cooperatives, "operate under the laws of the States in which they do business and each has a defined geographic service area, as set forth under State law, in which it is the exclusive retail supplier of electricity."[28]

Beyond the jurisdictional issue, KU maintains that PVEC's provision of service to Sigmon's mining loads in KU's service territory violates the Utility Facilities Act, duplicates existing facilities, and causes KU to suffer direct and immediate harm.

Staff filed Comments on the Report of the Hearing Examiner objecting to the Examiner's jurisdictional finding. Staff states that PVEC and the Examiner mischaracterize the nature of KU's petition. According to the Staff, KU is not asking the Commission to exert jurisdiction over a TVA contract. Instead, it is simply asking the Commission to define the legal parameters of electric utility retail service territories required by Title 56 of the Code of Virginia and enforced by the Commission.

Staff asserts that, "the Report is conspicuously absent of any direct legal authority to support its finding that the TVA Act preempts the Commission from enforcing the Facilities Act against [PVEC]."[29] Staff states that federal preemption is not presumed unless there are positive indications of such intent by Congress, and that neither the TVA Act nor its legislative history indicates any such positive indication.[30] Staff contends that there is no preemption of any kind in this case, whether express or implied. Citing two cases upholding state taxation of TVA distributors, discussed *infra*, Staff states that "[i]t is clear that the mere existence of a TVA contract cannot insulate a TVA distributor from all state regulations."[31]

Staff points out that the only reference to service territories in the TVA Act is found in §15d, 16 U.S.C. § 831n-4, which established geographic limits within which the TVA may sell surplus power, i.e., the "TVA fence." Staff states that Congress's intent in adding this provision when it amended the

---

[22] Under the point of delivery test, a utility may sell electric power to a customer as long as the delivery (or metering) point is located within that utility's service territory, even through the electric power is subsequently transported to, and consumed in, another utility's service territory. *See Prince George*, slip op. at 5.

[23] Hearing Examiner's Report at 11.

[24] *Id.*

[25] Comments of KU on the Hearing Examiner's Report at 6.

[26] *Id.* at 10-11.

[27] *See id.* at 23 n.18 (discussing legislative history).

[28] *Id.* at 31-32, citing Ex. 7 to Ex. RMH-1 at 5. Further, Mr. Taylor states that the "degree of competition allowed in retail markets (i.e., service to ultimate customers) is in general considered a matter of State and local concern." *Id.* at 3. He also states that "[r]estrictions on retail competition do constrain [purchasers' of TVA power] ability to sell power (whether or not that power was originally purchased from TVA) to ultimate customers in the [purchasers'] service areas." *Id.*

[29] Comments of Commission Staff on Hearing Examiner's Report at 5.

[30] *Id.* at 6-7, citing *California Div. of Labor Stds. v. Dillingham Constructr.*, 519 U.S. 316 (1997); *New York State Conf. of Blue Cross & Blue Shield Plans v. Travelers Ins. Co.*, 514 U.S. 645 (1995); *Rice v. Santa Fe Elevator Corp.*, 331 U.S. 218 (1947) ("*Rice*").

[31] Comments of Commission Staff on Hearing Examiner's Report at 9.

TVA Act in 1959 was to protect private utilities from TVA competition.[32] Staff states that the fact that Congress determined the limits within which the TVA may sell power based on historical retail service territory boundaries of TVA distributors demonstrates that Congress recognized the states' authority over service territories of retail electric suppliers.

PVEC filed Comments to the Hearing Examiner's Report. PVEC maintains that the Examiner appropriately found that the Commission lacks jurisdiction over this matter because the contract underlying this dispute is a three party contract among PVEC, Sigmon and the TVA. PVEC argues that the Commission has no authority to regulate a contract to which the TVA is a party since the TVA is a federal corporation over which the Commission has no authority.[33] PVEC asserts that the Supremacy Clause of the United States Constitution[34] provides two different bases upon which to find that the Commission is preempted in this matter. First, PVEC contends that "under general preemption principles, the Supremacy Clause protects the contracting decisions of TVA that are made in accordance with the TVA Act from interference from state law."[35] Second, PVEC argues that the "Supremacy Clause grants TVA and its contracting parties intergovernmental immunity from the application of state law to TVA's contracting decisions."[36] PVEC urges the Commission to adopt the Examiner's recommendation that PVEC's Motion to Dismiss be granted.

On December 17, 1998, KU filed a motion requesting leave to file supplemental comments to address an issue, intergovernmental immunity, that KU states PVEC raised for the first time in its comments. KU requested that its supplemental comments, filed with its motion, be admitted into the record or, alternatively, that PVEC's comments on this issue be stricken from the record.

On December 28, 1998, PVEC filed a motion to strike KU's December 17 motion; alternatively, it requested permission to file a response to the comments.

On January 7, 1998, KU filed a reply to PVEC's December 28, 1998 pleading, urging the Commission to deny PVEC's request to file further comments.

By Order dated January 14, 1999, the Commission granted KU's December 17, 1998 Motion, denied PVEC's December 28, 1998 Motion to Strike, and provided PVEC an opportunity to file supplemental comments addressing only the issue of intergovernmental immunity. PVEC filed such comments on January 22, 1999.

NOW THE COMMISSION, upon consideration of the record and the Hearing Examiner's October 19, 1998 Report, the comments and exceptions thereto, and the applicable statutes and case law, is of the opinion and finds that KU's petition should be granted. We find that we have jurisdiction over this matter and that PVEC's sale of electric power to Sigmon for use at its mining operations in KU's Virginia service territory violates the Utilities Facilities Act.[37]

The threshold issue is whether this Commission has jurisdiction to decide this matter. As stated, the Examiner found that the Commission lacks jurisdiction over this dispute since it involves a "three party contract" among PVEC, Sigmon, and the TVA. The Examiner recognized that the Commission has jurisdiction under the Utility Facilities Act to determine the service territories of utilities operating within Virginia and that the TVA Act does not expressly preempt state territorial laws.[38] Nevertheless, the Examiner concluded that:

> Enforcement of Virginia's Utility Facilities Act, in this instance, would result in significant interference with, and perhaps nullification of the contract between the TVA, PVEC and Sigmon. Based on the authority cited above and the TVA's federal authority to enter into contracts for the sale of its power, I find that the contract between the TVA, Powell Valley, and Sigmon Coal cannot be limited by this Commission.[39]

We find the Examiner's analysis flawed in several respects.

The first flaw concerns the factual basis for the Examiner's conclusion that the Commission is preempted in this matter. The Examiner focused on the contractual relationships among PVEC, the TVA, and Sigmon. As stated, he characterized the transaction at issue as a sale of power from the TVA to Sigmon "pursuant to a contract between the TVA, PVEC and Sigmon."[40] That is wrong.

---

[32] *Id.*, citing *Hardin v. Kentucky Util. Co.*, 390 U.S. 1, 7 (1968) ("*Hardin*").

[33] Comments of PVEC to Hearing Examiner's Report at 3-4.

[34] U.S. Const. art. VI, cl. 2.

[35] Comments of PVEC to Hearing Examiner's Report at 8.

[36] *Id.* at 11.

[37] Section 56-265.3 of the Utility Facilities Act requires a public utility to obtain a certificate of public convenience and necessity authorizing it to provide such service in a particular territory. Under § 56-265.4, no applicant for a certificate may operate in the territory of any holder of a certificate unless and until it is proved to the Commission's satisfaction that the service being rendered by the certificate holder is inadequate to the requirements of the public necessity and convenience. Further, the certificate holder must be given a reasonable time and opportunity to remedy any inadequacy before a certificate will be granted to the applicant.

[38] Hearing Examiner's Report at 6.

[39] Hearing Examiner's Report at 11. The authorities referred to in the quoted language were cited by the Examiner apparently in support of the proposition that the "U.S. Supreme Court and the lower federal courts have held, based on the supremacy clause of Article VI of the United States Constitution, that the TVA's board's authority to propose resale rate schedules cannot be limited by state legislatures." *Id.* at 10-11. As discussed below, the TVA's authority to establish the rates for the sale of surplus power is not the issue in this case.

[40] Hearing Examiner's Report at 10.

In fact, this dispute involves two contracts that set forth the relationships of these parties. By the express terms of both contracts, PVEC agrees to sell to Sigmon, and Sigmon to purchase, firm and interruptible power.

The first contract, dated March 1, 1996, is between only PVEC and Sigmon ("PVEC/Sigmon Contract"). This contract sets forth the terms and conditions under which firm and interruptible power and energy will be made available by PVEC for Sigmon's purchase and use at its coal mining, treatment, and loading facilities in Virginia. The TVA is not a party to this contract.

The second contract, also dated March 1, 1996, is among PVEC, Sigmon and the TVA ("PVEC/Sigmon/TVA Contract"). This contract sets forth the terms and conditions under which PVEC will sell power, including economy surplus power ("ESP"), to Sigmon. It provides that, "the parties wish to agree upon the terms and conditions under which firm and interruptible electric power and energy will be made available by [PVEC] for the operation of [Sigmon's] said facilities."[41] Section 2 of the contract states that, "[i]n addition to firm power, [PVEC] shall make available ESP Option C in such amounts as TVA, in its judgment, is able to supply, up to and including 7,100 kW."[42] Thus, by the express terms of the contract, PVEC, not the TVA, is selling firm power and ESP to Sigmon.

Further, the PVEC/Sigmon/TVA Contract makes clear that the TVA is a party only for a limited purpose. The contract states that:

> It is expressly recognized that [Sigmon] remains a customer of [PVEC] and is not a directly served customer of TVA. TVA is a party to this contract only because of the unique nature of ESP. [PVEC] retains responsibility for all power service and customer relations matters except as provided otherwise with respect to ESP.[[43]]

The contract provides that the TVA, upon proper notice, may suspend the availability of ESP "at any time and from time to time."[44] The contract also provides that if the ESP provisions are terminated for any reason, the TVA shall cease to be a party to the contract and the contract shall be deemed to be exclusively between PVEC and Sigmon.[45] In addition, certain of the contract's provisions give the TVA certain operational rights concerning the delivery of ESP to the ultimate customers. For example, the contract gives the TVA (and PVEC) the right of access in, over, and across Sigmon's property as is "reasonably necessary or desirable" for installing, operating and maintaining meters and associated equipment,[46] and gives the TVA the right to communicate directly with Sigmon about matters relating to ESP.[47]

Because the PVEC/Sigmon/TVA contract specifically states that Sigmon is PVEC's customer and makes clear that the TVA is a party only for a limited purpose, we cannot but conclude that this contract embodies PVEC's agreement to sell firm power and ESP to Sigmon. Therefore, contrary to the Examiner's conclusion, Sigmon is not purchasing power from the TVA. Rather, both contracts, by their terms, provide for PVEC's sale of power to Sigmon. The TVA's sale of ESP to PVEC does not enter into our analysis because the issue before us is not whether the TVA may lawfully sell surplus power to PVEC (that is, we are not concerned with the wholesale sale from the TVA to PVEC), but whether PVEC may sell such power to Sigmon outside of PVEC's certificated service territory (*i.e.*, whether the retail sale from PVEC to Sigmon is lawful).

With respect to PVEC's legal analysis, we find that PVEC provides no authority to support its assertion that the Supremacy Clause bars the Commission's review of this dispute. As discussed, PVEC argues: (1) that the Commission is preempted by the TVA Act; and (2) that PVEC is shielded from state regulation by virtue of its participation in a contract to which a federal entity is a party (*i.e.*, its intergovernmental argument).

First, we disagree with PVEC that we lack jurisdiction over this matter on the basis of implied preemption.[48] Implied preemption may occur when: (i) there is an explicit conflict between federal and state laws; (ii) compliance with state law and federal law is impossible or the state statute forms an obstacle to the accomplishment and execution of Congressional objectives; (iii) Congress has enacted a scheme of federal regulation so pervasive that one may reasonably infer that Congress left no room for States to act; or (iv) there is an implicit barrier to state regulation in the federal law.[49] Based on our review of the Utility Facilities Act and the TVA Act, we find no basis upon which to infer implied preemption in this case.

The TVA Act grants to the TVA Board authority to sell surplus power not used in its operations to retail electric providers (the TVA "distributors") and "to include in any contract for the sale of power such terms and conditions, including resale rate schedules, and to provide for such rules

---

[41] Power Supply Contract Among Powell Valley Cooperative, Sigmon Coal Company, Inc. and Tennessee Valley Authority ("PVEC/Sigmon/TVA Contract"), contained in Ex. RWM-5, Ex. 14 at 1.

[42] *Id.* at 2.

[43] PVEC/Sigmon/TVA Contract, "Terms and Conditions," section 3.1. For example, PVEC has the sole responsibility for installing, operating, and maintaining any additional or replacement meters and associated facilities. *Id.*, section 2.3.1.

[44] PVEC/Sigmon/TVA Contract, ESP Attachment, section D.

[45] PVEC/Sigmon/TVA Contract, "Terms and Conditions," section 3.

[46] *Id.*, section 2.4.

[47] *Id.*, section 3.2.

[48] The Examiner correctly found that the TVA Act does not expressly preempt state territorial laws. Hearing Examiner's Report at 6.

[49] *Pacific Gas and Elec. Co. v. State Energy Resources Conservation & Development Comm'n*, 461 U.S. 190, 203-05 (1983) ("*PG&E*"); *Jones v. Rath Packing Co.*, 430 U.S. 519, 525-26 (1977); *Florida Lime & Avocado Growers, Inc. v. Paul*, 373 U.S. 132, 142-43 (1963); *Rice*, 331 U.S. at 229-230; *Hines v. Davidowitz*, 312 U.S. 52, 67 (1941).

and regulations as in its judgment may be necessary or desirable for carrying out the purposes of this Act."[50] The Act also places limitations upon the geographic area in which the TVA may sell its power, often referred to as the "TVA fence" or "TVA wall."[51]

The Constitution of Virginia and Titles 12 and 56 of the Code of Virginia authorize the Commission to regulate the service of electric cooperatives, such as PVEC, in the Commonwealth.

While it is clear that the TVA has jurisdiction over the rates, terms, and conditions for the sale of surplus TVA power, we find that it is equally clear that Congress did not intend that the TVA Act supplant or displace traditional state regulation of retail electric utilities, including state territorial law. Rather, ample authority establishes that Congress intended that the TVA Act merely supplement state regulation of retail electric providers. Significantly, for example, Congress specifically requires the TVA to give entities desiring to purchase TVA power "ample time to fully comply with any local law now in existence or hereafter enacted providing for the necessary legal authority" prior to entering into a contract with the TVA for the sale and purchase of such power.[52]

In addition to the express language of the statute, the TVA Act addresses the sale of surplus power only insofar as it provides the TVA authority to sell such power and to establish the rates, terms and conditions for sales of surplus power that "in its judgment may be necessary or desirable for carrying out the purposes of this Act."[53] Other than the TVA's authority to establish the rates, terms and conditions for the surplus power, the Act is silent with respect to any other manner of regulation of the service of TVA's distributors, including the determination of service territories. Therefore, determinations regarding the geographic areas within which TVA distributors may provide retail service must be made with reference to state law, as is the case for all retail electric providers.

The regulation of the service of retail electric providers has long been recognized to be one of the functions associated with the police powers of the states.[54] The United States Supreme Court recognized the states' authority to determine retail service territories, including territories of TVA distributors, in an early TVA case, stating that "[w]hether competition between utilities shall be prohibited, regulated or forbidden is a matter of state policy."[55] Further, as stated earlier, the TVA itself recognizes that decisions concerning the areas that surplus power may be sold by TVA distributors to ultimate customers are a matter of state concern.[56]

Moreover, there is a strong presumption that federal law does not preempt areas traditionally subject to the police power of the states.[57] In an early TVA case in which the Supreme Court clarified that the TVA may lawfully sell its surplus power as long as it is done in an appropriate way, the Court stated that it must assume that such sales will "be consistent with the foundation principles of our dual system of government and must not be contrived to govern the concerns reserved to the States."[58] As Staff and KU point out, courts have found no conflict between state authority to impose taxes on TVA distributors, notwithstanding the TVA's jurisdiction over the rates, terms and conditions charged by such distributors.[59] Indeed, the Commission assesses gross receipts taxes upon PVEC for its sales within Virginia. Apparently, under PVEC's view, electric suppliers can freely circumvent Virginia's requirement of exclusive service territories simply by purchasing their wholesale requirements from the TVA. We do not believe that Congress intended to provide electric providers the means to achieve such manipulation of state law.

Further, PVEC's compliance with the Utility Facilities Act does not frustrate the purpose and objectives of the TVA Act; nor does the TVA Act form an implicit barrier to state regulation. PVEC's compliance with state law, restricting its sales of power purchased from the TVA to within its service territory, is not inconsistent with the TVA Act's limitation on the areas in which the TVA may sell its surplus power. Nor, based on the facts before us, does PVEC's compliance with state law preclude the TVA from entering into a contract with PVEC for the sale of power. While it is true that PVEC's compliance with Virginia's requirement of exclusive service territories will limit PVEC to selling power purchased from the TVA (or any wholesale supplier) to within its service territory, nothing in the TVA Act requires or permits the TVA to orchestrate the capture of others' retail load for its distributors.

PVEC's argument, carried to its logical conclusion, would have federal law override state law any time the application of state law would impede or preclude TVA distributors from selling power purchased from the TVA. Federal law does not support this conclusion, and such a result would be entirely

---

[50] 16 U.S.C. § 831i.

[51] 16 U.S.C. § 831n-4.

[52] 16 U.S.C. § 831k.

[53] 16 U.S.C. § 831i.

[54] *See PG&E*, 461 U.S. at 205-06 (1983); *Central Hudson Gas & Elec. Corp. v. Pub. Serv. Comm'n of New York*, 447 U.S. 557, 569 (1980).

[55] *Tennessee Electric Power Co. v. Tennessee Valley Authority*, 306 U.S. 118, 141 (1939) (where state statute did not confer upon public utilities the exclusive right to provide service in their territories, competition of the TVA did not constitute an invasion of the utilities' charter or franchise rights so as to give them standing upon which to challenge the constitutionality of the TVA Act).

[56] *See supra* n. 28 and accompanying text.

[57] *See New York State Conf. of Blue Cross & Blue Shield Plans v. Travelers Ins. Co.*, 514 U.S. 645 (1995); *Gregory v. Ashcroft*, 501 U.S. 452 (1991); *Rice*, 331 U.S. at 229-231.

[58] *Ashwander*, 297 U.S. at 338 (holding that the TVA did not exceed its constitutional powers in selling electricity produced at its dams in excess of that which the TVA created in the course of executing its governmental functions, or in acquiring transmission lines in order to sell such power).

[59] *See City of Arab v. Cherokee Elec. Coop.*, 673 So.2d 751, 753-55 (Ala. 1995) (TVA distributors created and operating under Alabama law are not exempt from state taxation by virtue of their contracts with the TVA); *North Georgia Electric Membership Corp. v. City of Calhoun*, 450 S.E.2d 410 (Ga. 1994), *cert. denied*, 514 U.S. 1109 (1995) (Electric supplier not exempted from state taxation by virtue of relationship with the TVA).

inconsistent with the 1959 amendment to the TVA Act that, in essence, froze the areas in which TVA power could be sold to protect investor owned utilities from competition from the TVA.[60]

We agree with the Staff and KU that the cases relied upon by the Hearing Examiner uphold only the TVA's exclusive jurisdiction over determining the rates, terms and conditions of the sale of surplus power and its freedom from state regulation or control when engaging in activities in furtherance of its legitimate statutory purposes, including authority to enter into contracts with private companies and utilities. As discussed above, the issue before us is not whether the TVA may establish the rates, terms and conditions for the resale of surplus power, but whether PVEC's sale of power, regardless of the source, is lawful when made to a customer whose load is located in KU's service territory. No party in this proceeding questions the TVA's authority to establish the rates for the sale of its surplus power.[61]

PVEC's second argument is that "[t]he Supremacy Clause grants the TVA and its contracting parties intergovernmental immunity from the application of state law to TVA's contracting decisions."[62] PVEC asserts that, under the doctrine of intergovernmental immunity, the Commission cannot take any action that would directly regulate, interfere with, or place a limitation on the TVA's contracting decisions.[63] The authorities relied upon by PVEC involve state attempts to directly regulate or exert control over federal government programs or policies, or employees of the federal government acting within the scope of their governmental functions.

This argument is also unavailing. The purport of the doctrine of intergovernmental immunity is to preclude direct state regulation of the federal government, without the federal government's express consent.[64] The Commission's decision will not result in directly regulating or exerting control over the TVA. As discussed, this case is about PVEC's sale of power to Sigmon, not the TVA's previous sale of power to PVEC, and our decision to limit PVEC to providing retail service in its certificated service territory will regulate only PVEC.

PVEC cannot, and does not, provide any legal support for its assertion that the TVA's immunity extends to PVEC simply because of its participation in a contract to which the TVA is a party. The Supreme Court has stated that the federal government's immunity from state regulation does not extend to those who merely contract to furnish supplies or render services to the government.[65] Rather, intergovernmental immunity may be conferred only "upon the United States itself or an agency or instrumentality so closely connected to the Government that the two cannot realistically be viewed as separate entities."[66] PVEC clearly is not an instrumentality of the federal government and the fact that PVEC entered into a contract to which a federal entity is a party does not magically transform it into a federal entity. Moreover, immunity will not be conferred even if the regulation has an effect on the federal government or if the federal government would shoulder the economic burden, as long as the regulation is not discriminatory.[67] The enforcement of the Utilities Facilities Act in this case will not discriminate against the federal government or PVEC since all retail electric providers in the Commonwealth are allowed to provide service only within their service territories, regardless of the identity of their supplier.

Turning to the merits of this case, although the parties dispute certain details concerning the history of Sigmon's service, the material facts of this case are not in dispute. Based on these facts, the result required by Virginia law is clear and unequivocal.

Under the Utility Facilities Act, only an electric provider that has applied for and obtained a certificate of public convenience and necessity is allowed and, indeed, has the responsibility to provide electric service to a customer requesting service within a particular service territory. In *Prince George*, the Commission addressed a similar situation. In that case, a customer sought to purchase power from an electric provider ("Utility A") other than the utility certificated to provide service in the area in which the customer's mineral processing plant was located ("Utility B"). To this end, the customer purchased a

---

[60] *Hardin*, 390 U.S. at 7 ("[I]t is clear and undisputed that the protection of private utilities from TVA competition was almost universally regarded as the primary objective of the [1959] limitation [in § 831n-4]."). *See also Alabama Power Co. v. Tennessee Valley Authority*, 948 F. Supp. 1010, 1014, 1021-22 (N.D. Ala. 1996). Moreover, KU cites legislative history indicating Congress's intent that state law be respected with regard to the distributors' service territories. KU Comments to Hearing Examiner's Report at 23. n. 18. For example, Congress intended that the TVA and its distributors would invoke the TVA Act's provision with "extreme caution" in order that they "not encroach on" the service territories of investor owned utilities. *Id.* (citing 1959 U.S.C.C.A.N. 2000, 2008).

[61] The Commission has long recognized that it has no authority to alter or limit the rate schedules propounded by the TVA Board. *See Application of Powell Valley Electric Cooperative*, Case No. PUA870069, Document Control No. 871110227 (Nov. 9, 1987).

[62] Comments of PVEC on the Hearing Examiner's Report at 11.

[63] *Id.* at 11-19.

[64] *See Hancock v. Train*, 426 U.S. 167, 178-80 (1976); *Johnson v. Maryland*, 254 U.S. 51, 57 (1920). We note that the Supreme Court has observed that this "doctrine" has been poorly understood and inconsistently applied. *United States v. New Mexico*, 455 U.S. 720, 580, 589 (1982) (doctrine of intergovernmental immunity "has been marked from the beginning by inconsistent decisions and excessively delicate distinctions.") ("*New Mexico*"); *United States v. City of Detroit*, 355 U.S. 466, 473 (1958) (the area of intergovernmental tax immunity is a "much litigated and often confused field") ("*Detroit*").

[65] *See New Mexico*, 455 U.S. at 734 (contractors doing business with the federal government under an "advanced funding" procedure are not exempt from state tax because contractors cannot be termed "constituent parts" of the federal government and their relationship with the government was created for a limited, carefully defined purpose); *United States v. Boyd*, 378 U.S. 39, 48 (1964) (rejecting Government's claim that government contractors were tax exempt because they were federal agents); *Penn Dairies, Inc. v. Milk Control Comm'n*, 318 U.S. 261, 270-71 (1943) (intergovernmental immunity will not be extended beyond the federal government itself and governmental functions performed by its officers and agents) (citations omitted).

[66] *New Mexico*, 455 U.S. at 735.

[67] *See Detroit*, 355 U.S. at 471-74 (the federal government's immunity from state taxation is not violated by a state statute imposing a tax on a party using tax exempt real property of the federal government in a business conducted for profit, as long as it does not discriminate against the federal government or those with whom it deal); *United States v. State Corp. Comm'n of Virginia.*, 345 F. Supp. 843, 846-48 (E.D. Va. 1972), *aff'd*, 409 U.S. 1094 (1973) (State Corporation Commission not precluded by doctrine of intergovernmental immunity from imposing same rate schedule on the Pentagon as local residential subscribers, even though the United States will pay substantially more. (citations omitted)).

strip of land 4,380 feet by 30 feet that extended into the service territory of Utility A. Utility A delivered the power to a metering point the customer owned on the 30 foot strip of land within Utility A's service territory; from there, the power was delivered through the 4,380 foot corridor over the customer's privately owned distribution line to the customer's plant in Utility B's service territory. The customer argued that Utility A's provision of service did not violate the Utility Facilities Act since the electricity was delivered to a point within Utility A's service territory prior to its delivery to the customer's plant in Utility B's service territory.

The Commission disagreed. We found that the relevant provisions of the Virginia Code, §§ 56-265.3 and 56-265.4, "provide for exclusive service territories that should be afforded significant protection."[68] The Commission found that if customers are allowed to manipulate delivery points to avoid the electric supplier for their area, the utility would be left with an obligation to serve its entire service territory, but with no assurance that it would be allowed to do so. The Commission stated that "[s]uch circumstances make planning for and serving the remaining customers more difficult and can increase costs for both the utility and its remaining ratepayers."[69] The Commission explained that although it was not adopting an absolute test and would consider the practical realities of each situation, we intended to "ensure that our decisions enforce the Code's requirement of strong protection for the exclusive service territories of utilities in Virginia."[70]

We find that the facts of this case weigh even more strongly against allowing a customer to switch electric providers through manipulating its delivery point than was the case in *Prince George*. In *Prince George*, the customer seeking to avoid the service provider for its area was a new customer with new load; therefore, the incumbent utility would not have suffered economic detriment due to a loss of existing revenue. In this case, Sigmon was an existing customer of KU. PVEC constructed facilities to serve Sigmon that duplicated existing facilities of KU. KU states that the migration of KU's Sigmon load to PVEC resulted in idling KU's Calvin substation and at least half of its Keokee substation and connecting transmission capacity. KU states that the loss of Sigmon's load is costing it approximately $1 million per year. KU also states that if the Commission decides in favor of PVEC, PVEC will have an incentive to "cherry pick" more of Sigmon's lucrative mining loads, potentially resulting in $6 to $8 million of lost revenues in Virginia alone.[71] Further, KU states that the loss of its mining revenues would strand roughly $7.3 million KU has invested in transmission and substation facilities to serve mining operations.[72]

Moreover, if Sigmon is allowed to avoid its electric provider based on manipulation of its delivery point, the protection and certainty that the Utility Facilities Act was designed to provide to territorial grants would be diminished, if not significantly eroded. Indeed, this case illustrate the concerns the Commission expressed in *Prince George*.[73] Here, KU had been serving a large customer, Sigmon, for a number of years and loses Sigmon to a new supplier, PVEC, with the concomitant loss of revenue and wasteful idling of facilities. Then, shortly thereafter, PVEC finds out that it is unable to meet Sigmon's entire demand, and KU is required to take back part of Sigmon's load, only to again lose that same load at a later time. This is the very kind of uncertainty that the Utility Facilities Act is intended to prevent.

We recognize that PVEC has invested large amounts of monies into serving the facilities at issue and a decision in favor of either party will result in a deleterious financial impact on the other. As discussed in *Prince George*, however, we must decide cases involving service territory disputes in a way that is consistent with the significant protection that is afforded to territorial grants by Virginia law. If the situation were reversed, *i.e.*, if KU was serving customers in PVEC's territory, the law would compel a similar finding in favor of PVEC, protecting the integrity of its service territory.

We expect service to Sigmon in the KU service territory to be transferred to KU within 30 days of the date of the issuance of this Order. Within 45 days of the issuance of this Order, the parties shall file a joint report with the Commission certifying that such transfer has been completed.

KU requested that the Commission fine PVEC for its actions. We decline to do so. Accordingly,

IT IS ORDERED that:

(1) KU's petition for injunctive relief and/ or declaratory judgment is granted.

(2) PVEC's motion to dismiss is denied.

(3) Within 30 days of the issuance of this Order, PVEC shall transfer service provided to Sigmon in KU's service territory to KU and within 45 days of the issuance of this Order, and PVEC and KU shall file a joint report with the Commission certifying that such transfer has occurred.

---

[68] *Prince George*, slip op. at 16.

[69] *Id.* at 18.

[70] *Id.* at 20.

[71] KU states that this amount of revenue is equal to approximately 15 to 20 percent of the total Virginia jurisdictional revenue and will directly impact KU's remaining customers in the form of higher rates. Ex. RMH-1 at 23.

[72] Comments of KU on Hearing Examiner's Report at 4.

[73] *See Prince George*, slip op. at 18.

CASE NO. PUE960303
APRIL 20, 1999

PETITION OF
KENTUCKY UTILITIES COMPANY, d/b/a OLD DOMINION POWER COMPANY

For injunctive relief and/or declaratory judgment against Powell Valley Electric Cooperative

ORDER GRANTING PETITION FOR RECONSIDERATION

On April 19, 1999, Powell Valley Electric Cooperative ("PVEC") filed a Petition for Reconsideration of the Commission's Final Order of March 31, 1999. PVEC further petitioned to suspend execution of the Final Order and to extend the time for taking an appeal until resolution of its Petition for Reconsideration.

Pursuant to Rule 8:9 of the Commission's Rules of Practice and Procedure, the Commission has determined that PVEC's Petition for Reconsideration should be granted in order to allow the Commission to retain jurisdiction over this matter while the issues raised by PVEC are reviewed. We find that such action is appropriate in this instance for the Commission to have sufficient time to consider the substance of the petition and to invite responses. Kentucky Utilities Company ("KU") and the Commission Staff ("Staff") are invited to respond to the issues raised in the Petition for Reconsideration on or before May 11, 1999. If it responds, KU should also address PVEC's claim in the petition as to the "significant practical difficulties" associated with the transfer of electric service for Sigmon Coal Company. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The Petition for Reconsideration filed by PVEC on April 19, 1999, is hereby granted.

(2) KU and the Staff may respond to the issues raised in the Petition for Reconsideration on or before May 11, 1999.

(3) Pending the Commission's reconsideration, the Final Order of March 31, 1999, is suspended and this matter is continued generally until further order of the Commission.

CASE NO. PUE960303
JULY 7, 1999

PETITION OF
KENTUCKY UTILITIES COMPANY, d/b/a OLD DOMINION POWER COMPANY

For injunctive relief and/or declaratory judgment against Powell Valley Electric Cooperative

ORDER ON RECONSIDERATION

On April 19, 1999, Powell Valley Electric Cooperative ("PVEC" or "the Cooperative") filed a petition for reconsideration of the Commission's Final Order of March 31, 1999. We issued an Order Granting Petition for Reconsideration on April 20, 1999, in which we suspended the execution of our Final Order, and permitted Kentucky Utilities ("KU") and the Commission Staff ("Staff") to respond to the issues raised in PVEC's petition and supporting brief. On reconsideration, we reinstate the judgment of our March 31 Final Order.

The Cooperative alleged three errors in our Final Order. PVEC claimed that:

(1) The Commission misconstrued the three-party contract between the Cooperative, Sigmon Coal Company ("Sigmon"), and the Tennessee Valley Authority ("TVA"), and thus erred in not dismissing KU's action for lack of jurisdiction;

(2) The Commission erred in failing to have Sigmon and the TVA made parties to the dispute; and

(3) The Commission erred in failing to address all other defenses raised by PVEC in the case.

Three-party contract and jurisdictional issues

We reject PVEC's assertion that the Final Order mischaracterizes the March 1, 1996, three-party contract among TVA, Sigmon, and the Cooperative, and that it erroneously bifurcates this contract into two separate and independent contracts. We will not respond to the specific claims made by PVEC concerning the three-party contract and associated jurisdictional challenges. We considered the facts and the law regarding this issue, and we confirm our findings and legal conclusions as set forth in the Final Order. The Cooperative does not raise any new arguments in its petition for reconsideration to warrant further discussion or analysis on these issues.

Necessary or indispensable parties

It appears PVEC has likely waived any argument as to necessary or indispensable parties. Moreover, we question the Cooperative's ability to assert claims on behalf of anyone other than itself. Nevertheless, we will address the merits of PVEC's claim that Sigmon and TVA were indispensable parties to this proceeding.

We first note that other jurisdictions that have faced this issue have found that utility customers are not indispensable parties to a proceeding to resolve a service territory dispute among utilities.[1] In Central Illinois Pub. Serv. Co., the appellate court rejected an argument from the losing utility that the commission was without authority to order the customer, Exxon, to act because it was a non-party to the proceeding. The court explained:

> The Commission has the power not only to approve service-area agreements, but to enforce such agreements if a dispute arises. . . . Every decision by the Commission interpreting a service-area agreement necessarily affects customers of electricity. . . . The Commission's order does not require Exxon either to act or to refrain from acting; instead it merely requires Exxon to allow the utilities to connect their tie lines in accordance with the Commission's directives.[2]

In the Florida Power & Light case, the Florida Commission rejected a motion to dismiss for failure to join indispensable parties. The commission stated: "The purpose of this proceeding is to resolve a territorial dispute between two utilities, both parties to this proceeding. Utility customers are not indispensable parties to this proceeding."[3]

As the Illinois court and Florida Commission cogently explained, the resolution of service territory disputes inevitably will affect the utilities' customers, to the extent that the customer is limited to receiving electric service from the provider certificated to serve the territory in which the customer is located. That, however, is precisely the reason for and the point of state territorial law--to set forth an orderly, uniform means of assigning customers to utilities and to provide the certainty that utilities need to fulfill their statutory obligation to serve. Sigmon has no more right to obtain service from a utility other than the utility in whose certificated territory Sigmon is located than any other electric customer in the Commonwealth and therefore can hardly be deemed an "indispensable party." If, in cases involving service territory disputes, the Commission were required to join utility customers as indispensable parties, our task of enforcing state territorial law could be rendered virtually impossible. Moreover, we would point out that our Order of March 21, 1997, establishing this proceeding, invited any interested party to participate and neither Sigmon nor TVA elected to do so.[4]

PVEC's due process arguments in support of its indispensable party claims also are without merit. First, as noted by KU and the Staff in their responses to the petition for reconsideration, the primary authority relied on by the Cooperative, Memphis Light, Gas and Water Div. v. Craft, 436 U.S. 1 (1978), is generally irrelevant to the matter before us. The holding there was simply that due process protections guaranteed under the Fourteenth Amendment require notice and an opportunity for "some kind of hearing" before a municipal utility may terminate a customer's electric service for nonpayment.[5]

PVEC claims its contract with Sigmon and TVA affords Sigmon a "constitutionally protected interest in the contract that requires even greater due process than one terminable simply upon nonpayment."[6] The argument fails for several reasons. First and foremost, Sigmon cannot create a constitutionally protected right in a contract with PVEC where the Cooperative never had the underlying legal authority to provide the service that is the subject of the contract. We have duly determined that PVEC cannot sell power to Sigmon for use at its facilities in KU's Virginia service territory. The result is that Sigmon has contracted with a utility that is unable by law to serve it. Thus, a contract for the provision for such illegal service cannot form the basis for any "rights" that would impair our ability to litigate KU's claims and award appropriate relief.

Moreover, there is no constitutional right afforded utility customers, giving rise to due process protections, to receive utility service from a particular supplier,[7] or to receive a particular rate for their utility service.[8] Nor can PVEC validly claim that the Commission is without power to supersede a service contract between a utility and its customer in enforcing the Utilities Facilities Act.[9]

The Cooperative's defenses

We also do not find merit in PVEC's claim that we erred in failing to address each defense it raised throughout the proceeding.[10] We are not required to address specifically each claim or defense by each party in our orders, especially, where, as here, the final result makes clear the claims or

[1] See Central Illinois Pub. Serv. Co. v. Illinois Commerce Comm'n, 560 N.E.2d 363, 367 (Ill. App. 1990); In re Petition by Florida Power & Light Co. for Enforcement of Order 4285, 1997 WL 244362 (Fla. Pub. Serv. Comm'n 1997).

[2] 560 N.E.2d at 368.

[3] 1997 WL 244362 at *1.

[4] Sigmon did participate in the proceeding to the extent its general manager, Mr. Dennis Brown, offered testimony on behalf of PVEC.

[5] 436 U.S. at 18-20.

[6] Petition for Reconsideration at 16. As noted above, we doubt PVEC's standing to advance legal argument on Sigmon's behalf.

[7] See, e.g., Baker Electric Coop., Inc. v. Public Serv. Comm'n, 451 N.W.2d 95, 104 (N.D. 1990) ("Because 'an individual has no organic, economic or political right to service by a particular utility merely because he deems it advantageous to himself,' it is inaccurate to view a request for service by a potential electric customer from an electric supplier as forming a 'consensual relationship' similar to that which occurs in other commercial contexts.") (citing Storey v. Mayo, 217 So.2d 304, 307-308 (Fla. 1968)).

[8] See, e.g., Georgia Power Project v. Georgia Power Co., 409 F. Supp. 332, 340-41 (N.D. Ga. 1975) ("[T]hat plaintiffs have an interest in lower electric rates—an interest which they share with all consumers—does not mean that they have a sufficient 'property' interest in lower rates to invoke constitutional due process protection.")

[9] See Commonwealth ex rel. Page Milling Co. v. Shenandoah River Light & Power Corp., 135 Va. 47, 57 (1923) ("[T]he right of private contract must yield to the exigencies of the public welfare when determined in an appropriate manner by the authority of the State.")

[10] As with the indispensable parties claim, it appears the Cooperative may have waived these claims as well.

defenses were rejected. Nevertheless, we state here that we have considered each of the defenses raised by PVEC, including the defenses of laches, waiver, estoppel, unclean hands, and claims under the Rural Electrification Act. Based on our review of the record established in this proceeding, we find that none of these arguments presents a valid defense to KU's petition.

Accordingly, IT IS ORDERED THAT:

(1) The judgment of the Commission's Final Order of March 31, 1999, is reinstated.

(2) PVEC shall transfer service it provides to Sigmon in KU's service territory to KU within 30 days of the issuance of this order; and PVEC and KU shall file a joint report with the Commission certifying that such transfer has occurred within 15 days of such transfer.

CASE NOS. PUE970395, PUE970965, PUE980276, PUE980409, and PUE990401
NOVEMBER 23, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
T. K. VANN SERVICES, INC.,
Defendant

FINAL ORDER

On June 22, 1999, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against T.K. Vann Services, Inc. ("T.K. Vann", "the Company", or "the Defendant"), alleging that T.K. Vann violated §§ 56-265.17 A, 56-265.24 A, and 56-265.24 D of the Underground Utility Damage Prevention Act, Chapter 10.3 (§ 56-265.14 et seq.) of Title 56 of the Code of Virginia (hereafter "the Act"). This Rule assigned the matter to a Hearing Examiner; scheduled an evidentiary hearing for October 20, 1999; ordered the Defendant to appear at the hearing and show cause why it should not be penalized pursuant to § 56-265.32 A of the Code of Virginia for the alleged violations of the Act set forth in the Rule; and ordered the Defendant to file a Responsive Pleading on or before July 23, 1999, expressly admitting or denying the allegations set forth in the Rule.

The Defendant failed to file an Answer or other Responsive Pleading by the date set forth in the Rule.

On the appointed day, the matter came to be heard by Michael D. Thomas, Hearing Examiner. Counsel appearing at the October 20, 1999, hearing were Don R. Mueller, Esquire, and Allison L. Held, Esquire, as counsel for the Commission Staff. Although the Defendant received notice of the hearing by certified mail, the Defendant failed to appear at the hearing.

At the hearing, the Staff moved for a default judgment based on Defendant's failure to appear at the hearing. The Hearing Examiner took the Staff's motion under advisement and directed the Staff to proceed with its evidentiary case. Two Staff witnesses testified in this proceeding and both recommended that the maximum penalty be assessed for each alleged violation. At the conclusion of its case in chief, the Staff moved for summary judgment. The Hearing Examiner closed the evidentiary record and took the Staff's Motion for Summary Judgment under advisement.

On October 29, 1999, the Hearing Examiner filed his Report. In his Report, the Examiner found that T.K. Vann violated § 56-265.17 A of the Code of Virginia on two (2) separate occasions, § 56-265.24 A of the Code of Virginia on six (6) separate occasions, and § 56-265.24 D of the Code of Virginia on one (1) occasion. The Examiner granted the Staff's Motion for Summary Judgment. Additionally, the Examiner found that a civil penalty of $1,500 per violation was appropriate, with the exception that the maximum penalty of $2,500 should be imposed for Defendant's violation of § 56-265.24 D of the Code of Virginia.

On November 8, 1999, the Staff, by counsel, filed Comments in response to the Hearing Examiner's Report. In its comments, the Staff stated that it supported the Examiner's recommended findings that T.K. Vann violated §§ 56-265.17 A, 56-265.24 A, and 56-265.24 D of the Code of the Virginia, but argued that the facts of these cases supported imposition of the maximum penalty of $2,500 per violation, as authorized by § 56-265.32 A of the Act. The Staff asserted that T.K. Vann's blatant disregard for the requirements of the Act, its repeated damages to underground lines carrying natural gas, a highly volatile energy resource, and the interruption of natural gas service for each of the incidents at issue in the Rule sufficiently support the maximum penalty of $2,500 per violation.

The Staff asserts that imposition of the maximum penalty would be consistent with the Commission's decision to impose such in Commonwealth of Virginia, ex rel. State Corporation Commission v. A & W Contracting Corporation, Case No. PUE980047 (Final Order August 24, 1999) ("A & W"). In that case, the Commission found that an excavator's damage to an underground pipeline that resulted in the release of jet fuel was serious and merited imposition of the maximum fine for violations of §§ 56-265.24 A and 56-265.24 B of the Code of Virginia. We imposed a total fine of $5,000 for these two (2) violations. The Staff states that as in A & W, this Rule involves serious damage to underground lines carrying a volatile energy source, resulting in the release of gas and the interruption of service.

The Staff further argues that T.K. Vann ignored the Staff's written communications to the Company in four of the nine incidents that are the basis of the Rule, and did not acknowledge the Commission's issuance of the Rule or attend the hearing. The Staff argues that T.K. Vann's disregard for the administrative enforcement process further supports imposition of the maximum penalties authorized by the Act for each incident.

Finally, the Staff points to the Commission regulations that address the factors to be considered when a civil penalty is sought in settlement of alleged probable violations. 20 VAC 5-309-60. These factors include the nature, circumstances, and gravity of the violation, the degree of the respondent's culpability, the respondent's history of prior offenses, and such other factors as may be appropriate. The Staff argues that application of these factors to these cases supports the imposition of the maximum penalty of $2,500 for each incident described in the Rule.

T.K. Vann did not file comments in response to the Hearing Examiner's Report.

NOW THE COMMISSION, upon consideration of the Rule, the record, the Hearing Examiner's Report, the Comments thereto, and the applicable statutes, is of the opinion and finds that there is clear and convincing evidence that T.K. Vann violated §§ 56-265.17 A, 56-265.24 A, and 56-265.24 D of the Act as a result of its failure to notify the notification center that it intended to excavate, failure to take all reasonable steps necessary to properly protect, support, and backfill the underground utility lines, and failure to notify immediately the operator of the underground utility line of damage to the line. The findings and recommendations of the October 29, 1999, Hearing Examiner's Report are hereby adopted, subject to the modification set out below.

We believe the violations cited in the Rule and the resulting damages are significant and warrant imposition of the maximum penalty of $2,500 for each violation. The Company's continued disregard for the enforcement process; its pattern of damage to underground gas lines; the potential for property damage, injuries, and loss of life; the cost to the operator for repair of the lines; and the interruption of natural gas service all support imposition of the maximum penalty for each of the violations described in the Hearing Examiner's Report.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the October 29, 1999, Hearing Examiner's Report are hereby adopted, except as modified and clarified herein.

(2) In accordance with our regulatory duties and powers and pursuant to § 56-265.32 A of the Code of Virginia, judgment is entered for the Commonwealth and against T.K. Vann, EIN #54-1782998, and a penalty of $22,500 shall be imposed on T.K. Vann for the nine (9) violations described herein of §§ 56-265.17 A, 56-265.24 A and D of the Code of Virginia.

(3) T.K. Vann is hereby enjoined from any further violations of the Act.

(4) There being nothing further to be done herein, this matter shall be dismissed from the Commission's docket of active cases, and the papers filed herein placed in the Commission's file for ended causes.

CASE NO. PUE970455
FEBRUARY 19, 1999

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC. (Formerly Commonwealth Gas Services, Inc.)

For general increase in natural gas rates and approval of performance-based rate regulation methodology pursuant to § 56-235.6 of the Code of Virginia

FINAL ORDER

On May 9, 1997, as revised on May 20, 1997, Columbia Gas of Virginia, Inc. (formerly Commonwealth Gas Services, Inc. and hereinafter referred to as "Columbia" or "Company") filed a complex application for rate relief and for approval of other proposals. In the Commission's Order for Notice and Hearings of July 28, 1997, we described Columbia's application in some detail, and we divided the matter for further proceedings. The Commission determined that it would first consider the proposed Commonwealth Choice Program, which is a voluntary experiment using special rates under § 56-234 of the Code of Virginia. Commonwealth Choice would offer certain residential, small business, and industrial customers an opportunity to secure gas from suppliers other than the Company. Next, Phase I of this proceeding involved an application for approximately $8.539 million in additional annual revenues filed pursuant to §§ 56-235.2 et seq. of the Code of Virginia and the Commission's Rules Governing Utility Rate Increase Applications and Annual Informational Filings, 20 VAC 5-200-30. In our Order for Notice and Hearings, we referred this phase, along with the Commonwealth Choice Program's Stranded Costs Recovery Charge, to a hearing examiner for hearing. Finally, in Phase II of this proceeding, the Commission would consider the performance-based regulatory plan proposed by Columbia pursuant to § 56-235.6 of the Code of Virginia.

On February 9, 1998, the Commission entered its Order Granting Motion authorizing Columbia to withdraw the performance-based regulatory plan, which was to be considered in Phase II. That matter is no longer before us.

On September 30, 1997, the Commission entered its Order Approving Commonwealth Choice Program and authorized the pilot program through October 1, 1999. As discussed below, two issues remained outstanding concerning Commonwealth Choice.

Chief Hearing Examiner Deborah V. Ellenberg filed her Report on November 13, 1998 (hereinafter "Report"). She recommended that the Commission make certain findings concerning the application for a general increase in rates, Phase I, and the Stranded Costs Recovery Charge in the Commonwealth Choice Program. In response to the Report, the Office of the Attorney General, Division of Consumer Counsel, Columbia, the Commission Staff, and several industrial protestants filed comments. The Commission has considered the Report, the comments, and the record developed herein. With the exceptions discussed below, the Commission adopts the Examiner's recommended findings. We will order Columbia to file an appropriate revised schedule of rates and charges, and to make promptly all necessary refunds.

Commonwealth Choice Program

As noted, the Commission's Order Approving Commonwealth Choice Program of September 30, 1997, authorized the Company to commence this pilot program as a two-year experiment. Two issues remained outstanding. In our order of September 30, 1997, the Commission directed the Office of General Counsel and the Division of Energy Regulation to organize a task force to develop a proposed code of conduct for retail gas unbundling. The task force was directed to file a report by November 1, 1998. Subsequently, the Commission initiated other proceedings addressing unbundling programs in both the gas and electric industries. In our Order on Motion for Relief of December 4, 1998, in this Case No. PUE970455, we directed that all matters related to

the establishment of the task force and the development of a generic code of conduct be addressed in Case No. PUE980812, Commonwealth of Virginia ex rel. State Corporation Commission ex parte: In the Matter of Establishing Interim Rules for Retail Access Pilot Programs, established December 3, 1998.

The remaining issue in the Commonwealth Choice Program is the Stranded Costs Recovery Charge designed to recover the costs of Columbia's facilities stranded by the pilot program. In our Order for Notice and Hearings of July 28, 1997, the Commission referred the charge to the Hearing Examiner for development of a full record in conjunction with the hearing on Phase I, the application for a rate increase. In her Report, Examiner Ellenberg addressed the Stranded Costs Recovery Charge, and she recommended that the Commission reject the proposed charge. According to the Examiner, the record in this case does not support a finding of any stranded costs for the pilot program. In its comments on the Report, Columbia did not contest the Examiner's conclusions that there was an insufficient record to support the charge.[1]

The Commission will adopt the Examiner's recommendation that the stranded cost charge be disallowed at this time. As set out below, we will order Columbia to file revised tariff pages eliminating all reference to the Stranded Costs Recovery Charge. As the Examiner recommended, Columbia should continue to collect and report information on any costs that it considers stranded through the remainder of the pilot program. If Columbia believes it has incurred any stranded cost, the Company may request deferred accounting treatment from the Commission's Division of Public Utility Accounting.

Phase I, Application for A General Increase In Rates

With the exceptions we discuss below, the Commission adopts the Examiner's recommended findings. We will also address briefly several issues raised during the proceeding.

Consolidated Tax Adjustment

The Staff proposed a consolidated tax adjustment which the Examiner did not adopt. In our Order on Hearing Examiner's Report of December 22, 1998, in Virginia-American Water Co., Case No. PUE970523, the Commission rejected a similar consolidated tax adjustment, and we will not adopt the adjustment in this case. As in Virginia-American, a decision not to adopt the adjustment in this case does not rule out the possibility of adopting it in the future. As in Virginia-American, the Commission again declines to rule on the issue of whether the consolidated tax adjustment, as proposed by the Staff, constitutes retroactive ratemaking.

Restructuring Savings

The Examiner recommended that we adopt the Staff's proposal to reduce deferred restructuring costs by the restructuring savings that have not been reflected in prior rates. In its comments on the Report, Columbia argued that the Examiner had double-counted restructuring savings by netting these savings against the deferred restructuring costs. The Company claimed that restructuring savings were already recognized in the cost of service through lower employment levels and corresponding reductions in payroll and associated costs.[2] Further, Columbia argued that netting such savings through the updated period constituted retroactive ratemaking. In Columbia's view, the savings had already been reflected in earnings, and netting the savings deprived the stockholders of earnings previously recognized.[3]

The Commission does not agree with Columbia. The savings from restructuring that the Staff used to offset deferred restructuring costs have never been reflected in rates. The netting recognizes the entire financial impact of restructuring activities prior to the establishment of the regulatory asset, which will be recovered over time. It would be inequitable to ratepayers to defer all restructuring costs and not to recognize the offset savings that occur over the same period. Restructuring savings recognized in the going level cost-of-service will impact rates on a prospective basis only. Reflecting this level of savings does not duplicate the impact of netting historical savings as proposed by the Staff.

Competitive Charges

The Staff proposed to eliminate from cost of service $97,651 of charges related to allegedly competitive activities. These activities included combustion adjustments on appliances and flue inspections on space heating equipment. The Company agreed that these charges should be booked below the line and not included in cost of service. Accordingly, the Examiner excluded charges for those services.[4]

We note, however, that in a case decided last year involving another gas company, the examiner rejected a similar Staff adjustment. Report of Deborah V. Ellenberg, Chief Hearing Examiner, Virginia Natural Gas, Inc., Case No. PUE960227, at 11-12 (Feb. 26, 1998). In that case, the adjustment had been contested by the utility. The examiner in Case No. PUE960227 found that the service calls at issue were proper responses to customer concerns over safety, and that costs associated with such calls should be recovered by the company. This recommendation was adopted in our Final Order of April 27, 1998, in that case. In keeping with our decision in Virginia Natural Gas, the Commission will not accept the recommended adjustment in this case. The full $97,651 shall remain in Columbia's cost of service.

While we have determined to keep charges for certain inspection and maintenance services in the cost of service in this case and in Virginia Natural Gas, the Commission anticipates revisiting this issue in future proceedings. The nature of the gas distribution business is rapidly changing in the face of economic and regulatory developments. It is appropriate to reconsider what services should be provided by the regulated gas distribution company as part of a regulated retail distribution service. While a regulated company is entitled to a reasonable opportunity to recover the charges associated with any

[1] The Company did, however, object to the Examiner's conclusion that "'[s]tranded upstream pipeline capacity costs simply do not exist when a company is contracting for additional capacity.'" Comments and Exceptions of Columbia Gas of Virginia, Inc. at 19-20 (hereinafter "Columbia Comments"). Given our action in this case, we need not reach a decision on the Examiner's conclusion.

[2] Columbia Comments at 15.

[3] Id. at 16.

[4] Of the $97,651 proposed to be eliminated from cost of service, the Examiner retained $33,413 because the Company identified two tariffed services associated with the latter amount recorded in the account in question. Report at 18.

service it provides, the Commission expects to consider whether recovery should be above the line through tariffed rates for service and charges or below the line. Further, the Commission must be vigilant for over-recovery of any charges. We expect our Staff and the industry to consider these service and charge recovery issues in future proceedings and to develop a full record to support the development of future policies.

Rate Base

The Examiner recommended using an updated rate base to reflect actual per books levels as of September 30, 1997, as requested by the Company in its original application. As the Examiner noted, Columbia proposed updating rate base through December 31, 1997, in rebuttal testimony, less than one month prior to the commencement of the hearing. The Examiner found that the corresponding increase in revenues related to customer growth associated with the plant additions was not included in the record and that updating rate base without reflecting increased revenues would be improper. In its comments to the Examiner's Report, Columbia strongly excepted to the Hearing Examiner's recommendation, arguing that the revenue adjustment was, in fact, provided. However, the record provides only the revenue adjustment amount—with no supporting documentation.[5] The Commission's rules require that supporting documentation for company proposed adjustments be filed with the application.[6] The standard cannot be less for a later proposed adjustment.

The Commission adopts the Examiner's findings that the per books rate base as of September 30, 1997, is appropriate and supported by the record. As the Examiner acknowledged in her Report and as Columbia argued in its comments, the Commission has previously allowed updating rate base to reflect significant plant additions made after an application was filed. Here the Company's proposal was not subject to sufficient examination because of the timing of the proposal and the lack of supporting documentation.[7]

In addition, it must be clear that changes such as proposed by the Company here cannot be allowed on a regular basis. The addition of new adjustments or updating by a company after the application has been filed should be allowed only in unusual circumstances where good cause is shown; where such changes are necessary to protect the financial integrity of the company; and where the supporting data is provided and can be fully examined by the parties and Staff in the proceeding. Absent this rare exception, the company must present its entire case in its application and direct testimony. If a company's rate request must be reduced after the application is filed, the company cannot simply find another adjustment or update to increase the request to the original amount noticed.

Earnings Test

The Staff proposed application of an earnings test incorporating its consolidated tax adjustment. The Examiner adopted the earnings test after adjusting for the consolidated tax adjustment which she and we have rejected. At the hearing and in its comments on the Report, the Company challenged the methodology used in the earnings test. Upon consideration of the record and the Report, the Commission finds that the Staff's proposed earnings test conforms to the guidance and standards set out in the Final Order of August 6, 1998, in Roanoke Gas Co., Case Nos. PUE960102 and PUE960304, and in the Final Order of August 6, 1998, in Washington Gas Light Co., Virginia Division, Case No. PUE970328.

Return on Equity

We agree with the Examiner that the use of the consolidated Columbia Energy Group capital structure as of September 30, 1997, (with a ratemaking equity ratio of 45.17%) is appropriate and is supported by the record. We also agree that Columbia Gas of Virginia's return on equity, absent a financial risk adjustment, is within a range of 10.25% to 11.25%. Our decision on an appropriate financial risk adjustment requires additional discussion.

Columbia and Staff recommendations on the appropriate return on equity were linked to various capital-structure equity ratios. The Staff recommended a return-on-equity range of 10.0% to 11.0%. The Staff's cost of equity analysis was based on two proxy groups: a 16-company group that served as a starting point and a check against a smaller, more homogeneous, 5-company proxy group.[8] The large group had an average equity ratio of 52.8%, while the Staff's five-company proxy group had an average equity ratio of 49.3%.[9] According to the Staff, the difference between the consolidated Columbia Energy Group equity ratio of 45.17% and its 5-company proxy-group average equity ratio of 49.3% was not significant enough to warrant a financial risk adjustment.[10]

The Staff has in the past recommended financial risk adjustments. In the Final Order, Virginia Natural Gas Inc., Case No. PUE960227, at 8-9 (Apr. 27, 1998), the Commission discussed a downward financial risk adjustment proposed by the Staff to reflect the lower financial risk of the parent company capital structure. As the examiner in Case No. PUE960227 noted, the Staff had relied, in part, upon a study that "determined that the cost of equity changed, on average, 7 basis points for each percentage point change in the common equity ratio."[11]

The Company proposed a return-on-equity range of 10.5% to 11.5% based upon an adjusted Columbia Energy Group capital structure with an equity ratio of 52.2%. The Company's recommendation was based upon a proxy group with an average equity ratio of 52.7%. On rebuttal, the Company

[5] Furthermore, no supporting documentation was provided for update-related adjustments to property tax expense and depreciation expense.

[6] See Schedule 17 of the Commission's Rules Governing Utility Rate Increase Applications and Annual Informational Filings, 20 VAC 5-200-30.

[7] Further, in the absence of a full examination, allowing these kinds of adjustments tends to isolate single cost elements without considering circumstances that might offset them.

[8] Ex. LTO-28 at 16-18, Schedules 6-9.

[9] Report at 24.

[10] Tr. at 594-96; Ex. LTO-29.

[11] Report of Deborah V. Ellenberg, Chief Hearing Examiner, Virginia Natural Gas, Inc., Case No. PUE960227, at 18 (Feb. 26, 1998) (footnote omitted).

argued that, if the Staff's proposed capital structure with a 45.17% equity ratio were adopted, the Commission should adopt a return on equity of 11.7% to reflect the added financial risk.[12] In making its financial risk adjustment recommendation, the Company relied upon a 1972 study by Robert Hamada.[13]

In the current case, the Hearing Examiner agreed with the Company that a financial risk adjustment was warranted. She recommended that the Company be granted a 25-basis point adjustment. In making her recommendation, the Hearing Examiner cited several cases in which the Commission has awarded both upward and downward adjustments. She also noted that, "The equity ratios previously approved for Columbia, those of the CDC group, and those of the comparable companies included in Staff and Company's analyses range from 49% to 53%."[14]

The Company seems to argue in its Comments and Exceptions that financial risk adjustments can be made with precision. The Company stated that the Hearing Examiner's 25-basis point adjustment was "arbitrary and capricious"[15] and that "the adjustment necessary to compensate a company for which 52.8% is the appropriate equity ratio but for which the Commission adopts an equity ratio of 45.17% is 61 basis points."[16] The Company also claimed to be "mystified" by the Examiner's 25-basis point adjustment. Columbia stated that, "[t]here is not a scintilla of evidence in the record that suggests 25 basis points reflects the company's additional financial risk" because of the equity ratio.[17]

The Company's statements concerning the Examiner's analysis and the 25 basis point financial risk adjustment are incorrect. Factually and legally, there is credible evidence to make no adjustment; to choose the Company's proposed 61-basis point adjustment; or to select a point in between.[18] In addition, and just as importantly, the theory of such an adjustment and its practical use does not lend itself to the precision argued by the Company. The Company's witness, Dr. Haltiner, stated this well in his direct testimony:

> Let me add one note of caution in the use of Hamada's leverage adjustment model and other models. These equations appear as precise mathematical statements. However, there are numerous assumptions underlying their development. In the leverage adjustment model in Attachment JRH-16, for example, Hamada assumes, consistent with CAPM assumptions, that a company can borrow at the riskless rate in perpetuity. A model is helpful in guiding our thinking about the effects of various forces affecting investor expectations, but model results taken literally, without the opportunity to apply judgement, can be misleading.

Ex. JRH at 32.

We further note that it appears that Columbia's adjustment relied upon a model that re-leverages beta, which is unique to CAPM. Both Staff and Company witnesses utilized the results of the DCF model and risk premium methods, in addition to the CAPM, to estimate the cost of equity. All methodologies used to estimate the cost of equity have strengths and weaknesses. The results from all three methods, along with informed judgement, should be considered to estimate the cost of equity. We thus cannot conclude, as the Company urges, that the equity return is subject to a precise 61-basis point adjustment.

Based on the record in this case and our judgement, however, we believe that the 25-basis point adjustment recommended by the Examiner should be increased. Specifically, we find that the starting point for the return on equity range of 10.25% to 11.25% should be adjusted upward by 40 basis points to account for the differences between the various proxy-group equity ratios and the consolidated Columbia Energy Group equity ratio. In doing so, we do not adopt a specific formula for establishing an adjustment to the range for return on equity. Rather, we find at this time, that the record supports a 40-basis point adjustment. Based upon the record in this case, we find that a return on equity range of 10.65% to 11.65% is appropriate, and that the midpoint of 11.15% should be used for setting rates.

Propane Services

In its comments, Columbia objected to the Examiner's recommendation that its existing Metered Propane Service ("MPS") be closed to new customers, and that its proposed Propane Delivery Service ("PDS") be modified to require conversion of customers to natural gas within two years. In Columbia's last rate case, the Commission approved a stipulation placing a moratorium on the addition of new MPS customers. The moratorium was imposed because the Company was not converting those customers to natural gas within a reasonable period.

MPS is offered under the same rate structure as residential natural gas service. Since propane is generally more expensive than natural gas, MPS is effectively subsidized by the Company's other customers. This subsidy is particularly disturbing in that the record demonstrates that, without limitations, Columbia has taken seven to eight years to convert MPS customers to natural gas, and that some customers remain on propane even longer. Therefore, we will adopt the Examiner's recommendation that MPS be closed to new customers. Existing MPS customers shall be "grandfathered" under that schedule.

While we are concerned over the subsidy to the MPS service and the delays in converting MPS customers to natural gas, we note that the record does not include any information with respect to the cost effectiveness of converting the remaining MPS customers to natural gas. We will not, therefore, mandate a specific conversion period for the current MPS customers now grandfathered under that schedule. Instead, we direct Columbia to conduct a study to determine the cost effectiveness of converting each remaining MPS service to natural gas service. This study should consider the impact of conversion on

[12] Ex. JRH-48 at 9.

[13] Robert Hamada, "The Effect of a Firm's Capital Structure on the Systematic Risk of Common Stock," 27 J. of Finance 435 (1972).

[14] Report at 27.

[15] Columbia Comments at 2.

[16] Id. at 7.

[17] Id. at 6.

[18] See Appalachian Power Co. v. Commonwealth, 216 Va. 617, 626-28 (1976).

overall purchased gas costs as well as on Columbia's non-gas revenue requirements. Should such study show that it is impractical to convert the remaining MPS installations within a reasonable period of time without additional charges to the grandfathered customers, Columbia should submit information as to why it should be allowed to continue recovery of the MPS subsidy from customers.

We would like to consider and resolve this issue in the context of the Company's pending rate case. By companion order entered today in Case No. PUE980287, we direct the presiding hearing examiner to enter an appropriate ruling for the filing of supplemental testimony addressing these issues.

As noted, Columbia objects to the Examiner's imposition of a two-year requirement for conversion to natural gas under the new PDS service. We believe that customers who take service under the PDS schedule should do so with an expectation that they will be converted to natural gas within a reasonable period of time and will adopt the Examiner's recommendation in this regard.

Conclusion

The Commission makes the following findings based on the record in this proceeding:

1. The use of the test period ending December 31, 1996, is proper in this proceeding;

2. The Company's test year operating revenues, after all adjustments, were $170,245,173;

3. The Company's test year operating revenue deductions, after all adjustments, were $151,341,356;

4. The Company's test year net operating income and adjusted net operating income, after all adjustments, were $18,903,817 and $18,678,019 respectively;

5. The Company's adjusted test year rate base is $240,710,581;

6. The Company's current rates produce a return on adjusted rate base of 7.76% and a return on equity of 8.48%;

7. The Company's current cost of equity is in a range of 10.65% to 11.65%, and the Company's rates should be established based on the midpoint of the equity range, 11.15%;

8. The Company's overall cost of capital, using the midpoint of the equity range and the capital structure found reasonable herein, is 8.96%;

9. The Company's request for an annual increase in revenues of $7,941,578, as proposed at the hearing, is unjust and unreasonable because it would generate a return on rate base greater than 8.96%;

10. The Company requires $4,607,122 in additional gross annual revenues to earn an 8.96% return on rate base;

11. Rates designed to produce the additional revenues found reasonable herein shall use the revenue apportionment methodology agreed to by the parties and accepted by the Examiner; and

12. The tariff changes accepted by the Examiner and addressed in the Report shall be made.

ACCORDINGLY, IT IS ORDERED THAT:

(1) Columbia's application for a general increase in rates, designated as Phase I of this proceeding, is granted to the extent discussed herein and otherwise denied.

(2) Columbia's application to include the Stranded Cost Recovery Charge in the Commonwealth Choice Program is denied.

(3) On or before March 1, 1999, Columbia shall file with the Commission's Division of Energy Regulation a schedule of rates and charges designed to produce $4,607,122 in additional gross annual revenues and bearing an effective date of March 1, 1999, and effective for service rendered on and after that date. The additional revenue shall be apportioned using the methodology approved herein and incorporating the changes in rates, schedules, rules and regulations approved herein.

(4) All references to the Stranded Cost Recovery Charge in the Commonwealth Choice Program appearing in the schedules of rates and charges now on file with the Commission shall be removed from the revised schedule of rates and charges ordered to be filed in (3) above; all other matters appearing on tariff pages governing the Commonwealth Choice Program shall appear on the pages filed as ordered in (3) above.

(5) On or before April 1, 1999, Columbia shall recalculate, using the rates and charges prescribed by this Order, each bill it rendered that used, in whole or in part, the rates and charges that took effect on October 7, 1997. Where application of the rates prescribed by this Order results in a reduced bill, Columbia shall refund, with interest, as directed below, the difference.

(6) Interest upon the ordered refunds shall be computed from the date payments of monthly bills were due to the date refunds are made, at the average prime rate for each calendar quarter, compounded quarterly. The average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin or in the Federal Reserve's Selected Interest Rates (Statistical Release G.13) for the three months of the preceding calendar quarter.

(7) The refunds ordered in (5) above may be credited to current customers' accounts (each refund category shall be shown separately on each customer's bill). Refunds to former customers shall be made by check mailed to the last known address of such customers when the refund amount is $1 or more. Columbia may offset the credit or refund to the extent no dispute exists regarding the outstanding balance of a current or former customer. No offset shall be permitted for the disputed portion of an outstanding balance. Columbia may retain refunds owed to former customers when such refund amount is

less than $1. Columbia shall maintain a record of former customers for which the refund is less than $1, and such refunds shall be made promptly upon request. All unclaimed refunds shall be subject to § 55-210.6:2 of the Code of Virginia.

(8) On or before June 1, 1999, Columbia shall file with the Division of Public Utility Accounting a report showing that all refunds have been made pursuant to this Order and detailing the costs of the refund and accounts charged. Costs shall include, inter alia, computer costs, and the personnel hours, associated salaries and costs for verifying and correcting the refunds directed in this Order.

(9) This case is dismissed from the Commission's docket.

MOORE, Commissioner, concurs in part and dissents in part:

I concur with my colleagues, except with respect to the consolidated tax adjustment ("CTA"). I find that I must dissent with respect to that finding for the reasons I discussed in my dissent in Case No. PUE970253, Virginia-American Water Co. Adopting the CTA would more accurately reflect Columbia's cost of service; I would do so on a prospective basis.

CASE NO. PUE970455
MARCH 3, 1999

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC. (Formerly Commonwealth Gas Services, Inc.)

For a general increase in natural gas rates and approval of performance-based rate regulation methodology pursuant to §§ 56-235.6 of the Code of Virginia

ORDER ON RECONSIDERATION

On February 26, 1999, Columbia Gas of Virginia, Inc. (Columbia or Company) filed its "Motion for Extension of Time." According to the motion, Columbia requires a minimum of 60 days to calculate the refunds required by our Final Order of February 19, 1999, and it seeks an extension from April 1, 1999, to May 1, 1999. The Company seeks a corresponding extension in the date for filing its report on the refund from June 1, 1999, to July 1, 1999. According to Columbia, the public interest would be protected since interest on refunds would continue to accrue.

The Commission will treat Columbia's motion as a petition for reconsideration as provided by Rule 8:9 of the Commission's Rules of Practice and Procedure, 5 VAC 5-10-610. We find that Columbia has shown good cause for the extension in the date for making its refund.

Accordingly, IT IS ORDERED THAT:

(1) Columbia's Petition for Reconsideration is granted;

(2) The date for recalculating bills prescribed in ordering paragraph (5) of the Final Order of February 19, 1999, be extended from April 1, 1999, to May 1, 1999; and

(3) The date for filing with the Division of Public Utility Accounting a report on refunds prescribed in ordering paragraph (8) of the Final Order on February 19, 1999, be extended from June 1, 1999, to July 1, 1999.

CASE NOS. PUE970508, PUE970546, PUE970694, PUE970714, PUE970785, PUE970942, PUE970973, PUE980001, PUE980135, PUE980224, PUE980323, PUE980458, PUE980556, PUE980617, PUE980724, PUE980807, and PUE990248
JULY 2, 1999

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

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, ("Act") §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), charged with the investigation of probable violations of the Act, has completed investigations of certain incidents between April 3, 1996, and April 6, 1999, listed in Attachment A, involving NOCUTS, Inc. ("the Company"), the defendant, and alleges that:

(1) NOCUTS, Inc. is a contract locator as that term is defined in § 56-265.15 of the Code of Virginia;

(2) During the aforementioned period NOCUTS, Inc. has violated the Act, by the following conduct:

(a) Failing on certain occasions to mark the approximate horizontal location of the underground utility lines on the ground to within two feet of either side of the underground utility lines or failing to mark within the time prescribed in the Act, in violation of §§ 56-265.19 A and D of the Code of Virginia; and

(b) Failing on certain occasions to report to the notification center that lines had been marked or they are not in conflict with the proposed excavation, in violation of §§ 56-265.19 A, B and D of the Code of Virginia.

As evidenced in the attached Admission and Consent document, 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[1] before the Commission arising from the Division's allegations made herein, which include all probable violations presented to the SCC Underground Utility Damage Prevention Advisory Committee through April 6, 1999, and all Staff-initiated actions for no-shows through April 6, 1999, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $800,000 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check, money order, or wire transfer payable to the Treasurer of Virginia and directed to the attention of the Comptroller of the Commission and the Director of the Division of Energy Regulation; and

(2) The Company is taking and shall take the following actions:

(a) The Company has established and shall maintain a training center to train its locators performing locating of underground utility lines in Virginia;

(b) The Company shall train and certify all of its locators in Virginia in compliance with the National Utility Locating Contractors Association's ("NULCA") Locator Training Standards and Practices, certify that each of its locators have completed the NULCA training program and maintain training records for each locator;

(c) The Company shall complete the certification of new locators on an ongoing basis, existing locators with 5 or more damages per 10,000 billable tickets as of June 1, 1999, within 120 business days from the date of this order, and all other locators by February 29, 2000, and shall advise the Commission by affidavit by March 15, 2000, that it has completed the training and certification of all of its locators in Virginia;

(d) The Company shall conduct annual requalification of its locators, in accordance with the NULCA's requalification guidelines, and maintain requalification records for each locator;

(e) The Company shall provide to the Division, within 30 business days from the date of this order, the following:

(i) A copy of NOCUTS, Inc.'s revised training plan;

(ii) A description of the locator certification process;

(iii) A schedule for locators' certification; and

(iv) Access to locators' training records.

(f) The Company shall revise its locate form within 60 business days from the date of this order, to include information on:

(i) How utility lines were marked;

(ii) What type of equipment was used to mark the utility lines;

(iii) Persons notified;

(iv) Date and time of notification; and

(v) A grided area and drawing symbols for sketching the marking of underground utility lines.

(g) The Company shall, within 70 business days from the date of this order, provide a copy of the revised locate form to the Division;

(h) The Company shall adopt written procedures for investigation of all damages to underground utility lines and complaints and shall take remedial actions to prevent recurrence of such problems;

(i) The Company shall adopt and maintain written procedures to ensure use of all operator records, maps, service orders, cards or other documents made available to the Company by the operator indicating or related to the location of underground utility lines when locating such lines;

(j) The Company shall, within 60 business days from the date of this order, adopt written procedures to respond properly to heavy workloads; and

[1] Case No. PUE980621, now pending before the Commission, is not included in this settlement.

(k) The Company shall participate in the Division's "C A R E" public education effort. The Division will provide all materials for use by NOCUTS, Inc. and the locating industry.

The Commission acknowledges that the obligations undertaken by NOCUTS, Inc. under this agreement are part of a compromise settlement agreement. The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $800,000 tendered contemporaneously with the entry of this Order is accepted.

(3) The failure of NOCUTS, Inc. to carry out any of the obligations undertaken by it in the compromise settlement agreement set forth herein may result in appropriate proceedings against the Company, including Commission proceedings for the imposition of fines for failure to comply with the agreement or for enforcement of the agreement.

(4) The Commission retains jurisdiction over this matter for all purposes.

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

CASE NO. PUE970523
FEBRUARY 1, 1999

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY

For a General Increase in Rates

ORDER GRANTING MOTION TO INITIATE REFUNDS

On December 22, 1998, the Commission issued an order ("December Order") in which a final determination was made with respect to all issues except affiliate expense. In that Order, the Commission remanded the proceeding to the Hearing Examiner to allow the Company to present evidence as to the reasonableness of affiliate expense. On January 19, 1999, Virginia-American Water Company ("Virginia-American" or the "Company"), by counsel, filed a motion requesting the Commission to allow it to begin to refund, with appropriate interest, those amounts of its revenues collected pursuant to interim rates ordered into effect on November 3, 1997, that were in excess of revenues found appropriate by the Commission in its December Order plus the affiliate expense recommended by the Hearing Examiner that are subject to the remand.

The Company recognized that a further refund may be required if its affiliate expense is disallowed, in whole or in part, as a result of the remand proceeding. The Company stated that, if its motion were granted, it could substantially complete such refunds within 150 days of the date of the order authorizing such refunds.

The Company noted that, without further action, remanding the proceeding would entail additional time until a final order is issued and cause Virginia-American customers to pay annual rates at the higher interim level. The Company also stated its belief that it is appropriate to begin such refunds now even though the possibility exists that revenues may be reduced further as a result of the remand proceeding.

NOW THE COMMISSION, having considered the matter, is of the opinion that Virginia-American's request is reasonable and should be granted. Accordingly,

IT IS ORDERED THAT:

(1) Virginia-American's motion to initiate refunds be, and hereby is, granted.

(2) On or before July 1, 1999, Virginia-American shall refund, with interest as directed below, all revenues collected from the application of the interim rates which were effective for service beginning November 3, 1997, to the extent that such revenues exceeded the revenues found appropriate in our December Order plus the affiliate expense recommended by the Examiner.

(3) Interest upon the ordered refunds shall be computed from the date payment of each monthly bill was due during the period the interim rates were in effect and subject to refund until the date the refunds are made, at an average prime rate for each calendar quarter. The applicable average prime rate 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.

(4) Interest required to be paid shall be compounded quarterly.

(5) Refunds ordered herein may be made by credit to the appropriate customer's account for current customers. Refunds to former customers shall be made by check to the last known address of such customers when the amount due exceeds $1.00. Virginia-American may retain refunds owed that do not exceed $1.00, provided that the Company maintains a list detailing each of the former accounts for which such refund is owed, and in the event that such former customers request refunds, same shall be promptly made.

(6) On or before September 1, 1999, Virginia-American shall submit to the Divisions of Energy Regulation and Public Utility Accounting a report showing that all refunds have been lawfully made pursuant to this order and itemizing all costs of the refund. The itemization of costs shall include, inter alia, computer costs, man-hours, associated salaries, costs for verifying and correcting the refund methodology, and the costs associated with any computer programming required to make the refunds.

(7) The Company shall bear all costs of the refund.

(8) This matter shall be continued until further order of the Commission.

CASE NO. PUE970523
SEPTEMBER 14, 1999

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY

For a general increase in rates

FINAL ORDER

By order dated December 22, 1998, ("Order") the Commission remanded this case "to give the Company an additional opportunity to present evidence as to the reasonableness of the affiliate expenses . . ." of Virginia-American Water Company ("Virginia-American" or "Company"). Virginia-American is a subsidiary of American Water Works Company, Inc. ("AWWC" or "Parent"). American Water Works Service Company ("Service Company") is also a subsidiary of AWWC and provides administrative, professional, and technical support to the Parent's water companies, including Virginia-American.

By Hearing Examiner's Ruling of January 28, 1999, a procedural schedule was established and a hearing set for May 24, 1999, before Hearing Examiner Howard P. Anderson, Jr. Counsel appearing at the hearing were: Richard D. Gary, Esquire, and Michelle K. Walsh, Esquire, for the Company; Edward L. Flippen, Esquire, for the City of Hopewell ("Hopewell"); Louis R. Monacell, Esquire, for the Hopewell Committee for Fair Utility Rates ("Committee"); and Marta B. Curtis, Esquire, for the Commission's Staff.

In support of the affiliate expenses, the Company presented the testimony[1] of Patrick L. Baryenbruch, president of Baryenbruch & Company, a public utility consulting firm. As a result of that study, Mr. Baryenbruch concluded that Virginia-American could not function without the services that are provided by the Service Company and that such services are necessary to provide water utility service to the Company's customers. Mr. Baryenbruch also concluded that there is no redundancy in the services provided by the Service Company and the activities performed by Virginia-American and that the charges Virginia-American pays for such services are based on the Service Company's costs.[2]

The Commission Staff analyzed Mr. Baryenbruch's conclusions and found that it was reasonable to include the Company's affiliate expenses in rates. Staff's review showed that the costs billed to Virginia-American by the Service Company are lower than the market price for equivalent services. Staff, therefore, concluded that ratepayers should achieve savings through the Company's affiliate arrangement.

It was Hopewell's position that the Company had not met its burden of proof as to the reasonableness of such expenses as there was no data in the record as to the costs of the Service Company. The Committee had no position on the issue of affiliate expenses.

On July 30, 1999, the Examiner filed his Report. In his Report, the Examiner found that:

(1) The twelve months ending December 31, 1996, is an appropriate test period for the case;

(2) The Company's test year operating revenues, after all adjustments, were $25,236,174;

(3) The Company's test year operating revenue deductions, after all adjustments, were $20,208,911;

(4) The Company's test year operating income and adjusted net operating income, after all adjustments, were $5,027,263 and $5,019,936;

(5) The Company's affiliate expenses should be included in the Company's rates;

(6) The Company's end of test period rate base, after all adjustments, is $58,900,613;

(7) The Company requires additional gross annual revenues of $776,251;

(8) The $776,251 rate increase should be allocated as follows: Alexandria-$171,912; Hopewell-$329,596; and Prince William-$274,743; and

(9) The Company should be required to promptly refund, with interest, all revenues collected, but not already refunded, under its interim rates, effective November 3, 1997, in excess of the amount found just and reasonable in his Report.

---

[1] Pursuant to prior agreement by counsel, Mr. Baryenbruch's study and testimony, as well as Staff's testimony, were admitted to the record without cross-examination.

[2] Ex. PLB-34 at 4-5.

In discussing the basis for his finding that the Company's affiliate expenses are reasonable, the Examiner relied on the Commission's decision in Application of GTE South Incorporated, Case No. PUC950019, 1997 S.C.C. Rep. 216, which established the lower of market or cost criteria for the determination of the reasonableness of such expenses. The Examiner noted that the Service Company bills Virginia-American at cost and that the Company has provided cost comparisons of services received from the Service Company with the services available from other vendors. The Examiner relied on Staff's analysis of such comparisons and its conclusion that ratepayers should achieve savings through the Company's affiliate arrangement. The Examiner also found that the Service Company is not charging any return on the services rendered to Virginia-American although the Commission has determined that a reasonable return is permissible pursuant to its decision in the above referenced proceeding.

By letter dated August 9, 1999, counsel for the Company stated that Virginia-American agrees with the findings detailed in the above-referenced Examiner's Report.

On August 16, 1999, counsel for Hopewell filed comments on the Hearing Examiner's Report. In its comments, Hopewell took exception with the Examiner's finding with regard to affiliate expenses. Hopewell argued that "Virginia-American has had two opportunities to demonstrate that its affiliate charges are reasonable but it has failed to do so." Hopewell asserted that "there is no evidence of the affiliate's cost and no evidence showing the allocation of such cost to Virginia-American." Hopewell asked the Commission to "deny inclusion of those costs in the Company's cost of service."

NOW THE COMMISSION, having considered the record and applicable law, is of the opinion that the findings of the Hearing Examiner are reasonable and should be adopted. We believe that the Company has met its burden of proof as to the reasonableness of the expenses charged by its affiliate.

The record in the original proceeding shows that those expenses are an allocated portion of the Service Company's actual costs with no mark-up for profit. Mr. Baryenbruch, the independent consultant, confirmed this point in his testimony on remand. In addition, the Baryenbruch study demonstrates that the Service Company's costs are below the market price for similar services. Even Hopewell does not question such conclusion.

Contrary to Hopewell's assertion, there is also evidence in the record as to the methodology used to allocate Service Company costs to Virginia-American. There is testimony in the original proceeding and again in the remand proceeding that the methodology used by the Service Company to allocate its costs to the operating companies is based on direct assignment or on the number of customers. Such methodology was never challenged by Hopewell.

We note that further refunds are not applicable in this instance as the Company has already been directed to commence refunds pursuant to our Order dated February 1, 1999. The refunds so ordered are based on a revenue requirement which includes affiliate expenses and such refunds were due to be completed on or before September 1, 1999. Accordingly,

IT IS ORDERED THAT:

(1) The above-referenced findings of the Hearing Examiner are hereby adopted.

(2) Consistent with the findings detailed herein, the Company shall file with the Commission's Division of Energy Regulation revised tariffs designed to produce additional gross annual revenues of $776,251. Such tariffs shall reflect the following allocation: Alexandria-$171,912; Hopewell-$329,596; and Prince William-$274,743.

(3) Since there is nothing further to be done, this case shall be dismissed from the Commission's docket of active cases.

CASE NO. PUE970544
JANUARY 14, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
DAVID W. DESMOND, et al.
v.
UNITED WATER VIRGINIA, INC.

FINAL ORDER

By notice dated May 22, 1997, United Water Virginia, Inc., ("UWV" or "the Company") notified its customers and the Commission's Division of Energy Regulation pursuant to the Small Water or Sewer Public Utility Act (§§ 56-265.13:1 et seq. of the Code of Virginia) of its intent to increase its water rates effective July 5, 1997, for a revenue increase of $128,375.

The Company proposed to increase its bimonthly minimum rate for water service from $61.32 to $67.50. The proposed minimum includes 5,000 gallons of water usage, a decrease of 1,000 gallons from that currently allowed. The Company also proposed to increase the charge for usage in excess of the minimum allowance from $3.13 to $4.32 per 1,000 gallons and to include in its tariff an $80.00 charge for reconnection after normal business hours.

By June 16, 1997, the Commission had received a petition signed by 255 of the Company's customers requesting a hearing on the matter. On June 23, 1997, the Commission entered a Preliminary Order suspending the proposed rate increase through October 19, 1997, and making such increase interim and subject to refund, with interest, thereafter.

By order entered on October 6, 1997, the Commission scheduled a hearing for March 10, 1998; assigned the matter to a Hearing Examiner; and established a procedural schedule for the filing of pleadings, testimony and exhibits. Pursuant to the Hearing Examiner's Ruling entered on January 27, 1998, the procedural schedule and the date for the evidentiary hearing were extended to April 9, 1998.

The original hearing date was retained for the purpose of receiving the testimony of public witnesses. Ten witnesses appeared at that hearing and testified in opposition to the proposed rate increase. In their testimony, the witnesses expressed, among other things, concern regarding the impact the proposed increase would have on customers with fixed incomes; the Company's failure to make promised major capital improvements; the proposed decrease in the minimum usage allowance; and the inclusion of certain Company operating expenses in the Company's cost of service.

The evidentiary hearing was held on the appointed day before Hearing Examiner Michael D. Thomas. Counsel appearing were Donald G. Owens and Walton Hill for the Company; Marta B. Curtis and William H. Chambliss for the Commission's Staff; and Joseph E. Blackburn for the Protestants.[1]

The majority of issues dealt with accounting matters. The Company and Staff disagreed on the proper calculation of the Company's revenues, salaries, and wages; the appropriate treatment for actuarial study costs, other post-employment benefits ("OPEBs"); rate case expense; and the proper treatment for expenses associated with insurance other than group. The Company and Staff also disagreed on the proper treatment of expenses associated with the funding of a system-wide integrated financial management system ("IFMS"), the costs of the Company's 1998 internal audit and Staff's parent company debt adjustment; and the proper calculation of gross receipts taxes, deferred federal income taxes, and rate base. The Protestants disagreed with the Company and Staff regarding the calculation of the Company's working capital. Although not at issue in this proceeding, Staff recommended that the Company begin to amortize contributions-in-aid of construction ("CIAC") through December 31, 1997, and book deferred federal income tax expense in accordance with the Uniform System of Accounts for Class C Water Utilities and reflect the 35 percent consolidated tax rate on the books of the utility.

There was also a rate design issue and an issue regarding Staff's proposed revision to certain language in the Company's rules and regulations of service. The Company opposed Staff's recommendation for the inclusion of a third rate block of $6.00 per 1,000 gallons for all usage over 15,000 gallons and its recommendation that UWV amend its tariff to reflect the actual cost of the service connection, plus any applicable taxes.[2]

The Company did not object to Staff's recommendation to include a $10.00 per month charge for seasonal customers disconnected from the system. Neither did the Company object to Staff's recommendations to modify Rule No. 8 to allow 10 days' written notice before initiating service disconnection; to eliminate Rule No. 10(B) relating to landlord/tenant billing responsibility; to delete certain language from Rule No. 16(E); or to modify Rule No. 11 to reflect water bills due within 30 days of the billing date and disconnection after such time with proper written notice. Staff did not object to the Company's proposed reconnection charge.

There were also capital structure, cost of capital, and cost of equity issues. The Company, Staff and the Protestants disagreed on the proper capital structure for the Company. The Company proposed using the capital structure of its parent, United Waterworks ("UWW"), as of December 31, 1996; Staff proposed using UWW's capital structure updated to December 31, 1997; and Protestants proposed using the consolidated capital corporate structure of United Water Resources, Inc. ("UWR"), which is UWW's parent and UWV's ultimate parent.

On September 30, 1998, the Hearing Examiner issued his Report. In his Report, he found that:

(1) The use of a test year ending December 30, 1996, was reasonable;

(2) The rates proposed by the Company are excessive. In lieu thereof, the Commission should direct the Company to set rates to produce revenues of $96,497;

(3) The Company's customer growth was 22 as of September 30, 1997, and its average use per customer during the test year was 38.33 thousand gallons;

(4) A three-year average, without adjustment, should be used to calculate the Company's overtime and summer help expenses, and all payroll expense accrued in the test year should be included in the Company's 1996 per books payroll expense;

(5) The Commission should disallow the cost of the Virginia-specific actuarial study in the Company's rates;

(6) The Commission should accept the Staff's position with respect to disallowance of deferred SFAS 106 costs in rates and deduction of the unfunded portion of its SFAS 106 costs from rate base;

(7) The Company's requested rate case expense of $111,255[3] appears reasonable under the circumstances of this case;

(8) The Commission should accept the Company's proposed insurance other than group expense based on test year level of expenses;

(9) The Commission should reject the Company's proposed $14,560 increase in IFMS expense and should accept the test year expense of $11,807, as recommended by Staff;

(10) The Company's proposed expense for the 1998 internal audit should be accepted;

(11) The Staff's proposed parent company debt adjustment should be rejected;

(12) The Company's proposed expense of $47,879 for deferred federal income tax expense should be accepted;

---

[1] Several individuals, civic associations, and property owners associations participated as Protestants in the proceeding.

[2] Staff recommended, in the alternative, that the Company cease collecting income tax gross-up until such time as it obtains a ruling from the Internal Revenue Service ("IRS") on the applicability of 26 U.S.C. § 118, as amended on June 12, 1996, to connection fees for water and sewer companies.

[3] Although the Examiner references $111,155 as rate case expenses, the Examiner acknowledges on p. 18 of his Report that the true level of requested rate case expenses is $111,255.

(13) The Company's utility plant in service for this proceeding should be $3,500,936;

(14) Staff's adjustment to annualize accumulated depreciation appears reasonable;

(15) The use of UWW's capital structure, updated to December 31, 1997, as recommended by the Staff, appears reasonable;

(16) The Staff's recommended return on equity range of 9.60% to 10.60% with rates set at the 10.10% midpoint of the range appears reasonable;

(17) The tariff and rate design modifications recommended by the Staff should be adopted by the Commission with the exception of the modification adopting the Company's proposed reduction in the minimum bimonthly usage allowance; and

(18) The Company's and Staff's calculation of total working capital, based on 1/9 of O & M expense for cash working capital plus a 13 month average for material and supplies, is reasonable.

The Examiner recommended that the Commission enter an order that adopts the findings in his Report; grants the Company an increase in gross annual revenues of $96,497; directs the prompt refund of amounts collected under interim rates in excess of the rate increase found reasonable; and dismisses this case from the Commission's docket of active cases.

In his discussion of the tariff issues, the Examiner recommended that the Commission require the Company to submit a request to the IRS regarding the applicability of 26 U.S.C. § 118 to connection fees for water and sewer companies. He also recommended that the Commission direct its Staff to review UWW's capital structure on an annual basis to determine whether the Commission should continue using that capital structure for ratemaking purposes.

On October 14, 1998, the Protestants filed comments on the Hearing Examiner's Report. In their comments, the Protestants took exception to the findings of the Hearing Examiner with regard to the proper capital structure for UWV, the calculation of working capital, and the inclusion of rate case expense.

It was the Protestants' position that the capital structure of UWR should be used for determining UWV's rates. Protestants noted that UWR is the ultimate source of capital for the entire consolidated system and has the ability to manipulate the capital structure of its subsidiary, UWW. It was also Protestants' position that the allowance for total working capital should be limited to either $65,954, which is one-ninth of operations and maintenance ("O & M") expense for the pro forma period, or to the expense for materials and supplies. Protestants stated that it was improper, pursuant to the Rules Implementing the Small Water or Sewer Public Utility Act,[4] to include both one-ninth of O & M and materials and supplies expense in rate base.

Protestants' objected to the inclusion of any legal expense in rate case expense stating that there was no evidence in the record to support such expense. Protestants also stated that rate case expense associated with the use of AUS Consultants ("AUS") should be reduced since the use of both AUS and United Water Management and Services Company ("Management Company") resulted in a duplication of efforts. Protestants noted that AUS' fees were greater than those of Management Company and that incomplete interrogatory responses by AUS resulted in the propounding of further interrogatories. Protestants also stated that the only fee that should be allowed for AUS' cost of capital witness was that for the witness' appearance at the hearing since that witness' prepared testimony was previously prepared for a proceeding before another public service commission. In addition, Protestants requested oral argument on the issues discussed in their comments.

On October 15, 1998, the Company filed comments on the Hearing Examiner's Report. In its comments, the Company took exception to the Examiner's findings regarding the accrual for payroll expense, the deduction from rate base of the SFAS 106 expenses deferred since 1994, and the disallowance of a portion of the IFMS expense.

It was the Company's position that it was improper to make an accrual adjustment for payroll expense for the pro forma period because the pro forma period already represented a full 365-day year. The Company maintained that it was erroneous to deduct from rate base the full amount of SFAS 106 costs deferred since 1994. Rather, the Company stated, $47,857 of deferred costs not recovered in expense should not be used to reduce the Company's rate base. The Company also maintained that the full amount, or $26,367, paid to support the IFMS should be recoverable in rates as the evidence showed that such amount "represents the ongoing level of outside service required to monitor and maintain work stations and servers associated with these new systems."

The Company also took issue with the Examiner's finding that the Commission should direct the Company to submit a request to the IRS regarding the applicability of 26 U.S.C. § 118 to connection fees of water or sewer companies. In support of its position, the Company noted that there was a high cost associated with the filing of such a request and that the IRS would not respond to any such request pending the promulgation of regulations addressing the matter.

Staff filed its comments that same day. In its comments, Staff took exception to the Examiner's findings with regard to rate case expense and Staff's parent debt adjustment. Staff also took exception to the Examiner's recommendation that Staff be directed to review annually UWW's capital structure to determine whether such structure should continue to be used for ratemaking purposes.

Staff maintained that the Company had not met its burden of proof as to the reasonableness of the $111,255 of rate case expense. Staff questioned the reasonableness of hiring AUS as outside consultants and the reasonableness of AUS' rates considering duplication of its work by in-house personnel. Staff noted that the majority of the work of those consultants and of outside counsel could have easily been performed by the Management Company's in-house personnel.

Staff also maintained that the Examiner improperly rejected its parent debt adjustment solely because the entity filing the taxes was UWV's "grandparent" rather than its parent. Staff noted that its adjustment is not unlike those previously accepted by the Commission. In such cases there was a tax benefit, enjoyed by a holding or owning company funded, in part, by ratepayers of an operating utility subsidiary of that company providing service in

[4] Commonwealth of Virginia, ex rel. State Corporation Commission Ex Parte: In the matter of adopting rules implementing the Small Water or Sewer Public Utility Act, Case No. PUE 870037, 1987 S.C.C. Ann. Rept. 291.

Virginia. Staff noted that, in this instance, there was a nexus between UWV and the debt and equity of UWR which finances UWV through its investment in UWW. Staff also noted that, like that of other cases, UWV's rates make possible the interest deduction realized by an upstream owner.

With regard to annual capital structures monitoring, Staff believed it more practical to review such capital structures in future rate cases rather than annually. Staff noted that the information necessary for such review was not readily available since neither UWV, UWW nor UWR was required to make annual filings. Moreover, Staff noted, there was no mechanism short of a formal proceeding to make changes in a company's ratemaking capital structure.

On October 30, 1998, the Company, by counsel, filed a Motion for Leave to Make Reply to Protestants' Comments on the Hearing Examiner's Report. In support of its motion, the Company stated that, although there was no provision in the Commission's Rules of Practice and Procedure for replies to the comments of other parties, a limited reply was necessary to address "certain statements, inferences or allegations made by the Protestants for the first time in their comments filed on October 14, 1998." The Company requested that, if its motion were granted, the Commission accept and consider the reply attached to that motion.

NOW THE COMMISSION, having considered the record, the Examiner's Report and the comments thereto, is of the opinion and finds that the Examiner's findings and recommendations should be adopted with the exception of those modified herein. We will modify the Examiner's findings and recommendations with respect to overtime expense, insurance other than group expense, deferred federal income tax expense, rate case expense, Staff's parent debt adjustment, and the requirement that the Company request a ruling from the IRS. We will clarify our position with respect to the Examiner's findings associated with internal audit expense and the appropriate rate design for this proceeding. We will not disturb the Examiner's finding with respect to capital structure except to remove the annual review requirement.

We will accept Staff's adjustments to overtime expense and insurance other than group expense. Staff's use of a three-year average excluding the hours of the employee that switched to exempt status for calculating overtime expense is most representative of the future. We disagree that removal of such hours, before averaging, understates the Company's going-forward expense. To the contrary, removal of such non-recurring expense is necessary to determine such expense on a going-forward basis.

Staff's use of a rate year for calculating insurance other than group expense should be accepted based on the record. The record reveals that use of such data reflects cost reductions effective January 1, 1998, and is more appropriate than the use of a test year level of expense that would require ratepayers to continue to fund reduced expenses at the formerly higher level. Acceptance of a rate year in this instance is not inconsistent with our acceptance of other methodologies for other expenses as different methodologies are appropriate for determining the proper level of expense on a going-forward basis.

We will accept Staff's adjustment for deferred federal income taxes with regard to the book/tax timing difference for depreciation expense. The record reveals that Staff based its adjustment on the Company's response to an on-site Audit Request which showed that only a portion of the normalized book/tax difference was deferred. Once Staff presented evidence that it relied on such data, the burden shifted to Company to produce evidence that its calculation of taxes was correct. The Company has not met its burden of producing evidence. There appears to be no explanation on the record as to the reasons for Company's assertion that its calculation is correct.

We will allow the Company to recover its rate case expense amortized over five years. In the Company's last rate case we had concerns about the level of the Company's rate case expenses. We continue to have grave concerns about the level of such expenses incurred by UWV, which it seeks to recover from its customers. Specifically, in this case the Company seeks to recover $111,255 for a requested rate increase of $128,375.

In the Company's last rate case, we expressed our concern with the reasonableness of rate case expense when services were performed by its affiliate, and we noted that such expenses appeared to be excessive.[5] In this case, the Company's case was prepared by outside consultants in addition to its affiliate's participation, but without any resulting economy of expenditure from the 1992 case. The Company is cautioned and directed to plan and budget more carefully with its next application.

We are not reducing the requested amount, primarily, because the record does not permit quantification of that portion that should be eliminated and it is not disputed that recovery of some level of such expense is warranted. Rather, we have concluded to allow the Company to recover its requested rate case expense, but amortized over a five-year period, rather than over three years as the Company had requested. While this extended amortization will ameliorate somewhat the rate effect of this expense, it is also consistent with the period between UWV's latest rate filings and is therefore in line with the Commission's usual practice on the issue.

As stated, we are concerned about these expenses. While in this instance outside consultants rather than affiliated personnel were used to prepare the majority of the filing, the anticipated and resulting expenses were similar to those rejected, in part, in UWV's last case. The Staff complained that use of the consultants resulted in "doubling up" of certain expenses and requested we disallow all or some of the expense as unreasonable.

UWV was not responsible for the retention of the expert witnesses (or outside counsel) who appeared on its behalf, and the record does not indicate that the Company was given a voice in their retention. The witnesses were, in fact, hired by the Management Company, which is UWV's affiliate. The Management Company retained AUS Consultants to assist in rate filings in several different jurisdictions, according to documents introduced during the hearing. Exhibit GSP-14.

The Commission recognizes, as also noted by the Examiner, that there is acrimony between the Company and its customers, and that the Company contends it was obligated to incur additional legal expense in defending its application against the aggressions of the Protestants and the Staff. Rate cases are not unique to UWV, are seldom uncontested, and the Commission expects a company coming before it to defend its position. Nevertheless, other utilities are able to operate without the level of rate case expense experienced by UWV.

Having said all this, the Commission cannot find that all the rate case expenses were imprudently incurred. The record is not sufficiently developed to permit precise quantification of that portion of the Company's expenses that are excessive, but the Company, and particularly its affiliate,

[5] Commonwealth of Virginia ex rel. Bruce M. Berry, et al. v. Virginia Suburban Water Company, Case No. PUE920015, 1993 S.C.C. Ann. Rept. 252.

Management Company, should note that we will not countenance another filing such as this. In future filings, UWV and Management Company will be expected to manage these expenses with vigor and to keep them reasonable.

We will accept Staff's adjustment reducing federal income tax expense to recognize the benefit of tax savings funded by ratepayers. We disagree with the Examiner that such adjustment should be rejected because there is no nexus between Virginia ratepayers and the tax benefit derived from the interest deduction of UWR. It makes no difference as to the identity of the upstream entity that benefits from the tax benefits funded by ratepayers. We believe that such adjustment is consistent with prior decisions[6] and is equitable since the interest deduction of UWR is funded in part by Virginia ratepayers.

We will accept the Examiner's findings and recommendations with respect to internal audit expense. We will allow the test year level of 1995 audit expense for the pro forma period. The three-year amortization period for such timing of the Company's internal should continue until the frequency of the Company's audits has been determined.

While we agree with the Examiner's findings and recommendations with regard to rate design, we have a concern that needs to be addressed because the recommended increase in the proposed minimum bimonthly usage will result in a loss in incremental usage revenues. We will, therefore, allow the Company to offset that loss by applying a corresponding revenue increase to the minimum charge.

We agree with the Examiner that the Company should continue to collect the tax gross-up on connection fees, subject to refund. We will not, however, require the Company to request a ruling from the IRS on the applicability of federal income tax to water connection fees. While the applicability of federal income tax to water connections is a small issue in Virginia, we expect the Company to take all necessary action to protect the interests of its Virginia customers.

We will deny Protestants' request for oral argument. The issues of concern to Protestants have been fully litigated and argument presented both in brief and comment on the Examiner's Report. We will allow the Company's Motion for Leave to Make Reply to Protestants' Comments on such Report. We note, however, that the Reply did not change our conclusions in this proceeding. Accordingly,

IT IS ORDERED THAT:

(1) The Protestants' motion requesting oral argument be, and hereby is, denied.

(2) The Company's Motion for Leave to Make Reply to Protestants' Comments on the Hearing Examiner's Report be, and hereby is, granted.

(3) The findings and recommendations of the Hearing Examiner, as modified herein, are hereby adopted.

(4) The Company shall implement Staff's booking recommendations as detailed in Staff witness Gilmour's testimony.

(5) Consistent with the above referenced modifications, the Company shall be granted an increase in gross annual revenues of $59,082.

(6) The difference between the final increase granted herein and that proposed by the Company shall be applied to the minimum charge.

(7) Within thirty (30) days from the date of this Order, the Company shall file with the Division of Energy Regulation rates, rules, and regulations of service as modified herein.

(8) On or before May 3, 1999, UWV shall refund, with interest as directed below, all revenues collected from the application of the interim rates which were effective for service beginning October 20, 1997, to the extent that such revenues exceeded the revenues which would have been produced by the rates approved herein. The Company shall file with the Staff tariff sheets reflecting the reinstatement of its permanent rates.

(9) Interest upon the ordered refunds shall be computed from the date payment of each bimonthly 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.

(10) The interest required to be paid shall be compounded quarterly.

(11) 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. UWV may offset the credit or refund to the extent no dispute exists regarding the outstanding balances of its current customers, or customers who are no longer on its system. To the extent that outstanding balances of such customers are disputed, no offset shall be permitted for the disputed portion. UWV may retain refunds owed to former customers when such refund amount is less than $1; however, UWV 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 UWV and request refunds, such refunds shall be made promptly. All unclaimed refunds shall be handled in accordance with § 55-210.6:2 of the Code of Virginia.

(12) On or before June 1, 1999, UWV 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.

(13) UWV shall bear all costs of the refunding directed in this Order.

---

[6] Application of Virginia-American Water Company, Case No. PUE950003, 1997 S.C.C. Ann. Rept. 333. Application of GTE South Incorporated, Case No. PUC950019, 1997 S.C.C. Ann. Rept. 216.

(14) 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. PUE970752
DECEMBER 27, 1999

APPLICATION OF
SHANNON FOREST WATER CORPORATION

For a certificate of public convenience and necessity

FINAL ORDER

On September 5, 1997, Shannon Forest Water Corporation ("Shannon Forest" or "the Company") filed its application for a certificate of public convenience and necessity. In its application, the Company requested authority to provide water service to portions of a subdivision known as Shannon Forest in Boones Mill, Virginia.

The Company also requested approval of the following tariff:

Water Rates

1. Service Connections:

   (a) ¾-inch service connection - $500.00

   (b) Service connection over ¾-inch – actual cost to the Corporation but in no even less than that for ¾-inch connection

2. Metered Rates:

Gallons Per Month/Quarter	Rate
For the first 2,000	$7.50 per 1,000 gallons
For all over 2,000	$2.00 per 1,000 gallons

3. Minimum charge:

   There shall be a monthly minimum service charge of $15.00 for water service and no bill will be rendered for less than the minimum charge. The minimum monthly service charge shall become effective when the water service is connected to the lot.

   Shannon Forest bills monthly in arrears.

The Company charges a customer deposit, the maximum amount of which shall not exceed the customer's estimated liability for two months' usage. The Company also charges a $100 meter test fee for meters where the average error is found to be less than two percent, or where a test has been conducted within the past 24 months and the customer still desires a test. In addition, Shannon Forest has a bad check charge of $6.00, and a late payment fee of 1 ½ percent per month on any customer charges not timely paid.

In an order entered on December 17, 1998, the Commission directed the Company to give notice of its application and to provide the public with an opportunity to comment and request a hearing. The Commission also directed its Staff to file a report detailing its findings and recommendations on or before June 24, 1999.

In its report filed on June 24, 1999, Staff noted that the Commission had received no comments or requests for hearing. Staff recommended that the Commission grant Shannon Forest a certificate of public convenience and necessity and approve its proposed rates, charges, and fees with the exception of those noted below.

In its report, Staff recommended that the Commission approve Shannon Forest's application, but deny its request for a service connection fee and meter test fees because the Company failed to provide any data or information on the fees. Staff also recommended that Shannon Forest be required to file, with both the Division of Energy Regulation and the Virginia Department of Health Office of Water Programs ("VDH-OWP") Danville field office, a plan to address the iron and manganese problem with its Well No. 3 within 60 days of this Order.

Staff further recommended several accounting changes. Specifically, Staff recommended that the Company maintain its books in accordance with the Uniform System of Accounts ("USOA") for Class C water utilities; keep its books on the accrual basis of accounting; maintain more organized meter reading sheets; check meters monthly and replace "bad" meters with more reliable ones; reclassify plant to appropriate accounts in accordance with USOA, and begin depreciating using the composite 3% rate for all depreciable plant; and maintain all invoices and other documentation to support expenses and plant additions. For the test year ending December 31, 1998, Shannon Forest's rate of return statement shows, after Staff's adjustments, total operating revenues of $17,168, total operating expenses of $14,812, and an adjusted operating income of $2,356. This generates a 10.66% return on an adjusted rate base of $22,110. Based on this information, Staff states that the Company's metered, monthly rates are just and reasonable and should be made permanent.

In a letter dated October 12, 1999, the Company agreed to accept Staff's recommendations as stated in the above-referenced report.

Also, in a letter dated December 15, 1999, the Company asked the Commission for leave to file its proof of notice late, and submitted with that letter proof that it gave notice of its application to its customers and the Franklin County Board of Supervisors on February 2, 1999.

NOW THE COMMISSION, having considered the Company's application, Staff's report, the Company's letters, and the applicable law, finds that it is in the public interest to grant Shannon Forest a certificate of public convenience and necessity to provide water service. The Commission will approve the Company's rates, charges, and rules and regulations of service, as modified by the Staff. We will also adopt Staff's accounting and booking recommendations. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Shannon Forest Water Company is hereby granted Certificate No. W-295 to provide water service to portions of the Shannon Forest subdivision of Boones Mill, Virginia.

(2) Shannon Forest's rates are hereby approved. Specifically, the Commission authorizes the Company to charge $15.00 for the first 2,000 gallons and $2.50 for each additional 1,000 gallons of water used monthly.

(3) Shannon Forest's proposed charges, rules and regulations, as modified by Staff, are hereby approved.

(4) On or before February 1, 2000, Shannon Forest shall file with the Commission's Division of Energy Regulation a revised tariff incorporating the changes in its rules and regulations of service as adopted herein.

(5) The Company shall implement Staff's accounting and booking recommendations as detailed herein.

(6) Within 60 days of the date of this Order, Shannon Forest shall file with both the Division of Energy Regulation and the VDH-OWP Danville field office a plan to address the iron and manganese problem with Well No. 3.

(7) This case hereby is dismissed from the Commission's docket of active cases.

CASE NOS. PUE970892, PUE970922, PUE971011, PUE980301, PUE980382, PUE980600, and PUE980876
DECEMBER 16, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UNDERGROUND SYSTEMS GROUP, L.C.,
Defendant

FINAL ORDER

On July 2, 1999, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against Underground Systems Group, L.C. ("the Company" or "the Defendant"), alleging that the Defendant violated §§ 56-265.17 A, 56-265.24 A, and 56-265.24 D of the Underground Utility Damage Prevention Act, §§ 56-265.14 through 56-265.32 of the Code of Virginia (hereinafter "the Act"). This Rule assigned the matter to a Hearing Examiner; scheduled an evidentiary hearing for December 15, 1999; ordered the Defendant to appear at the hearing and show cause why it should not be penalized pursuant to § 56-265.32 A of the Code of Virginia for the alleged violations of the Act set forth in the Rule; and ordered the Defendant to file a Responsive Pleading on or before July 30, 1999, expressly admitting or denying the allegations contained in this Rule. The Rule further stated that the Company would be in default if it failed to file a timely Responsive Pleading or if it filed such a pleading yet failed to make an appearance at the hearing. The Rule specified that, in the case of default, the Defendant waived all objections to the admissibility of evidence and could have entered against it a judgment by default imposing some or all of the sanctions noted in the Rule.

The Defendant failed to file an Answer or other Responsive Pleading by the date set forth in the Rule and still has not done so.

On November 19, 1999, the Division of Energy Regulation (the "Staff"), by counsel, filed a Motion for Default Judgment ("Motion") with the Clerk of the Commission. In its Motion, the Staff asserted that the Commission served the Company with the Rule on July 2, 1999, pursuant to § 12.1-19.1 C of the Code of Virginia and that, on July 13, 1999, the Commission's Clerk's Office received the return receipt of certified mailing signed by David Dolan, the Defendant's Registered Agent, or an agent of David Dolan, on July 7, 1999. The Staff also alleged that the Defendant had not responded in any manner and had filed no papers in any of the above-captioned cases indicating a desire to respond, participate, and/or defend itself against the Rule's allegations.

The Staff also pointed to Rule 3:17 of the Rules of the Supreme Court of Virginia, which states:

> A defendant who fails to plead to a notice of motion for judgment within the required time is in default. He waives trial by jury and all objections to the admissibility of evidence.

The Staff noted that Rule 3:17 also holds that the court shall, upon the plaintiff's motion, "enter judgment for the amount appearing to the court to be due." The Staff further stated that, under Virginia law:

> The failure to appear after due notice, or the unjustifiable violation of some procedural rule affecting the orderly adjudication of cases, may result in a waiver of the hearing required by due process and an entry of judgment by default.

Blinder, Robinson & Co. v. State Corporation Commission, 227 Va. 24, 28, 313 S.E.2d 652, 654 (1984) (citing Boddie v. Connecticut, 401 U.S. 371, 378-79 (1971) and Central Operating Co. v. Utility Workers of America, 491 F.2d 245, 251-52 (4th Cir. 1974)). The Staff requested that judgment by default be entered against the Company.

The Hearing Examiner took the Staff's Motion under advisement and found that the Company had failed to file a Responsive Pleading as required by the Commission's Rule and that, as a result, the Company is in default and judgment may be entered against it. The Hearing Examiner found that the Staff's Motion for Default Judgment should be granted and recommended that:

(1) The Commission enters a Judgment Order in Case No. PUE970892 penalizing the Company the sum of $7,500.00 for the Company's three (3) violations of § 56-265.24 A of the Code of Virginia;

(2) The Commission enters a Judgment Order in Case No. PUE970922 penalizing the Company the sum of $2,500.00 for the Company's one (1) violation of § 56-265.17 A of the Code of Virginia;

(3) The Commission enters a Judgment Order in Case No. PUE971011 penalizing the Company the sum of $12,500.00 for the Company's five (5) violations of § 56-265.24 A of the Code of Virginia;

(4) The Commission enters a Judgment Order in Case No. PUE980301 penalizing the Company the sum of $5,000.00 for the Company's two (2) violations of § 56-265.24 A of the Code of Virginia;

(5) The Commission enters a Judgment Order in Case No. PUE980382 penalizing the Company the sum of $2,500.00 for the Company's one (1) violation of § 56-265.24 A of the Code of Virginia;

(6) The Commission enters a Judgment Order in Case No. PUE980600 penalizing the Company the sum of $2,500.00 for the Company's one (1) violation of § 56-265.24 A of the Code of Virginia;

(7) The Commission enters a Judgment Order in Case No. PUE980876 penalizing the Company the sum of $2,500.00 for the Company's one (1) violation of § 56-265.24 A of the Code of Virginia and $2,500.00 for the Company's one (1) violation of § 56-265.24 D of the Code of Virginia; and

(8) The hearing scheduled herein for December 15, 1999, be cancelled.

Parties were given fifteen (15) days in which to file any comments to the Hearing Examiner's Report. None were received.

NOW THE COMMISSION, upon consideration of the Rule, the record, the Hearing Examiner's Report, and the applicable law, is of the opinion and finds that we should find Underground Systems Group, L.C., in default of the Commission's Rule and liable for the full penalty for each violation as set out in the Hearing Examiner's Report. The findings and the recommendations of the November 23, 1999, Hearing Examiner's Report hereby are adopted in full.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the November 23, 1999, Hearing Examiner's Report hereby are adopted.

(2) In accordance with our regulatory duties and powers and pursuant to § 56-265.32 A of the Code of Virginia, judgment is entered for the Commonwealth against Underground Systems Group, L.C., and a total penalty of $37,500.00 shall be imposed on the Company for the violations in the following cases:

(a) In Case No. PUE970892, a penalty of $7,500.00 for the Company's three (3) violations of § 56-265.24 A of the Code of Virginia;

(b) In Case No. PUE970922, a penalty of $2,500.00 for the Company's one (1) violation of § 56-265.17 A of the Code of Virginia;

(c) In Case No. PUE971011, a penalty of $12,500.00 for the Company's five (5) violations of § 56-265.24 A of the Code of Virginia;

(d) In Case No. PUE980301, a penalty of $5,000.00 for the Company's two (2) violations of § 56-265.24 A of the Code of Virginia;

(e) In Case No. PUE980382, a penalty of $2,500.00 for the Company's one (1) violation of § 56-265.24 A of the Code of Virginia;

(f) In Case No. PUE980600, a penalty of $2,500.00 for the Company's one (1) violation of § 56-265.24 A of the Code of Virginia; and

(g) In Case No. PUE980876, a penalty of $2,500.00 for the Company's one (1) violation of § 56-265.24 A of the Code of Virginia and $2,500.00 for the Company's one (1) violation of § 56-265.24 D of the Code of Virginia.

(3) Underground Systems Group, L.C., hereby is enjoined from any further violations of the Act.

(4) Since there is nothing further to come before the Commission, these matters shall be and hereby are dismissed from the Commission's docket of active cases.

CASE NOS. PUE970908 and PUE980626
FEBRUARY 25, 1999

APPLICATION OF
ROANOKE GAS COMPANY

For an Annual Informational Filing

and

APPLICATION OF
ROANOKE GAS COMPANY

For General Increase in Rates and to Revise its Tariffs

ORDER CONSOLIDATING ISSUE WITH RATE CASE

On October 2, 1998, the State Corporation Commission ("Commission") entered an Order authorizing Roanoke Gas Company ("Roanoke" or "the Company") to file an abbreviated Annual Informational Filing ("AIF") in Case No. PUE970908. On October 21, 1998, Roanoke filed its abbreviated AIF for the twelve months ending September 30, 1997, in that docket.

On January 19, 1999, the Staff filed its report in the captioned matter. In its report, the Staff recommended that Roanoke reverse the redistribution of certain costs associated with the removal of a retired gas manufacturing plant, which were booked to accumulated depreciation accounts. Staff further recommended that the Company write off those amounts based on the results of an earnings test analysis Staff performed for the twelve months ending September 30, 1997.

On February 3, 1999, Roanoke filed comments on the Staff report, taking issue with the Staff's recommendation to reverse the redistribution of the costs associated with the removal of the retired gas manufacturing plant. Roanoke asserted that it had not had an opportunity to rebut the Staff's recommendation adequately, and requested that the Commission deny the Staff's recommendation.

On February 18, 1999, the Staff filed a Motion requesting that the issues related to the redistribution of accumulated depreciation be considered in Roanoke's current general rate case, Application of Roanoke Gas Company, For General Increase in Rates and to Revise its Tariffs, Case No PUE980626. In support of its Motion, Staff represented that Roanoke did not oppose its request to consolidate these issues with those to be considered in Case No. PUE980626.

NOW, UPON CONSIDERATION of the Staff's Motion, the Commission is of the opinion and finds that good cause has been shown and that the Staff's February 18, 1999 Motion should be granted. In our opinion, it is appropriate to allow Staff and other case participants to develop further the issues regarding the reversal of the redistribution of the deferred costs as part of Case No. PUE980626, Roanoke's pending rate case. The Commission further finds that Case No. PUE970908, Roanoke's AIF for the test year ending September 30, 1997, should be closed since there are no other matters to be decided therein.

Accordingly, IT IS ORDERED THAT:

(1) The Staff's February 18, 1999, "Motion to Consolidate Issue with Pending General Rate Case" is hereby granted.

(2) The issues raised in the Staff's January 19, 1999, report relating to the redistribution of the deferred costs associated with the removal of the retired gas manufacturing plant and the write-off of those amounts based on the September 30, 1997, earnings test results should be consolidated with and considered as part of Case No. PUE980626.

(3) Application of Roanoke Gas Company, For an Annual Informational Filing, Case No. PUE970908, shall be dismissed, and the documents filed therein placed in the Commission's drawer for ended causes.

CASE NO. PUE980047
AUGUST 24, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
A & W CONTRACTING CORPORATION,
Defendant

FINAL ORDER

On July 14, 1998, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against A & W Contracting Corporation ("the Defendant", "A & W", or "the Company") for alleged violations of §§ 56-265.24 A and -265.24 D of the Code of Virginia. This Rule directed the Defendant to appear before the Commission on September 22, 1998, at 10:00 a.m., to show cause why the Company should not be penalized pursuant to § 56-265.32 A of the Code of Virginia for the alleged violations; appointed a Hearing Examiner to the matter; and directed the Company to respond to the Rule by August 14, 1998.

On August 14, 1998, A & W filed its Answer to the Rule.

On October 6, 1998, Staff filed a Motion to Amend the Rule to Show Cause to add additional allegations.

On October 13, 1998, the Hearing Examiner granted the Staff's request to amend the Rule and permitted the Defendant to amend its Answer by a filing to be made on or before October 23, 1998.

As amended, the Rule to Show Cause alleged:

> (1) On or before August 28, 1997, the Defendant twice damaged a six-inch steel hazardous liquid pipeline operated by Plantation Pipeline Company ("the Operator") located at or near Braddock Road, Fairfax, Virginia, while excavating;
>
> (2) For both incidents, the Company violated one or more of the subsections of § 56-265.24 of the Code of Virginia as follows:
>
> (a) Failing to immediately notify the Operator of the underground utility line in violation of § 56-265.24 D; or
>
> (b) Excavating within two feet of the staked or marked location of the Operator's underground utility line in violation of § 56-265.24 A; or
>
> (c) Failing to notify the notification center, in violation of § 56-265.24 B; or
>
> (d) Beginning to excavate before making an additional call to the notification center in violation of § 56-265.24 C.
>
> (3) On or about September 9, 1997, the Defendant damaged a six-inch hazardous liquid pipeline operated by the Plantation Pipeline Company located at or near Braddock Road and Homewood Way, Fairfax, Virginia, while excavating; and
>
> (4) The Defendant violated one or more subsections of § 56-265.24 of the Code of Virginia as follows:
>
> (a) Excavating within two feet of the staked or marked location of the underground utility, in violation of § 56-265.24 A; or
>
> (b) Failing to notify the notification center, in violation of § 56-265.24 B; or
>
> (c) Beginning to excavate before making an additional call to the notification center in violation of § 56-265.24 C.

A & W filed its Amended Answer to the amended Rule on October 23, 1998.

Pursuant to the Hearing Examiner's Ruling dated December 7, 1998, granting a Joint Motion for Continuance filed by the Commission Staff and A & W, the matter was rescheduled for hearing on January 21, 1999.

On the appointed day, the matter came to be heard by Howard P. Anderson, Jr., Hearing Examiner. Counsel appearing at the January 21 hearing were Garry Boehlert, Esquire, and Brian Cashmere, Esquire, as counsel for A & W; and Robert Gillespie, Esquire, as counsel for Commission Staff.

On May 17, 1999, the Hearing Examiner filed his Report. In his Report, the Examiner found that A & W was responsible for damage to the Plantation's pipeline on August 26 and 27, 1997, at locations near storm drainage boxes known as drop inlet structures 11-B and 11-G (hereafter "drop inlets 11-B and 11-G"). He found that the damage to Plantation's pipeline was caused by glancing blows with mechanized equipment. He also found that A & W should not be held responsible under § 56-265.24 D of the Code of Virginia for failing to notify the notification center and Plantation Pipeline Company ("Plantation"), but concluded that the Company excavated with mechanical equipment within two feet of a marked underground utility line on August 26 and August 27, 1997, in violation of § 56-265.24 A of the Code of Virginia.[1]

The Examiner further determined that A & W violated § 56-265.24 of the Code of Virginia on September 9, 1997, as follows:

1. A & W excavated within two feet of the pipeline and, in doing so, failed to take all reasonable steps necessary to protect the pipeline; and

2. A & W failed to notify the notification center once the markings became illegible.

However, he recommended that the two violations occurring on September 9, 1997, be treated as a single violation because they constituted one incident.

---

[1] The Hearing Examiner did not make a finding in his report as to Staff's allegations set out in the Amended Rule that A & W had violated §§ 56-265.24 B and C of the Act.

The Hearing Examiner also recommended that, pursuant to § 56-265.25 B of the Code of Virginia, A & W should be held liable to Plantation for the total cost to repair Plantation's damaged facilities in the amount of $123,000.[2] He found that, pursuant to § 56-265.32 of the Code of Virginia, the Defendant should be assessed a civil penalty of $2,500, for the two violations (i.e., the violation on August 26 and 27, 1997, and the violation on September 9, 1997), or $7,500 in total.

The Hearing Examiner recommended that the Commission enter an order adopting his Report's findings, and dismissing the case from the Commission's docket. He invited the participants in the case to file Comments in response to his Report within fifteen days of its issuance.

On June 1, 1999, A & W, by counsel, filed Comments in response to the Hearing Examiner's Report. In its Comments, among other things, A & W contended that the imposition of civil penalties was improper and that the issue of A & W's potential civil liability to Plantation was not before the Hearing Examiner. The Company asserted that the Commission lacked jurisdiction to act on the issue of A & W's civil liability for damage to Plantation's facilities and urged the Commission to reject the Examiner's recommendation that A & W be held liable to Plantation for the alleged cost to repair these facilities.

A & W also contended that the Hearing Examiner used an inaccurate legal standard against which he assessed A & W's conduct on September 9, 1997. According to A & W, the inquiry required by § 56-265.24 A involves whether "A & W was 'excavating within two feet of either side of a staked or marked location of an operator's underground utility line' without taking 'all reasonable steps necessary to properly protect, support and backfill underground utility lines.'" A & W Comments at 3. (Emphasis added by A & W.) A & W asserted that it was excavating within the red grade stakes (markings set out by A & W that indicated the confines of its work area) which, according to A & W, Plantation had represented and understood not to be in conflict with the pipeline.[3] The Company maintained that Plantation's mismarking of its utility line was the proximate cause of the strike on September 9, 1997. Id. at 4-6.

The Company argued that the Hearing Examiner was incorrect in basing his recommendation regarding A & W's liability for the September 9 strike on the belief that A & W should have waited for Plantation's representative Mr. Colvig to arrive on the morning of September 9, before commencing its excavation operations. According to the Defendant, it had no legal obligation to delay its excavation until Mr. Colvig arrived.

A & W further argued that it was unnecessary for the Company to notify the notification center once the temporary markers[4] became illegible since the temporary markers for Plantation's pipeline were outside the confines of A & W's red grading stakes that indicated the Company's planned area of excavation. A & W Comments at 10. The Defendant contended that renotification was unnecessary because A & W could verify the location of the pipeline by reference to the red grading stakes marking A & W's work area and the permanent markers, both of which A & W described as "highly visible benchmarks." A & W Comments at 10-11.

With respect to the allegations concerning the damaged pipeline near drop inlets 11-B and 11-G, A & W maintained that it had complied with the Underground Utility Damage Prevention Act's requirements, and that the Examiner's recommendation of a violation regarding A & W's work at drop inlets 11-B and 11-G on August 26, and 27, 1997, should be rejected.

More specifically, with respect to the allegations concerning drop inlet 11-B, A & W contended that Staff failed to offer any evidence to establish that A & W damaged Plantation's pipeline near drop inlet 11-B or that A & W failed to exercise reasonable care to protect the pipeline. A & W pointed out that the Examiner acknowledged that there was no testimony from anyone who actually saw the strikes of the pipeline near the drop inlets, and asserted that there is no support in the record for the Examiner's conclusion that the circumstantial evidence sufficiently supports a finding that A & W is responsible for the damage to the pipeline. A & W Comments at 20. With respect to the damage of the pipeline near drop inlet 11-G, A & W stated that nowhere in the Report did the Examiner make a finding that A & W failed to exercise reasonable care, and that absent such an affirmative finding, the Commission should reject the Examiner's finding that A & W violated § 56-265.24 and his recommendation that a civil penalty be imposed on the Company.

In sum, A & W urged the Commission to reject any finding of violation for the three incidents cited in the Amended Rule and to enter judgment for A & W. Alternatively, should the Commission find that one or more violations occurred, A & W contended that no civil penalty should be imposed because the Company did not fail to exercise reasonable care in performing its work.

On June 1, 1999, Plantation, by counsel, filed a "Motion for Leave to File Comments to Report of Hearing Examiner," together with its Comments. Plantation's Comments requested that the reference to § 56-265.25 B on page 10 of the May 17, 1999 Hearing Examiner's Report be corrected to refer to § 56-265.25 A. It asked that the Commission otherwise adopt the findings and conclusions of the Hearing Examiner.

NOW THE COMMISSION, upon consideration of the amended Rule, the record, the Hearing Examiner's Report, the Comments thereto, and the applicable statutes, is of the opinion and finds that Plantation's Motion should be granted, and its Comments seeking to correct the reference to § 56-265.25 B on page 10 of the Hearing Examiner's Report should be received. We are, however, receiving these Comments for the sole purpose of noting Plantation's suggested correction to § 56-265.25 B found on page 10 of the Hearing Examiner's Report. The receipt of the Comments will not serve to make Plantation a party to this proceeding.

---

[2] Section 56-265.25 B addresses the potential liability of an operator of an underground utility; we assume that the Examiner's reference to subdivision B was a typographical error and that the Examiner intended to rely on § 56-265.25 A, which addresses the liability where an underground utility line is damaged as a proximate result of a person's failure to comply with any provision of Chapter 10.3 of Title 56 of the Code of Virginia.

[3] A & W Comments at 5. We note that A & W stated that the Hearing Examiner "found" that the confines of the red grade stakes were not in conflict with Plantation's markings of the pipeline. This is incorrect; the Examiner discussed Mr. Butler's testimony that the marked location of the pipeline was outside of the planned work area, but the Examiner did not make a specific finding as to this issue.

[4] The term "temporary markers" refers to the markings that operators of underground utility lines are required, pursuant to § 56-265.19 of the Code, to place to indicate the approximate horizontal location of the line to within two feet of either side of the line. Upon receiving notice that an excavation or demolition is planned in the vicinity of an underground utility line, § 56-265.19 requires the operator to mark the utility line with stakes, paint, or flags within forty-eight hours of receiving such notice. The term "permanent markers" denotes signs with specific information on a background of sharply contrasting colors that pipeline operators are required by regulations of the Department of Transportation to place at certain locations above all buried pipelines to indicate the presence, but not the exact location, of the underground pipeline.

After review of the record and the Comments filed herein, although it is a difficult decision, we conclude that the evidence is insufficient to support a finding that A & W violated §§ 56-265.24 A, B, C, or D of the Code of Virginia with respect to the alleged incidents involving the August 26 and 27, 1997, excavations for drop inlet structures 11-B and 11-G.

With regard to the incident that occurred on September 9, 1997, we find that Plantation had marked its pipeline. Conflicting testimony was presented as to whether Plantation's underground line was marked correctly. See, e.g., Ex. JC-6 at 6-8. Ex. RB-15 at 9, 11. Ex. RP-16 at 25. We find that the evidence is sufficient, however, to establish that the Defendant excavated within two feet of the staked or marked location of the underground utility line without taking all reasonable steps necessary to protect the utility lines in violation of § 56-265.24 A of the Code of Virginia. We also find that the Defendant failed to notify the notification center for the area after the markings locating the underground utility line became illegible in violation of § 56-265.24 B of the Code. We have reached these conclusions after considering all of the evidence, including that discussed below.

A & W employee Ron Butler, one of the supervisors present at the site on September 9, 1997, testified that David White, the A & W employee who operated the front-end loader, removed the earth from within the confines of A & W's work area with the front-end loader and, after each cut, rotated the bucket of the loader to dump the earth on a nearby hill and then push it up the slope. Tr. at 220-23. Mr. Butler further stated that, as the fill was pushed up the slope, the temporary markers identifying the exact location of the pipeline were covered up and became less visible. Ex. RB-15 at 10. Tr. at 220-21. See also Ex. DRS-2, Photographs 13, 15. The movement of the dirt in this fashion constitutes excavation, as that term is defined in § 56-265.15 of the Code.[5]

Mr. White testified that when he was pushing the dirt up the slope with the front-end loader, he did not remember seeing any paint or flags (i.e., the temporary markers) identifying the location of the pipeline. Tr. at 266. A & W employees present during the excavation relied on the permanent markers to indicate the location of the pipeline.[6] Mr. White struck the pipeline with his front-end loader at approximately 8:45 a.m., on September 9, 1997, resulting in a jet fuel spill. Ex. RP-16 at 26. Ex. RB-15 at 10. Tr. at 268.

We find that A & W failed to take all reasonable steps necessary to protect the underground utility in violation of § 56-265.24 A of the Code when it proceeded to excavate, pushing dirt across the marked location of the pipeline, failing to hand-dig along the marked line, and covering up the temporary markers.

A & W's reliance on the presence of the permanent markers to locate Plantation's pipeline demonstrates a failure to exercise reasonable care.[7] The permanent markers indicate the location of the underground line at the point where the pedestal markers are placed and do not necessarily indicate any curvature of the pipeline. Because underground utility lines do not necessarily run straight between the permanent markers, Ex. KB-3 at 4-5, the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq., requires the use of paint, stakes, or flags to mark underground utility lines to designate precisely any curves in the lines.

A & W also violated § 56-265.24 B of the Code as a result of its failure to call the notification center to request that the underground utility line be marked again, even though it knew the temporary markers had been covered up by construction activity.[8]

We find that A & W violated §§ 56-265.24 A and 56-265.24 B, as a result of a failure to exercise reasonable care, on September 9, 1997. Pursuant to § 56-265.32 A of the Code, the Commission may impose a civil penalty not exceeding $2,500 for each violation if it is proved that the person violated any provision of Chapter 10.3 as a result of a failure to exercise reasonable care. We find the violations are serious and will impose a total fine of $5,000 for these two violations.

We do not find that A & W violated § 56-265.24 C of the Code of Virginia since there was testimony that there were temporary markers indicating the location of the pipeline when the Company arrived to begin its excavation on September 9, 1997.

Finally, we decline to adopt the Examiner's finding concerning A & W's liability for the damage to Plantation's pipeline. Section 56-265.25 A of the Code of Virginia does not confer upon the Commission the authority to establish and enforce awards for damage to an underground utility line. As stated, § 56-265.32 A of the Code of Virginia specifically empowers the Commission to enforce the Underground Utility Damage Prevention Act through the imposition of civil penalties not to exceed $2,500 for each violation. Sections 56-265.25 A and 56-265.25 B of the Code, when read together with § 56-265.32 A of the Code, establish a private cause of action for an operator such as Plantation against an excavator such as A & W. Such actions, however, are not brought before this Commission.

---

[5] The term "excavation" is defined in § 56-265.15 to mean:

> any operation in which earth, rock, or other material in the ground is moved, removed, or otherwise displaced by means of any tools, equipment, or explosives and includes, without limitation, grading, trenching, digging, ditching, dredging, drilling, augering, tunneling, scraping, cable or pipe plowing and driving, wrecking, razing, rendering, moving, or removing any structure or mass of material.

[6] Tr. at 223, 226, 234, 266.

[7] When questioned how the operator could know to stay two feet away from the pipeline when the temporary markers were illegible, an A & W supervisor, Mr. Butler, stated that the temporary markers were in a straight line between the permanent markers and that his whole crew knew where the temporary markers were located since they had waited for an hour in the area of the markings. Tr. at 223. We would point out that the statute's requirement of temporary markers eliminates the difficulty inherent in relying on human perception and memory.

[8] We disagree with A & W's theory, set out at pages 10-12 of its Comments, that it was precluded by § 56-265.24 F of the Code of Virginia from requesting a remarking of the site on September 9, 1997. On that occasion, the temporary markers indicating the location of the pipeline were destroyed; yet A & W continued to excavate. Under these circumstances, A & W should have requested Plantation to remark the location of its pipeline. There is no evidence in this record that A & W had previously repeatedly requested Plantation to remark this particular location.

Accordingly, IT IS ORDERED THAT:

(1) Plantation's June 1, 1999, Motion for Leave to File Comments to Report of Hearing Examiner is granted for the limited purpose discussed herein, and the Comments attached to that Motion are hereby received.

(2) Pursuant to § 56-265.32 A of the Code of Virginia, A & W shall be assessed a civil penalty of $5,000 for the violations of §§ 56-265.24 A and B of the Code of Virginia, occurring on September 9, 1997, as a result of the Defendant's failure to exercise reasonable care.

(3) There being nothing further to be done herein, this matter shall be dismissed from the Commission's docket of active cases, and the papers filed herein placed in the Commission's file for ended causes.

CASE NO. PUE980059
APRIL 20, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
MIKE DEANE, *et al.*
v.
BOTETOURT FOREST WATER CORPORATION,
Defendant

FINAL ORDER

On January 10, 1998, Botetourt Forest Water Corporation ("Botetourt Water" or "Company") notified its customers of its intent to increase its rates for water service effective March 1, 1998, pursuant to the Small Water or Sewer Public Utility Act ("Small Water Act") (§ 56-265.13.1 et seq. of the Code of Virginia). The Company proposed to increase the monthly charge for the first 2,000 gallons from $16.00 to $17.00 and to increase the monthly price for each additional 1,000 gallons from $5.00 to $5.50. By February 18, 1998, approximately 26% of the Company's customers had filed objections with the Commission.

On March 5, 1998, the Commission, pursuant to § 56-265.13:6 of the Code of Virginia, issued a Preliminary Order declaring rates interim and subject to refund, with interest, as of March 5, 1998. On March 18, 1998, the Commission entered an Order for Notice and Hearing in which it directed the Company to provide public notice, established a procedural schedule, assigned the matter to a Hearing Examiner ("Examiner"), and scheduled the matter for public hearing on September 15, 1998.

The evidentiary hearing on the proposed tariff revisions was held in Richmond on September 15, 1998, before Hearing Examiner Alexander F. Skirpan, Jr. Counsel appearing were: Kenworth E. Lion, Jr., Esquire, counsel to Botetourt Water; and Allison L. Held, Esquire, and Marta B. Curtis, Esquire, counsel for the Commission's Staff. Proof of public notice was marked as Exhibit Company-1 and admitted into the record. Botetourt Water and the Commission Staff ("Staff") filed limited briefs on October 16, 1998.

In this case, there were six issues related to the level of lawful and necessary expenses which, in turn, are used to measure the sufficiency of revenues. They were: (1) salaries and wages; (2) office rent expense; (3) equipment rental expense; (4) mileage expense; (5) rate case expense; and (6) health insurance expense. There were also issues concerning connection fees.

The issue with the greatest impact on the ultimate rates to be set in this case concerned the determination of salaries and wages. Specifically, Mr. and Mrs. Bowen sought wages of $18,000 and $24,000, respectively. The Staff, on the other hand, recommended a salary of $11,232 for Mr. Bowen and a salary of $4,708 for Mrs. Bowen. The disparity in the recommended salaries was based on: (i) whether or to what extent the Bowens were entitled to compensation for being on call twenty-four hours a day; (ii) establishing the appropriate number of hours the Bowens devoted to operating Botetourt Water; and (iii) ascertaining a fair rate of compensation for the services provided by the Bowens. The Examiner recommended salaries for Mr. and Mrs. Bowen of $13,500 and $4,985, respectively.

The second issue in this case related to the office rent expense for the 30' by 18' office the Bowens operate out of their home. The Company argued that, although the office is used to operate two other businesses, 90% of the total rent expense should be assigned to Botetourt Water. Staff recommended that 50% of the total rent expense be assigned to Botetourt Water, considering that the office houses two other businesses. Since the Company's requested rent expense only materialized on rebuttal and was supported solely by Mr. Bowen's estimate of usage, the Examiner found that Staff's recommendation was reasonable.

The third issue concerned the use and expense of a backhoe and a pressure washer owned by Mr. Bowen. Staff found that a comparable backhoe and pressure washer rent for $215 and $72 per day, respectively. Based on this information, Staff added $500 to test year operating expenses to reflect approximately two days' use for the backhoe and one day's use for the pressure washer. The Company argued that the backhoe was used 52 times during the test year, and therefore asserted that Staff's adjustment for backhoe usage should be increased to $11,252. The Examiner found that, based on the record, Staff's expense adjustment of $430 was a more reasonable estimate than the Company's $11,252.

Fourth, Botetourt Water failed to include any mileage expense in test year operating expenses. Staff estimated the number of miles driven by the Company's employees to be approximately 1,235 miles, and included a mileage expense of $383 based on the standard Internal Revenue Service rate of $0.31 per mile. The Company argued that the Staff's mileage adjustment understated the actual miles driven by its employees and should be increased to $3,180.60. The Examiner found that the record supported the inclusion of 2,300 miles, and therefore recommended that the mileage expense be increased to $713.

The fifth issue in the case concerned rate case expenses. Initially, Staff recommended the Company's estimated rate case expense of $700 be amortized over two years. In his rebuttal testimony, Mr. Bowen increased the Company's estimated cost for this case from $700 to $2,700 based on new

estimates reflecting that the case would be contested before the Commission. During the hearing, Staff witness Barker accepted the Company's new estimate, but recommended that the amortization period be changed from two to three years. Mr. Bowen did not offer testimony in opposition to a three-year amortization period. The Examiner found that Staff's proposal to amortize rate case expense over three years was reasonable and recommended its adoption.

The sixth issue dealt with the health insurance purchased on behalf of Mr. and Mrs. Bowen. In his rebuttal testimony, Mr. Bowen requested that operating expense be increased by $1,776 to reflect the costs of health insurance purchased on behalf of Mr. and Mrs. Bowen. Because this adjustment was proposed in rebuttal testimony, Staff did not have an opportunity to verify the cost. Therefore, Staff did not support inclusion of this expense in the cost of service. However, Staff witness Barker testified that if such an adjustment were made, this expense should be based on the number of hours worked annually compared to a full-time position. At the Company's request, Exhibit JBB-C-8 was reserved for the late filing of support for Botetourt Water's claimed health insurance. On October 15, 1998, Botetourt Water, by counsel, filed Exhibit JBB-C-8, which consisted of a cover page showing health care costs for 1997 and for the first three quarters of 1998, and additional attached pages providing what appeared to be copies of the monthly checks used to pay for the health care costs for Mr. and Mrs. Bowen. Exhibit JBB-C-8 supported Mr. Bowen's claim for health care costs of $296 per month. Therefore, the Examiner recommended that, following the Staff's proposed allocation methodology, $738, or approximately 20.77% of the total annual health care costs of $3,552, be added to operating expenses.

The final, and perhaps most controversial, issue in this case concerns the Company's collection of connection fees since 1994. During its review of Botetourt Water, Staff discovered that in 1994 the Company instituted a $500 connection fee. In addition, in 1997, Botetourt Water collected $1,000 in connection fees from each of two new customers located outside its certificated service territory. Through the end of 1997, Botetourt Water had collected $8,970 in connection fees. Neither the $500 nor $1,000 fees were specified in Botetourt Water's tariffs on file with the Commission. Consequently, Staff recommended that the Commission order the Company: (1) to cease charging connection fees and refund all connection fees collected by the Company to the affected customers; and (2) to request an amendment to its certificate of public convenience and necessity to expand its service territory to include all customers and any other areas of possible future expansion. The Company argued that its failure to provide notice to its customers and the Commission, as required by § 56-265.13:5 B, does not prejudice existing customers, since the notice must only be provided to customers of the utility that are already connected to the system. Thus, any failure to provide notice of the institution of a new connection charge for new customers does not prejudice existing customers. The Company also argued that even if it lacked the authority to implement a connection charge in 1994, it would be unfair to penalize the customers connected to the water system prior to 1994 by requiring the utility to refund connection fees collected from 1994 through 1997. The Hearing Examiner recommended that the Company be ordered to refund, with interest, all connections fees collected prior to March 5, 1998. The Examiner reasoned that any result other than a refund would permit the Company an unauthorized change in tariff.

On January 8, 1999, the Hearing Examiner filed his Report. The Examiner found that:

1. The use of a test year ending December 31, 1997, is proper in this proceeding;

2. The Company's test year operating revenues, after all adjustments, were $48,504;

3. The Company's test year operating revenue deductions, after all adjustments, were $42,641;

4. The Company's test year net operating loss and adjusted net operating income, after all adjustments were $(16,439) and $5,863, respectively;

5. The Company's current rates produce a return of 16.28%;

6. The Company's current cost of capital, upon which its rates should be established, is 18.64%;

7. The Company's adjusted test year rate base is $36,014;

8. The Company's application requesting an annual increase in revenues of approximately $3,313 is unjust and unreasonable because it will generate a return on rate base greater than 18.64%;

9. The Company requires $870 in additional gross annual revenues to earn an 18.64% return on rate base;

10. The Company's existing rate structure should be maintained. The monthly rate for the first 2,000 gallons of usage should remain at $16.00. The annual increase of $870 should be added to the consumption charge for monthly usage in excess of 2,000 gallons, which currently is $5.00 per thousand gallons;

11. The Company should institute a connection fee for the installation of new connections of $500.00 or actual cost, whichever is greater. The Company should begin collecting these fees as of March 5, 1998, the date rates from this case were permitted to take effect, subject to refund;

12. In its next case, the Company shall file cost information in support of its connection fee;

13. The Company should file permanent rates designed to produce the additional revenues found reasonable herein using the revenue apportionment methodology proposed by the Staff and described above;

14. The Company should be required to refund, with interest, all revenues collected under its interim rates in excess of the amount found just and reasonable herein;

15. The Company also should be required to refund, with interest, all connection fees collected prior to March 5, 1998, over three years, in three annual installments; and

16. The Company forthwith shall provide proper notice and submit a proper filing with the Commission seeking approval to serve customers outside its currently certificated service territory.

The Examiner recommended that the Commission enter an Order that adopts the findings in his report; grants the Company an increase in gross annual revenues of $870; and dismisses this case from the Commission's docket of active cases and passes the papers herein to the file for ended causes.

On February 8, 1999, both the Staff and the Company filed exceptions and/or comments on the Examiner's Report. With regard to expenses, the Company took exception to the Examiner's recommended allowances for Mr. Bowen's annual salary, Mrs. Bowen's annual salary, office rental, equipment rental, and vehicle mileage. With regard to both Mr. and Mrs. Bowen's salary, the Company's core contention is that both continue to perform all of their duties during the four months of the year they lived in Florida, contrary to the Staff's testimony, and they should therefore be compensated for that time. The Company did not take exception to the hourly wage rates used by the Examiner. With regard to the office rental expense, the Company maintains that it satisfied its burden of proof with respect to the size of the office, the market price for the office space per square foot, and the use of the space for the Company's business.

The Company also states that the record contains uncontradicted evidence that the backhoe was used 52 times during the test year, and therefore the backhoe rental expense recommended by the Examiner is inadequate. The Company changed its position on equipment rental expense from that it took at the hearing, and it now contends that the Company should be allowed a backhoe expense of no less than $50/day and $2,600 annually. With regard to vehicle mileage expenses, the Company asserts that there is no evidence in the record to suggest that Mr. Bowen's mileage estimates are incorrect. The Company states that Mr. Bowen's estimate of 10,260 miles traveled on Company business annually does not appear to be unreasonable, and should therefore be approved.

Finally, the Company took exception to the Examiner's finding that Botetourt Water be required to refund, with interest, all connection fees collected prior to March 5, 1998, over three years, in three annual installments. The Company states that a refund in these circumstances would be inappropriate and inequitable. In support of its position, Botetourt Water states that a refund of connection fees collected between 1994 and 1997 would create a windfall to these customers, and existing customers would be required to pay the utility a return on the utility plant installed for the sole purpose of serving the new customers. This, the Company contends, would violate the mandate of § 56-265.13:4 of the Code of Virginia, which requires that all customers be treated in a uniform manner. The Company also asserts that it has not violated § 56-265.13:5(B), which requires a utility to notify in writing all of its customers of any changes in its rates, charges, fees, etc., since the Company's customers are already connected to the water system and are not affected by the addition of a connection charge for new customers.

The Staff also filed comments on the Examiner's Report on February 6, 1999. The Staff took exception to the Examiner's recommendation that the Company be permitted to institute a connection fee for the installation of new water service connections in this proceeding. Staff stated that the Examiner properly found that the Company collected the fees illegally, and that such fees must be refunded to customers; however, the Staff believes that the Examiner erred in finding that the Company had satisfied the notice requirements of § 56-265.13:5(B) so as to permit instituting a connection fee in this proceeding. Staff also took exception to the Examiner's reliance on rate of return as the basis to establish rates since no rate of return analysis was performed in this proceeding.

NOW THE COMMISSION, having considered the Examiner's Report, the comments and exceptions thereto, the record herein and the applicable statutes and rules, is of the opinion and finds that the recommendations and findings of the Examiner, with the exceptions noted below, are reasonable and will be adopted.

At pages 11-12 of his Report, the Examiner discusses and recommends that Staff's expense adjustment for the use of a backhoe is a more reasonable estimate than that of the Company. Although no support was provided for use of the backhoe, we agree with the Company that the equipment rental expense recommended by the Examiner is inadequate. We agree with the Examiner that the Staff's estimate of $430 is more reasonable than the initial $11,252 proposed by the Company (later changed to $2,600 in the Company's comments on the Examiner's Report), but we find that a reasonable expense lies somewhere between the two recommendations. We will allow $1,300 for the backhoe. We find that it is unlikely that each use of the backhoe was for a full eight hour day; therefore, we will allow $1,300, an amount that is more reasonable and consistent with the record in this case.

With regard to the salaries of Mr. and Mrs. Bowen, the office rental expense[1], and the vehicle mileage expense, we find that the Examiner's analyses and recommendations on these issues are reasonable and should be adopted.

In the future, we expect the Company to keep records of all its expenses, including actual time records for its employees, a mileage log for all company-related vehicle use, including the purpose of the trip, and a log for equipment use that contains the purpose and duration of each use of the backhoe and pressure washer. Not only should the Company keep records of these expenses, but it should also ensure that the expenses are reasonable, and Botetourt Water bears the burden of that proof. In this case, the Company's expenses are supported solely by Mr. Bowen's estimates of time, usage, and mileage. Additional support is necessary to justify the reasonableness of many of Botetourt Water's expenses.

The Commission also agrees with the Examiner that Botetourt Water did not provide notice to the Commission or its customers, as prescribed by §§ 56-236 and 56-265.13:5(B) of the Code of Virginia, and therefore did not have the legal authority to implement a connection charge in 1994. The Company's customers, therefore, were not given fair notice of the proposed fee, nor were they afforded the opportunity to comment or request a hearing. Thus, the Company is ordered to refund all connection fees collected since 1994. As the Examiner notes, any result other than a refund would permit the Company an unauthorized change in tariff. Although the Company's failure to comply with the law may have been unintentional, the applicable statutes nevertheless remain an important procedural safeguard to ensure a proper balance between the competing interests of the Company and its customers.

Further, we agree with the Staff that the Examiner erred in finding that Botetourt Forest had satisfied the notice requirements of § 56-265.13:5(B) so as to permit instituting a connection fee in this proceeding. The Examiner found that the notice contained in the Commission's March 18, 1998 Order for Notice and Hearing was sufficient to alert customers that a connection fee would be at issue in this proceeding. We disagree with that finding, and agree

[1] We recognize that the Examiner misstated the size of the office as 5,400 square feet rather than 540 square feet; but, this error was clearly typographical since he previously stated the office size as 30' by 18'. We reject the Company's view that the Commission should assign 90% of the total annual rent expense to the Company since there are no longer active businesses operating out of the same office as Botetourt Water. The inactivity of Mr. Bowen's construction and real estate businesses does not automatically increase the allocation for office rent expense to Botetourt Water. Even though more space is now available to the Company, it does not necessarily require this additional space to conduct its business. Botetourt Water bears the burden of proving the necessity and reasonableness of its requested expenses, and it has failed to meet that burden.

with Staff that only rates for those services that were specifically noticed could be affected in this proceeding. The Company's notice made no mention of fees for service connections. Rates cannot be implemented for a service that was not mentioned in the Company's notice. We therefore find that before the Company begins charging a connection fee in the future, it should submit the pertinent cost data to the Staff to justify an appropriate connection fee charge, and simultaneously give notice to its customers and the Commission of its proposed fee, as required by §§ 56-236 and 56-265.13:5(B) of the Code of Virginia. We have no authority to waive these statutory requirements for Botetourt Water. Since the statutory requirements have not been met, we find no authority to allow implementation of a connection fee at present. Therefore, we find that Botetourt Water shall refund all connection fees collected through the date of this Order, and cease collecting such fees until proper notice and approval has been completed.

We also agree with Staff that since no rate of return or cost of capital analyses were performed in this proceeding, we should not use rate of return as the primary determinant of rates going forward. Instead, we will consider the Company's operating income. Under the applicable statute, § 56-265.13:4 of the Code of Virginia, the Company is entitled to recover a level of revenues sufficient to pay for its lawful and necessary expenses, and to compensate its owners for their investment in the system.

Based on the findings in this Order, the Company is entitled to an increase in annual operating revenues of $983, which should be achieved by increasing the consumption charge for monthly usage in excess of 2,000 gallons from $5.00 to $5.20 per thousand gallons. After the rate increase, the Company will earn $5,525 of annual operating income and a return on rate base of 15.28%.[2] We find that the rates, as established herein, are just and reasonable and will provide sufficient revenues for Botetourt Water to serve its customers.

In all other respects, the findings and recommendations of the Examiner are approved. Accordingly,

IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner as detailed in his January 8, 1999, Report, as modified herein, are hereby adopted.

(2) Consistent with the above-referenced findings, the rates for Botetourt Water shall be increased to produce additional annual revenues of $983 to generate $5,525 of net operating income, and a return on rate base of 15.28%, effective as of March 5, 1998.

(3) Within thirty (30) days from the date of this Order, the Company shall file with the Division of Energy Regulation a tariff for rates of service consistent with the terms of this Order.

(4) On or before August 4, 1999, Botetourt Water shall refund, with interest as directed below, all revenues collected from the application of the interim rates that were effective for service beginning on March 5, 1998, to the extent that such revenues exceed the revenues produced by the rates approved herein.

(5) The Company shall also be required to refund, with interest as directed below, all connection fees collected since 1994, in three annual installments, with refunds to be completed by June 1, 2001.

(6) Interest upon the ordered refunds shall be computed from the date payment of each monthly bill was due during the interim period or the date payment of the connection fee 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 ("Selected Interest Rates") (Statistical Release G. 13), for the three months of the preceding calendar quarter.

(7) The interest required to be paid shall be compounded quarterly.

(8) The refunds ordered in Paragraphs (3) and (4) above, may be accomplished by credit to the appropriate customer's account for current customers (each such refund category being shown separately on each customer's bill). Refunds to former customers shall be made by a check to the last known address of such customers when the refund amount is $1 or more. Botetourt Water may offset the credit or refund to the extent no dispute exists regarding the outstanding balances of its current customers, or customer 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. Botetourt Water may retain refunds owed to former customers when such refund amount is less that $1; however, Botetourt Water 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 the Company and request refunds, such refunds shall be made promptly. All unclaimed refunds shall be handled in accordance with § 55-210.6:2 of the Code of Virginia.

(9) On or before September 1, 1999, for the refund on interim rates, and July 1, 2001, for the refund of connection fees, Botetourt Water shall file with the Staff a document showing that all refunds have been lawfully made pursuant to this Order and itemizing the cost of the refund and accounts charged. Such itemization of costs shall include inter alia, computer costs, and the personnel-hours, associated salaries and cost for verifying and correcting the refund methodology and developing the computer program.

(10) Botetourt Water shall bear all costs of the refunding directed in this Order.

(11) If the Company wishes to implement a connection fee, it should submit the pertinent cost data to the Staff to justify an appropriate connection fee charge, and simultaneously give notice to its customers and the Commission of its proposed fee, as required by §§ 56-236 and 56-265.13:5(B) of the Code of Virginia.

(12) The Company forthwith shall provide proper notice and submit a proper filing with the Commission seeking approval to serve customers outside its currently certificated service territory.

---

[2] Although the rates established in this proceeding were not determined based on a rate of return analysis, we did consider the owner's investment and believe that a 15.28% return on rate base provides reasonable compensation for that investment.

(13) The Company shall comply with the booking recommendations set forth on pages 19-21 of Staff Witness Barker's prefiled testimony, and shall provide evidence to the Director of Public Utility Accounting that these recommendations have been complied with within 90 days of the date of this Order.

(14) 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. PUE980139
SEPTEMBER 7, 1999

APPLICATION OF
RESTON LAKE ANNE AIR CONDITIONING CORPORATION

For an increase in rates

FINAL ORDER

On April 22, 1998, Reston Lake Anne Air Conditioning Corporation ("RELAC" or "the Company") filed an application requesting an increase in its rates for metered service effective for service rendered on and after May 22, 1998. The Company requests an increase of $28,332 in total annual revenues, or an increase of approximately 60 percent to the metered customers. The Company proposes no rate increase for its flat rate service. The Company proposes to increase the minimum charge[1] per billing period[2] for metered customers from $27.00 to $54.00; to increase its usage charge for the first 10,000 gallons used per billing period from $5.60 to $8.96; and to increase its usage charge for each 1,000 gallons or portion thereof in excess of 10,000 gallons per billing period from $2.80 to $4.48.

By order dated May 1, 1998, the Commission directed the Company to provide notice to its customers of its application, scheduled the matter for hearing on October 22, 1998, and established a procedural schedule for the filing of pleadings, testimony, and exhibits.

On July 14, 1998, Fairfax County filed a motion to move the venue of the hearing to that County in order to accommodate the concerns of affected customers who would not otherwise be able to participate. By ruling dated July 28, 1998, that motion was granted in part, and a public hearing was scheduled for October 1, 1998, in Fairfax County for the purpose of hearing from public witnesses only, with the rest of the hearing scheduled for October 22, 1998.

Eight customers appeared at the October 1 hearing and opposed the proposed increase on the basis that such increase was applied only to metered customers. Many interpreted the increase as an attempt to force metered users to switch to the fixed rate, and some alleged that application of the increase would actually encourage the wasteful use of energy. Several witnesses noted that restrictive covenants bar the use of alternative air conditioning provisions and requested that the Commission declare RELAC customers free to choose such alternative means.[3]

On October 22, 1998, an evidentiary hearing was convened in Richmond before Chief Hearing Examiner Deborah V. Ellenberg. Counsel appearing were: Paul B. Ward, Esquire, for the Company; Marta B. Curtis, Esquire, and Allison L. Held, Esquire, for the Commission's Staff; Dennis R. Bates, Esquire, for the Fairfax County Board of Supervisors; and Monroe E. Freeman, Jr., pro se. There was also an additional public witness who appeared at this hearing and opposed the proposed rate increase.

At the commencement of the hearing, the Company offered the required proofs of notice. The Company and Fairfax County subsequently filed post-hearing briefs.

Accounting adjustments and rate design were at issue at the hearing. The Company objected to Staff's accounting adjustments increasing revenue and disallowing rent and employee benefits expenses. It was the Company's position that its revenue should be based on the average occupancy for the test period rather than on the customer base at the end of the test period, as proposed by Staff.

The Company also objected to Staff's disallowance of rent expense paid to the owners of RELAC for the land on which the utility is located. It was Staff and Fairfax County's position[4] that the Company had not met its burden of proof for recovery of the rent expense based on their belief that the owners of the Company had obtained that land at no cost. The Company, however, believed that it had met its burden and that the owners were entitled to earn a return on the value of such land since they had incurred cost for its acquisition[5]. As an alternative to allowing recovery of such cost as an expense, Staff suggested that the land be included in the utility's rate base at its 1983 assessed value for ratemaking purposes only.

In addition, the Company objected to Staff's disallowance of copayments paid for employees' prescription drugs. It was the Company's position that, although such costs were not covered by the Company's medical plan, reimbursement of such costs was a reasonable employee benefit.

---

[1] The minimum charge would be payable regardless of usage but would be credited against actual usage.

[2] The metered rate schedule provides for four billing periods per cooling season, which is from May 22 through October 9.

[3] Restrictive covenants require a two-thirds vote of all customers to release RELAC customers from their obligation to purchase air conditioning from RELAC.

[4] On brief, Fairfax County supported Staff's position.

[5] Mr. Cobb argued that he and Mrs. Cobb gave up $175,000 in cash to have the land included in the purchase of the Company from its former owner.

Staff and Fairfax County supported the allocation of the proposed increase to the metered class since the current rates were not producing enough revenue to cover those customers' fixed costs. Mr. Freeman questioned the basis for such allocation[6] and urged the Commission to dismiss the application. He stated that, in future applications, the cost allocation should be based on the ratio of actual gallons used by the metered class to the total gallons produced by the RELAC plant.

Staff supported Fairfax County's proposal to phase in any increase in rates over three years. The Company subsequently agreed with that approach.

On July 16, 1999, the Hearing Examiner issued her Report. In her Report, the Examiner found that:

1. The use of a test year ending December 30, 1997, is proper in this proceeding;

2. The Company's test year operating revenues, after all adjustments, were $300,775;

3. The Company's test year operating deductions, after all adjustments, were $298,932;

4. The Company's test year operating income, after all adjustments, was $1,843;

5. The Company's adjusted test period rate base, including the leased property, is $290,042;

6. The Company's current rates produce a return on adjusted rate base of 0.64%;

7. The Company requires an increase in gross annual revenues of $22,411;

8. The increase would provide the Company an opportunity to generate a return on rate base of 8.20% when fully implemented; and

9. The Company should file permanent rates designed to produce the additional revenues phased in over a three year period as it agreed to and as found reasonable in her Report.

The Examiner recommended that the Commission enter an order that adopts the findings in her Report; increases the Company's authorized gross annual revenues by $22,411; and directs the refund of any amounts collected under the interim rates in excess of the rate increase found just and reasonable in her Report.

In her discussion of the issues in controversy, the Examiner agreed that Staff's adjustments to revenues and employee benefits were reasonable. The Examiner disagreed with Staff and Fairfax County's position regarding the Company's rent expense. The Examiner found evidence in the record to support the conclusion that the owners of the utility incurred costs for the acquisition of the land upon which the utility plant is fixed. The Examiner, however, found it reasonable to accept Staff's alternative proposal for rate base treatment of such costs since that proposal recognizes the value of the land but does not guarantee a return on that asset. In accepting Fairfax County and Staff's proposed rate design, the Examiner stated that it would be preferable to allocate costs based on actual usage, as Mr. Freeman suggested, but noted that such data was not available in the record in this proceeding. The Examiner recommended that the Company be directed to provide actual gallon usage to support any future applications. The Examiner noted that the issue regarding the alternative provision of air conditioning was not before the Commission and that the remedy for seeking such provision had already been established pursuant to the restrictive covenants of the development.

On July 28, 1999, Protestant Monroe E. Freeman, Jr., filed comments on the Examiner's Report. In his comments, Mr. Freeman noted the lack of data for determining rate design by his recommended methodology but stated that such insufficiency was the result of RELAC's choice not to meter total production. Mr. Freeman renewed his request that the Commission dismiss or deny the application. He also requested that, in addition to adopting the Examiner's recommendation concerning actual gallon usage in any future applications, the Commission direct the Company to install metering devices to record such usage beginning with the year 2000 cooling season.

On August 5, 1999, the Company filed its comments. RELAC took issue with the Examiner's recommendation that the Company be directed to provide actual gallon usage in future applications. The Company stated that such a requirement was impractical due to the design and installation of the air conditioning system. Specifically, the Company stated that providing actual gallon usage for each class of customers requires that all of its non-metered customers be provided with meters and balancing cocks identical to those installed for metered customers. The cost of such metering would be prohibitive because meters and balancing cocks comprise only a part of the cost of installation. The Company estimated that the total cost of such metering could exceed $500,000 as such cost would include the cost of meters and balancing cocks as well as the cost of repiping the LARAC condominiums and the commercial customers.

On August 9, 1999, Fairfax County filed comments on the Examiner's Report. The County requested that the Commission adopt the findings and recommendations detailed in that Report with specific reference to those associated with rate design and the provision of actual gallon usage.

NOW THE COMMISSION, having considered the record, the Examiner's Report, and the comments thereto, is of the opinion that the Examiner's findings and recommendations should be approved with the exception of that noted herein. While we believe that there is merit in the Examiner's recommendation regarding actual usage information, we will not adopt that recommendation in this proceeding. We agree with the Company that such recommendation is unwarranted here due to the unique design and installation characteristics of the RELAC system and the cost of making the necessary changes. Accordingly,

---

[6] The Company's allocation was based on the Company's use of a total British Thermal Units per Hour ("BTUH") load schedule assigning a BTUH load to each unit. The calculation is a measure of the BTUs absorbed by a residence during one hour of a typical air conditioning season.

IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner hereby are adopted with the exception of that noted herein.

(2) Consistent with the findings herein, the Company shall file revised tariffs designed to produce $22,411 in additional gross annual revenues phased in over a three year period as detailed in the Examiner's Report.

(3) On or before October 15, 1999, RELAC shall complete the refund, with interest as directed below, of all revenues collected from the application of the interim rates that became effective for service rendered on and after May 22, 1998, to the extent those rates produced revenues that exceed the revenues authorized for the year 1999 (Phase I of the authorized increase).

(4) Interest upon the refunds ordered above shall be computed from the date payment is due for each billing period during which the interim rates were in effect and subject to refund until the date the refunds are made, at an average prime rate for each calendar quarter. The applicable average prime rate shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin or in the Federal Reserve's "Selected Interest Rates" (Statistical Release G.13) for the three months of the preceding calendar quarter.

(5) Interest required to be paid shall be compounded quarterly.

(6) Refunds ordered herein may be made by credit to the appropriate customer's account for current customers. Refunds to former customers shall be made by check to the last known address of such customers when the amount due exceeds $1.00. RELAC may retain refunds owed that do not exceed $1.00, provided that the Company maintains a list detailing each of the former accounts for which such refund is owed; and in the event that such former customers request refunds, the same shall be promptly made.

(7) On or before November 15, 1999, RELAC shall submit to the Divisions of Energy Regulation and Public Utility Accounting a report showing that all refunds have been lawfully made pursuant to this Order and itemizing all costs of the refund. The itemization of costs shall include, inter alia, computer costs, man-hours, associated salaries, costs for verifying and correcting the refund methodology, and the costs associated with any computer programming required to make the refunds.

(8) The Company shall bear all costs of the refund.

(9) Since there is nothing further to come before the Commission, this case shall be dismissed from the Commission's docket of active cases.

CASE NO. PUE980143
SEPTEMBER 10, 1999

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For an annual informational filing

ORDER OF DISMISSAL

On March 30, 1998, Washington Gas Light Company ("WGL" or "Company") submitted its Annual Informational Filing ("AIF") for the test year ended December 31, 1997. The Staff of the State Corporation Commission conducted a review and investigation of the AIF and filed its report on September 25, 1998. On December 21, 1998, the Company filed comments on certain findings and recommendations contained in the Staff's report. WGL did not request a hearing on the report.

The report found that on a fully adjusted basis, the Company earned a return on equity of 11.83% during the test year, which fell within its authorized range of return on equity of 11.0 – 12.0%. The Staff concluded that, at this point, no "further action concerning WGL's current return on equity range is warranted." The Staff did recommend, however, that on a going-forward basis the Company be directed to notify the Staff whenever it sought to create a new regulatory asset and to file an earnings test along with the creation of any such asset or with any AIF or rate relief proceeding so long as any regulatory asset exists.

As noted, WGL filed comments on the Staff's report, taking issue with three recommendations. One was the Staff's recommendation that WGL write-off a small amount associated with a loss on reacquired debt without refunding. In view of the de minimis amount involved, the Company did not ask for a hearing on this issue. The Commission will adopt the Staff's recommendation in this instance, but WGL may contest the issue in future filings.

The Company agreed with the Staff's recommended treatment of its cost of debt and the write-off of a regulatory asset associated with OPEB. The Commission adopts these recommendations also.

The Staff rejected a payroll adjustment proposed by the Company. The Commission finds it appropriate to adopt Staff's position under the circumstances of this case, but will allow WGL to present evidence on this issue in future proceedings.

Finally, with regard to the recommendation of the Staff regarding the notification and filing of information associated with regulatory assets cited above, the Company takes exception to the requirement "to the extent it would require the Company to file an earnings test to establish regulatory assets related to losses on reacquired debt refunded with long-term debt."

On this issue, the Company's point is well taken. In Case No. PUE970328, we exempted such assets from the earnings test filing requirements. We will modify the Staff's recommendation accordingly. The Company will not be required to file earnings tests associated with regulatory assets for losses

on reacquired debt refunded with long-term debt. The Company is cautioned, however, to maintain documentation to verify that the reacquired debt has been so refunded and that such refunding has resulted in cost savings.

NOW THE COMMISSION, in consideration of the Staff's report and the comments thereon, accepts the recommendations contained in the report as modified herein and, there being nothing further to come before us, DISMISSES this matter.

CASE NO. PUE980234
MAY 21, 1999

APPLICATION OF
THE POTOMAC EDISON COMPANY, d/b/a ALLEGHENY POWER

For an Annual Informational Filing

ORDER GRANTING MOTION TO ACCEPT AGREEMENT OF STIPULATION AND SETTLEMENT

In a Motion filed on May 19, 1999, the Commission Staff, by counsel, requested that the Commission accept the proposed Agreement of Stipulation and Settlement ("the Agreement") attached to the Motion. Staff represented that it was authorized to state that the Company wished to join in its Motion.

In support of its Motion, Staff represented that the Agreement is consistent with the recommendations found in the Staff Report dated May 19, 1999. In its Report, Staff noted that The Potomac Edison Company, d/b/a Allegheny Power ("Allegheny" or "the Company") proposed to reduce its Virginia jurisdictional rates by $3.0 million effective for service rendered on and after June 1, 1999. The Staff also noted that the $3.0 million reduction in base rates, in conjunction with the nonrecognition for ratemaking purposes of Virginia jurisdictional losses on reacquired debt in the amount of $598,000 as of December 31, 1998, will bring Allegheny's return on equity within its currently authorized return on equity range of 11.0% to 12.0%.

NOW THE COMMISSION, having considered the Company's application, the Staff Report and May 19, 1999, Motion, is of the opinion and finds that the terms of the Agreement attached to that Motion are in the public interest and that the Staff's May 19, 1999, Motion should be granted.

Accordingly, IT IS ORDERED THAT:

(1) The May 19, 1999, Motion to Accept Agreement of Stipulation and Settlement is hereby granted.

(2) Allegheny shall reduce its base rates in Virginia by $3.0 million annually, effective for service rendered on and after June 1, 1999.

(3) The decrease in the Company's annual revenues shall be distributed among Allegheny's rate schedules as provided on Exhibit 2 to the Agreement of Stipulation and Settlement attached hereto.

(4) Allegheny's Virginia jurisdictional losses on reacquired debt incurred in October 1998, in the amount of $598,000, as of December 31, 1998, have been recovered, and such costs shall no longer be recognized for future ratemaking purposes.

(5) There being nothing further to be done herein, this matter is hereby dismissed from the Commission's docket of active proceedings.

NOTE: A copy of the Attachment entitled "Agreement of Stipulation and 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 NOS. PUE980267, PUE980553, PUE980613, PUE980680, and PUE980903
NOVEMBER 19, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ATLANTIC CABLE & TRENCH, INC.,
Defendant

ORDER ACCEPTING OFFER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, Chapter 10.3 (§ 56-265.14 et seq.) of Title 56 of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about July 16, 1998, Atlantic Cable & Trench, Inc. ("the Company"), damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 1305 Croatan Court, Chesapeake, Virginia, while excavating;

(2) With respect to the incident described in Paragraph (1) above, the Company failed to wait at least forty-eight hours (48) following notification of the notification center before commencing work, in violation of § 56-265.17 B of the Code of Virginia;

(3) On or about November 3, 1997, the Company damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 1605 Orchard Grove Drive, Chesapeake, Virginia, while excavating;

(4) On or about November 5, 1997, the Company damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 4642 Old Princess Anne Road, Virginia Beach, Virginia, while excavating;

(5) On or about March 28, 1998, the Company damaged a two inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near 1614 Wild Duck Crossing, Chesapeake, Virginia, while excavating;

(6) On or about June 11, 1998, the Company damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 836 Five Forks Road, Virginia Beach, Virginia, while excavating;

(7) On or about August 12, 1998, the Company damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 1760 Prodan Lane, Virginia Beach, Virginia, while excavating;

(8) On or about September 30, 1998, the Company damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near 1433 Five Hills Trail, Virginia Beach, Virginia, while excavating;

(9) With respect to the incidents described in Paragraphs (3) through (8) above, the Company failed to take all reasonable steps to properly protect, support, and backfill the underground utility lines, in violation of § 56-265.24 A of the Code of Virginia;

(10) On or about April 28, 1998, the Company damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near 6300 Richmond Crescent, Norfolk, Virginia, while excavating; and

(11) With respect to the incident described in Paragraph (10) above, the Company began its excavation without first notifying the notification center for the area, in violation of § 56-265.17 A of the Code of Virginia; and failed to take all reasonable steps to properly protect, support, and backfill the underground utility line, in violation of § 56-265.24 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, the Company neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order Accepting Offer of Settlement. As an offer to settle all matters before the Commission arising from the Division's allegations herein, the Company represents and undertakes that it will take the remedial actions and pay an amount as outlined below:

(1) The Company shall pay a civil penalty to the Commonwealth of Virginia in the amount of $15,000, $10,000 of which shall be paid contemporaneously with the entry of this Order. The remaining $5,000 is due as provided in Paragraph (2) below, and will be suspended, only if the Company tenders the requisite certification that it has completed the specific remedial action required by Paragraph (2) on or before the scheduled date for completion of said remedial action. At the completion of all of the remedial action outlined below, the Commission shall vacate any outstanding amounts. The initial payment, and any subsequent payments required herein, shall be made by cashier's check or money order, payable to the Treasurer of the Commonwealth of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

(2) The Company shall conduct a training session for its employees on the subject of underground utility damage prevention under the auspices of the Division and shall file with the Division within ninety (90) days of the entry of this Order, an affidavit demonstrating that a training session occurred and including the Company's federal tax identification number and the names of all the Company's employees participating in the training session. If the Company fails to conduct a training session for its employees on the subject of underground utility damage prevention and fails to submit the documentation required herein within ninety (90) days of the entry of this Order, $5,000 shall be immediately due and payable, in the manner described in Paragraph (1).

(3) The Company shall make a good faith effort to cooperate with the Division in its efforts to investigate incidents involving the Company arising from the Commission's enforcement of the Underground Utility Damage Prevention Act.

THE COMMISSION, being advised by the Division and finding sufficient basis herein for acceptance of the Company's offer of settlement, hereby accepts this offer of settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted to the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it is hereby, accepted.

(2) The Company shall fully comply in a timely manner with the remedial action outlined herein and the terms and undertakings of the settlement described above.

(3) The Company be, and it is hereby, penalized in the amount of $15,000.

(4) The sum of $10,000 tendered contemporaneously with the entry of this Order is accepted.

(5) The balance of the penalty amount, $5,000, shall be due as provided in Paragraphs (1) and (2) found on pages 4-5 supra, but may be suspended and subsequently vacated if the Company tenders the evidence of having conducted a training session and submitting an affidavit, as required by Paragraph (2) at pages 4-5 supra; otherwise the $5,000 shall be immediately due and payable.

(6) The failure of the Company to carry out any of the obligations undertaken by it in the settlement agreement set forth herein may result in appropriate proceedings against the Company, including Commission proceedings for the imposition of fines for failure to comply with the agreement or for enforcement of the agreement.

(7) The Commission shall retain jurisdiction in this matter for all purposes.

CASE NO. PUE980287
DECEMBER 21, 1999

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.

For a general rate increase

FINAL ORDER

Before the Commission is the application of Columbia Gas of Virginia, Inc. ("Columbia" or "Company") for a general increase in rates. The Company also proposes major changes in its rate structure for residential and small commercial customers. As set out in the following paragraphs, the Commission will grant Columbia's application, in part, and approve an increase in annual revenues of approximately $4.4 million. While the Commission will authorize some modifications, the Company's general rate structure for residential and small commercial services previously approved by the Commission will remain in effect.

On May 15, 1998, Columbia filed its application to increase rates to produce additional annual revenues of approximately $5.2 million dollars over rates and charges proposed by the Company in its then pending Case No. PUE970455. On February 19, 1999, the Commission issued its Final Order in Case No. PUE970455, in which we approved an annual increase in revenues of $4,607,122. The Commission also referred several issues concerning propane services for disposition in this case.

Columbia moved for leave to amend its application on March 29, 1999, to introduce a new rate structure for its Residential and Small General Services. This proposed rate design would provide for recovery of non-gas costs through fixed monthly charges rather than through the combination of fixed and volumetric charges currently in effect. Hearings were held on June 9 and 10, 1999, to receive testimony and exhibits on various accounting and revenue issues, and on rates and charges, other than the proposed charges for Residential and Small General Services. Hearings were held on July 19 and 20, 1999, on issues arising from the proposed rate structure and on return on equity.

On July 16, 1999, Columbia and the Commission Staff filed a Stipulation and Recommendation addressing the revenue requirement, outstanding accounting issues, and issues concerning the Company's Metered Propane Service and Propane Delivery Service. The protestants in this case, Roanoke Gas Company and several industrial customers, did not object to the Stipulation and Recommendation. The Consumer Counsel, Office of the Attorney General, took no position on the proposed disposition of issues related to the propane services, but otherwise did not object to the Stipulation and Recommendation.

The Report of Alexander F. Skirpan, Jr., Hearing Examiner (hereinafter "Report"), was filed on November 2, 1999. The examiner concluded that rates and charges designed to increase annual operating revenues by $3.9 million, plus no more than $516,000 to cover additional meter-reading costs, as proposed in the Stipulation and Settlement, were just and reasonable. The examiner found that the record did not support approval of Columbia's proposed rate structure for recovery of non-gas costs for residential and small commercial customers through fixed charges.

Columbia filed comments on the Report, which took exception to the findings on the proposed rate structure. As we will discuss below, the Company made a number of arguments supporting the proposed rate design, or in the alternative, significant increases in the current level of fixed monthly charges for residential and small general services customers. In its comments, the Consumer Counsel, Office of the Attorney General, supported the examiner's rejection of the proposed rate structure. The Staff filed brief comments addressing the narrow question of accounting treatment for annual informational filings.

Upon consideration of the record in this proceeding, the Report, and the comments on the Report, the Commission will adopt, with the limited exception discussed below, the Report and its findings and conclusions. With regard to the revenue requirement, the Commission agrees with the examiner that the increase in annual revenues proposed in the Stipulation and Recommendation is warranted. The Commission will approve an increase of $3.9 million, plus no more than an additional $516,000 to cover the anticipated additional cost of monthly meter reading. This additional revenue will enable the Company to render all monthly bills based on actual meter readings instead of its current practice of billing on the basis of estimates in alternate months. As contemplated by the Stipulation and Recommendation, the $516,000 in additional revenues is a cap or maximum. The actual additional annual revenues may be less if the Company secures a price for the additional meter reading of less than $0.25 per meter.

The Stipulation and Recommendation recognized the issue of whether the common equity return should be adjusted as a consequence of implementing the proposed rate structure for residential and small commercial customers. The examiner considered this issue at length in the Report. As addressed below in our discussion of the rate design, the Commission will increase customer charges to continue the progression to recovery of non-gas costs independent of consumption level. The Commission finds, however, that this move toward increased monthly charges will not, in the circumstances of this case, have an impact on return on equity.

The Stipulation and Recommendation also included two accounting methodologies agreed to by the Company and the Staff, which the Commission adopts for future earnings tests. Columbia and Staff agreed to use a charge-off rate based on a six-year average to calculate uncollectible expense in future earnings tests. Likewise, the Company and Staff agreed to amortize over three years expenses related to a 1998 study conducted by Theodore Barry & Associates for earnings test purposes. We will direct Columbia to include an earnings test in its next annual informational filing for calendar year 1999, which will be filed with the Commission on or before March 30, 2000.[1] While the Commission has adopted these two accounting methodologies for earnings tests purposes, we do not here make a final determination of these issues for future ratemaking treatment. In this proceeding, the Staff also proposed an adjustment for the tax effect of the exercise of employee stock options. In the Stipulation and Recommendation, Company and Staff agreed that the issue would remain unresolved, and the Commission will not decide the matter.

---

[1] By Order of March 31, 1999, in Columbia Gas of Virginia, Inc., Case No. PUE990168, the Commission waived Columbia's obligation to file an annual informational filing for the twelve months ending December 31, 1998, as required by Rule I(9) of the Rules Governing Utility Rate Increase Applications and Annual Informational Filings, 20 VAC 5-200-30. The Commission did require Columbia to file for 1998 an earnings test within seventy five (75) days of the date of the final order in this proceeding. That earnings test should be prepared in accordance with this Final Order.

Columbia's proposed fixed monthly charges for recovery of non-gas costs departs from the current rate structure. Columbia's rates and charges for Residential Service and Small General Service now divide costs between gas or commodity costs and non-gas costs. Gas costs are recovered through a purchased gas adjustment mechanism, and Columbia proposes no change in this methodology. Non-gas costs are now recovered through a combination of fixed customer charges and volumetric charges based on consumption.

In its amended application, Columbia proposed to recover all non-gas costs through fixed monthly charges. The fixed monthly charges would, however, be based on consumption. As proposed by Columbia, fixed monthly charges would vary with the customers' annual usage, and charges would be established for various consumption levels. (Report at 13-14.) As the examiner discussed at length in his report, there were a number of major problems with the proposal. The impact on customers of the breakpoints in the charges structure was a significant issue. Customers whose annual consumption differed by only a few MCF could be obligated to pay significantly different monthly charges under Columbia's proposal. As the examiner noted, "[R]esidential customers with annual usage between 140 and 160 MCF may see their monthly charge vary between $32 per month and $67.45 per month depending on their actual weather-adjusted usage." (Report at 14.) Customers whose annual usage fell into the lower end of Columbia's proposed classifications would experience higher rates while customers with higher usage within proposed classifications would see a reduction in their rates. The record showed, however, that Columbia's costs of serving these residential and small commercial customers did not vary significantly from customer to customer. (Report at 24.)

As the examiner found, Columbia's proposed rate structure would result in significant rate shock. (Report at 19-23.) The examiner found that the average Columbia residential heating customer used 79.06 MCF. (Report at 15 n.120.) While Columbia and the Staff differed over the number of affected residential customers, they did agree that customers with annual consumption (0-10 MCF) significantly below the average would experience an increase in annual non-gas costs of 145.3 percent. (Report at 20, 21.) After considering the cost of gas, these same customers would, according to the Staff's calculations, still face an annual increase in total costs of approximately 115 percent. (Ex. JAS-46 at Attachment JAS 11, Page 2 of 2.) Even residential heating customers whose annual consumption (40-50 MCF) approached the average would experience an increase in annual non-gas costs of approximately 30 percent. (Report at 20, 21.) These same customers would, according to the Staff's calculations, experience an annual increase in total costs of approximately 16 percent. (Ex. JAS-46 at Attachment JAS 11, Page 2 of 2.) At the same time, a small number of residential heating customers who use significantly more gas than the average would see their annual non-gas costs decline by approximately 70 to 90 percent and total costs decline by approximately 30 to 40 percent. (Ex. JAS-46 at Attachment JAS 11.) This level of change, absent extraordinary circumstances or emergency, should not occur. No amount of "customer education" effort can overcome the disruption caused by the level of increase proposed by the Company.

The examiner acknowledged, and we agree, that there are certain benefits to the Company from such a rate structure. Without the influence of weather, revenues would be more stable and predictable over time.

There is nothing in the record to suggest that the current rate structure of fixed charges and volumetric charges does not recover non-gas costs. The abandonment of volumetric charges would have two results. First, the timing of the collection of revenues to cover non-gas costs would be altered as essentially an equal amount would be collected every month of the year. Currently, recovery of most of these costs is seasonal.[2] Columbia contended throughout this proceeding that its proposed rate design is revenue neutral, i.e. total revenues recovered from the classes of customers to cover non-gas costs would not change. There would, therefore, be a redistribution in revenue contribution within the class. As noted above, the record establishes that some customers, particularly smaller volume users, would experience a significant increase in their total annual cost of gas service while other customers would see their annual cost of gas service decline. The issue before the Commission is whether the shift in timing and redistribution of burden is in the public interest.

Columbia maintained that this shifting in timing and burden is necessary to prepare for competition. We find little, if any, support for this contention in the record in this proceeding. While reducing or severing the linkage between weather and cost recovery may be a possible objective of rate design for a gas utility, the record in this proceeding suggests that there are other rate design objectives of equal or greater significance that must be considered. One such objective is the avoidance of rate shock. Given these competing considerations, the Company's proposed rate design is not necessary or desirable.

While the Commission declines to approve the proposal advanced by Columbia in this proceeding, we will continue our policy of gradual movement toward recovery of certain non-gas costs through the fixed monthly customer charge. This policy of incremental movement allows customers to adjust their consumption and to become familiar with an evolving rate structure while avoiding abrupt and, in some cases, significant changes that can lead to confusion and frustration.

The record in this proceeding includes cost-of-service studies conducted by the Company and the Staff using several different methodologies. The Commission appreciates that cost-of-service studies incorporate various methodologies over which there may be honest debate. Studies also reflect a variety of assumptions. While studies inform and guide the Commission, the results cannot be accepted categorically to establish rates. Accordingly, the Commission declines to adopt Columbia's argument for an increase in fixed charges based on the results of cost studies, as proposed in its comments on the Report.[3]

In this instance, the studies do support an increase in customer charges for Residential Service and Small General Service. The Commission finds that the record supports an increase in the Residential Service charge from $10 per month to $12 and an increase in the Small General Service customer charge from $20 to $23. These smaller increases will avoid the rate shock of the Company's proposal. With the increase in the customer charges, the volumetric charges will be reduced to assure that each customer class provides the same proportion of revenues. These adjustments to customer charges are an addition to the increase of no more than $.25 per month to cover the additional cost of monthly meter reading.

---

[2] Columbia currently offers several "Residential Budget Payment Plans" which allow customers to average or levelize their payments for gas service over the year. Participating customers pay approximately the same amount monthly. (Ex. JAS-46 at 4.)

[3] In its Comments and Exceptions of Columbia Gas of Virginia, Inc. at 14-15, the Company advocated a customer charge of between $16.12 and $20.70 for Residential Service and between $35.60 and $41.05 for Small General Service. In developing these ranges, Columbia used the results of its own studies as the upper end and the midpoint of two Staff studies as the lower end. The Staff's Demand/Commodity Study, however, supports a customer charge of $13.79, for Residential Service and $27.24 for Small General Service. (Ex. JAS-16 at 17.)

The Commission will adopt the proposals for propane services included in the Stipulation and Recommendation. Specifically, Columbia and Staff agreed to remove the Company's cost of propane used in the Metered Propane Service from future purchased gas adjustment filings according to a formula and schedule set out in the Stipulation and Recommendation. In addition, Staff and Company proposed that the Metered Propane Service be opened to additional customers in the immediate vicinity of existing propane facilities and that Metered Propane Service customers remain on that schedule until they can be economically converted to natural gas service. With regard to Propane Delivery Service, Columbia and Staff recommended that the costs of converting individual customers to natural gas would not be included in above-the-line operating and maintenance expenses in any future filing. The Commission will accept these proposals in the Stipulation and Recommendation as well.

Finally, Columbia proposed to revise some of its Special Service charges in the proceeding. The Commission finds that these revisions should be accepted.

The Commission makes the following findings and conclusions based on the record in this proceeding and the Stipulation and Recommendation:

(1) The use of the test period ending December 31, 1997, is proper in this proceeding.

(2) The Company's test year operating revenues, after all adjustments, were $190,443,501.

(3) The Company's test year operating revenue deductions, after all adjustments, were between $168,589,242 and $168,807,643.

(4) The Company's test year net operating income was between $21,635,858 and $21,854,259.

(5) The Company's test year adjusted net operating income, after all adjustments, was between $21,388,518 and $21,606,920.

(6) The Company's adjusted test year rate base was between $267,603,156 and $267,641,968.

(7) The Company's current rates produced a return on adjusted rate base of between 7.99 percent and 8.07 percent and a return on equity of between 8.84 percent and 9.00 percent.

(8) The Columbia Energy Group capital structure as of March 31, 1999, is appropriate for determining the Company's cost of capital in this proceeding.

(9) The Company's cost of capital is between 8.91 percent and 8.99 percent using the Columbia Energy Group capital structure as of March 31, 1999.

(10) The Company's cost of equity is within a range of 10.65 percent to 11.65 percent.

(11) The Company's application for an increase in annual revenues, as amended to the date of hearing, of $9,194,322 would generate a return on rate base greater than 8.96 percent, and rates designed to recover those additional annual revenues would be unjust and unreasonable.

(12) The Company requires $3,900,000, plus no more than an additional $516,000, in additional gross annual revenues to earn a return on rate base of between 8.91 percent and 8.99 percent.

(13) Revised rates and charges designed to produce the additional gross annual revenues authorized herein shall use the methodology for apportioning the increase among classes of customers proposed by the Company and agreed to by the Staff.

(14) The Company shall implement monthly meter reading within two months of the date of this Final Order.

(15) The current rate structure for recovery of non-gas costs for the Company's Residential Service and Small General Service shall be maintained; provided, however, that the Company may increase the Customer Charges for these services as discussed in this Final Order and make corresponding adjustments in the volumetric charges and further provided that the Company may also increase the Customer Charges by no more than an additional $0.25 upon commencement of monthly meter reading.

(16) The Company should modify Section 17.6 of its General Terms and Conditions of its Gas Tariff to incorporate the formula in the Stipulation and Recommendation to eliminate the subsidy for Metered Propane Service commencing with the Actual Cost Adjustment Determination Period beginning September 1, 1999, and ending August 31, 2000, and thereafter.

(17) The Company shall revise its tariff provisions for Metered Propane Service to permit connection of new customers and to convert customers to natural gas service as discussed in this Final Order.

(18) The Company shall not include the costs of converting individual customers from Propane Delivery Service to natural gas service in above-the-line operating and maintenance expenses in any future filings.

(19) The Company shall revise its Special Service Charges as proposed in its application.

(20) The Company shall refund, with interest, all revenues collected under its rates and charges which took effect under bond subject to refund and which exceed the revenues that would have been collected under the rates and charges approved in this Final Order.

ACCORDINGLY, IT IS ORDERED THAT:

(1) Columbia's application for a general increase in rates is granted to the extent discussed herein and otherwise denied.

(2) On or before January 4, 2000, Columbia shall file with the Commission's Division of Energy Regulation schedules of rates, charges, rules and regulations designed to produce $3,900,000 in additional gross annual revenues and incorporating other revisions approved herein and bearing an effective date of, and effective for service rendered on and after, January 4, 2000. The additional revenues shall be apportioned using the methodology approved herein.

(3) Within sixty (60) days of the date of this Final Order, Columbia shall file with the Division of Energy Regulation revised tariff pages increasing Residential Service and Small General Service customer charges by no more than $0.25 and bearing an effective date of the filing date.

(4) Columbia shall file with its next annual informational filing required by Rule I(9) of the Rules Governing Utility Rate Increases and Annual Informational Filings, 20 VAC 5-200-30, an earnings test as discussed in this Final Order.

(5) On or before April 1, 2000, Columbia shall recalculate, using the rates and charges prescribed by ordering paragraph (2) of this Final Order, each bill it rendered that used, in whole or in part, the rates and charges that took effect under bond and subject to refund on October 13, 1998. Where application of the rates prescribed by this Order results in a reduced bill, Columbia shall refund with interest the difference.

(6) Interest upon the ordered refunds shall be computed from the date payments of monthly bills were due to the date refunds are made, at the average prime rate for each calendar quarter, compounded quarterly. The average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin or in the Federal Reserve's Selected Interest Rates (Statistical Release G.13) for the three months of the preceding calendar quarter.

(7) The refunds ordered in (5) above may be credited to current customers' accounts (each refund category shall be shown separately on each customer's bill). Refunds to former customers shall be made by check mailed to the last known address of such customers when the refund amount is $1 or more. Columbia may offset the credit or refund to the extent no dispute exists regarding the outstanding balance of a current or former customer. No offset shall be permitted for the disputed portion of an outstanding balance. Columbia may retain refunds owed to former customers when such refund amount is less than $1. Columbia shall maintain a record of former customers for which the refund is less than $1, and such refunds shall be made promptly upon request. All unclaimed refunds shall be subject to § 55-210.6:2 of the Code of Virginia.

(8) On or before June 1, 2000, Columbia shall file with the Divisions of Public Utility Accounting and Energy Regulation a report showing that all refunds have been made pursuant to this Order and detailing the costs of the refund and accounts charged. Costs shall include, inter alia, computer costs, and the personnel hours, associated salaries and costs for verifying and correcting the refunds directed in this Order.

(9) This case is dismissed from the Commission's docket.

CASE NO. PUE980288
OCTOBER 22, 1999

APPLICATION OF
APPALACHIAN POWER COMPANY

For extension of time to make Annual Informational Filing

ORDER GRANTING MOTION

On September 8, 1999, the Staff of the State Corporation Commission ("Staff") filed its Amended Staff Report in the above-captioned matter in which it recommended that Appalachian Power Company ("APCo or "the Company") write off $568,123 of the Company's unamortized storm damage regulatory asset. On September 14, 1999, the Company filed its Response to Staff's Report, stating, among other things, that it did not agree that the Staff's proposed adjustment to earnings is within the Commission's authority.

On October 20, 1999, the Staff filed a motion requesting that the Commission consider this accounting issue within the context of the Company's Alternative Regulatory Plan ("Plan"), adopted by Final Order in Case No. PUE960301, on February 18, 1999.

In support of its motion, the Staff states that the Stipulation adopted by the Commission in Case No. PUC960301 requires that at the conclusion of the three-year plan ("Plan Period"), one-third of any net cumulative earnings above the benchmark rate of return on equity of 10.85% be retained by the Company, with the remaining two-thirds refunded to ratepayers. The Staff and the Company agree that it would be appropriate for the Commission to consider the Staff's accounting recommendation in the current AIF as a part of cumulative earnings data for the Plan Period.

The Staff represents that the Company does not object to their motion, but reserves the right to object to any Staff recommended write-offs in future AIF proceedings.

NOW THE COMMISSION, upon consideration of the Staff's motion, is of the opinion and finds that the Staff's request is reasonable and should be granted. Accordingly,

IT IS ORDERED THAT:

(1) The Commission will consider APCo's AIF as part of the Company's Plan and the Staff's recommendation as part of cumulative earnings data for the Plan Period.

(2) This case is hereby dismissed, and the papers placed in the file for ended causes.

CASE NO. PUE980325
JUNE 2, 1999

APPLICATION OF
VIRGINIA GAS DISTRIBUTION COMPANY

For an Annual Informational Filing

ORDER ADOPTING RECOMMENDATIONS AND DISMISSING PROCEEDING

On July 24, 1998, Virginia Gas Distribution Company ("VGDC" or "the Company") filed its Annual Informational Filing ("AIF") for the twelve months ending December 31, 1997. The Commission directed VGDC to file its AIF for the twelve months ending December 31, 1997, in its December 17, 1997 Order in Case No. PUE970504. This matter was docketed as Case No. PUE980325, and VGDC was granted an extension of time in which to file this AIF in our June 2, 1998, Order Authorizing Extension of Time.

On April 23, 1999, the Staff filed its report in the captioned matter which included a financial and accounting analysis. It noted in its report that it had used an 11.5% cost of equity in VGDC's capital structure for illustrative purposes only. Staff explained that the lack of actual operating data made it necessary for the Company to base its application for a certificate of public convenience and necessity, docketed as Case No. PUE930013, on rates derived from estimates of revenues and costs. Such estimates included a cost of capital that incorporated a return on equity rate of 11.5%. The VGDC consolidated capital structure, together with an 11.5% cost of equity, produced an overall cost of capital of 10.637%. After considering the effect of ratemaking adjustments, the Staff recommended that no further action be taken to revise VGDC's rates at this time.

The Staff recommended that the Commission direct VGDC to continue to file an AIF based on a test year ending with the calendar year, and require the Company to file Schedules 1, 2, and 3 in its future filings in a manner consistent with the Commission's Rules Governing Utility Rate Increase Applications and Annual Informational Filings adopted in Case No. PUE850022 ("Rules"). Specifically, the Staff asked that the Commission require the Company to include information for the test year and four prior calendar years in Schedules 1, 2 and 3, as required by the Rules, and to reflect an average balance of short-term debt in the capital structure rather than a year-end balance in VGDC's future filings.

In its accounting analysis, the Staff noted that it had to correct the Company's adjustments for weather normalized sales, growth, payroll, and political contributions. It represented that the Staff and the Company had reached an agreement concerning the ratemaking treatment for capitalized interest in rate base. Under that agreement, amounts capitalized from 1995 through 1997, would be allowed in VGDC's rate base. The inclusion of 1998, and any subsequent year's capitalized interest would be subject to an examination of the Company's earnings through an earnings test. Interest deemed to have been recovered in the year incurred would not be capitalized for future recovery. Staff reported that, based on its analysis of VGDC's 1995-1997 earnings, the Company did not appear to have recovered all of its 1995-1997 interest costs.

According to Staff, the amount of capitalized interest to be included in rate base would be calculated as follows: The thirteen-month average level of Construction Work in Progress ("CWIP") would be multiplied by a capitalization rate. This rate assumes the assignment of debt financing first to CWIP, as CWIP is fully supported by debt. The gross capitalized interest would then be reduced by earnings on funds held in reserve. The amount of capitalized interest to be included in rate base as of December 31, 1997, is $188,959, on a total company basis or $175,618, on a jurisdictional basis.

The Staff further recommended that if the Company books capitalized interest in a manner different than that agreed upon for ratemaking purposes, the Company should maintain sufficient records to track the resulting differences in plant in service, accumulated depreciation, CWIP, and accumulated deferred income taxes. Staff proposed that the Commission require the Company to file all financial reports with the Commission on a Virginia ratemaking basis.

The report cautions that the inclusion of capitalized interest for the test year ending 1998, and future years is contingent upon the results of future earnings tests. It notes that beginning with the refinancing of Industrial Revenue Bonds with debt from John Hancock in 1998, VGDC's capitalization rate should reflect the fact that all operations, including construction, are financed by debt and equity as represented by VGDC's capital structure.

It warned that there may come a time when the agreed upon interest capitalization treatment may no longer be justified. It observed that various factors such as the Company's growth rate, construction activity, plans for future expansion, earnings trends, and financial condition must be continually evaluated when considering the continued propriety of capitalization of interest.

NOW UPON CONSIDERATION of the Company's application, the Staff's report, and the applicable statutes, the Commission is of the opinion and finds that the Staff's recommendations found in its April 23, 1999, report are reasonable and should be adopted. Until VGDC files a rate case using a different test period, VGDC should file its future AIFs using calendar year test periods.

We further find that the agreement reached by Staff and VGDC regarding the ratemaking treatment of capitalized interest is reasonable and should be adopted. In this regard, we find that capitalized interest is $175,618, on a jurisdictional basis. We note that the inclusion of capitalized interest in rate base in 1998, and future years is contingent upon the results of future earnings tests for VGDC. We will continue to evaluate the propriety of including capitalized interest in rate base, and to this end, will continue to monitor the Company's growth rate, construction activity, plans for future expansion, earnings trends, and financial condition.

We further find that in the event VGDC books its capitalized interest in a manner that differs from that accepted herein for ratemaking purposes, the Company shall maintain sufficient records to track the resulting differences in plant in service, CWIP, accumulated depreciation, and accumulated deferred income taxes. Finally, we will adopt the Staff's booking and other recommendations.

Accordingly, IT IS ORDERED THAT:

(1) Consistent with the findings made herein, the booking, accounting and other recommendations set out in the Staff's April 23, 1999, report are hereby adopted. VGDC shall incorporate these accounting and financial recommendations in its next AIF or rate application.

(2) The ratemaking treatment for capitalized interest described herein is adopted, subject to its continued evaluation related on page 5, supra.

(3) If VGDC does not seek rate relief, the Company shall file its next AIF, utilizing audited financial and operating results for the year ending December 31, 1998, by no later than June 30, 1999.

(4) 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. PUE980326
JUNE 2, 1999

APPLICATION OF
VIRGINIA GAS STORAGE COMPANY

For an Annual Informational Filing

ORDER ADOPTING RECOMMENDATIONS AND DISMISSING PROCEEDING

On July 24, 1998, Virginia Gas Storage Company ("VGSC" or "the Company") filed its Annual Informational Filing ("AIF") for the twelve months ending December 31, 1997. The Commission's December 17, 1997, Order in Case No. PUE970505, directed VGSC to file its AIF for the test year ended December 31, 1997, by no later than May 29, 1998. The Commission's June 2, 1998, Order Authorizing Extension of Time docketed this matter as Case No. PUE980326, and granted VGSC an extension of time, i.e., until July 27, 1998, in which to file its AIF for the twelve months ending December 31, 1997.

On April 23, 1999, the Staff filed its report which included a financial and accounting analysis. In its report, the Staff noted that it had used an 11.5% cost of equity for illustrative purposes only. It explained that the Company and Staff had agreed to use 11.5% as part of this AIF since the Company's application for a certificate of public convenience and necessity (Case No. PUE940078) was based on estimates of revenues and costs, including a cost of capital that incorporated a return on equity rate of 11.5%. The Staff used the consolidated capital structure of Virginia Gas Company ("VGC"), VGSC's parent, because VGC is the primary entity that has raised capital on behalf of VGSC and various companies affiliated with VGSC. This consolidated capital structure, together with an 11.5% cost of equity, produced an overall cost of capital of 10.63% for the 1997 test year.

Further, in its financial analysis, the Staff requested that the Company file Schedules 1, 2, and 3 in a manner consistent with the Commission's Rules Governing Utility Rate Increase Applications and Annual Informational Filings adopted in Case No. PUE850022 ("Rules") by including financial and operating information for the test year and four prior calendar years. The Staff proposed that, consistent with the Rules, the Company should also reflect an average balance of short-term debt in the capital structure in its future filings rather than a year-end balance.

In its accounting analysis, the Staff noted that it had to correct certain of the Company's ratemaking adjustments. It recommended that the Company book service fees received from its affiliated companies above-the-line as credits to related payroll, payroll tax, health insurance, and travel and vehicle expenses.

The Staff also represented that it and VGSC had reached an agreement regarding the treatment of capitalized interest in rate base. Based on this agreement, the level of capitalized interest to be included to rate base would be calculated as follows: The thirteen-month average level of Construction Work in Progress ("CWIP") would be multiplied by an average capitalization rate. This rate would be calculated based on the assumption that debt financing was assigned first to CWIP. The gross capitalized interest would then be reduced by earnings on funds held in reserve.

Staff noted that, based on its analysis of VGSC's 1995 and 1997 earnings tests, it did not appear that the Company had recovered all of its interest costs during those years. However, an earnings test for 1996, demonstrated that VGSC had recovered its interest capitalized that year through earnings. The Company agreed not to include this interest in rate base. Staff reported that as of the end of 1997, the appropriate level of capitalized interest to include in rate base was $374,750, on a total company basis, and $95,973, on a jurisdictional basis.

The Staff stated that the issue of whether capitalized interest in rate base would be included in 1998, and future years would be contingent upon the results of future earnings tests. It concluded that it was no longer appropriate to assign debt first to CWIP when determining the appropriate capitalization rate since industrial revenue bond ("IRB") debt proceeds were no longer financing VGSC's and its sister companies' operations. The Staff noted that beginning with the refinancing of the IRBs with other debt in 1998, the capitalization rate should reflect the fact that all of VGSC's operations, including construction, are now financed by debt and equity as represented by VGSC's capital structure.

The Staff cautioned that there may come a time when the ratemaking treatment for capitalized interest agreed upon by the Company and Staff may no longer be justified. Various factors that must be evaluated as to this issue, include, but are not limited to, the Company's growth rate, construction activity, plans for future expansion, earnings trends, and financial condition.

The Commission Staff further noted that if the Company booked capitalized interest in a manner different than that agreed upon for ratemaking purposes, VGSC should maintain sufficient records to track ratemaking capitalized interest in plant in service, CWIP, and the related accumulated depreciation and accumulated deferred income tax impacts. Staff recommended that all information filed by the Company with the Commission be presented on a Virginia ratemaking basis.

Finally, the Staff noted that, on a jurisdictional per books' basis, VGSC earned a return on year-end equity of 9.08%, and on a fully adjusted basis, the Company earned a return on equity of 7.41%. Based upon these operating results, Staff proposed that no action be taken to revise the Company's rates at this time.

On May 14, 1999, the Company, by counsel, advised that it did not wish to file any comments on the Staff report.

NOW, UPON CONSIDERATION of the Company's application, the Staff report, and the applicable statutes, the Commission finds that the Staff's recommendations found in its report are reasonable and should be adopted. Until VGSC files a rate case using a different test period, VGSC should file its future AIFs, using a calendar year test period. Consistent with our May 21, 1999, Order Authorizing Extension of Time entered in Case No. PUE990284, VGSC shall file its AIF for the twelve months ended December 31, 1998, by no later than June 30, 1999.

We further find that the agreement reached by Staff and VGSC regarding the treatment of capitalized interest is reasonable and should be adopted for ratemaking purposes. In this regard, we find that the amount of capitalized interest to be included in rate base is $374,750 on a total company basis, and $95,973 on a jurisdictional basis. We note that the inclusion of capitalized interest in rate base in 1998, and in future years is contingent upon the results of future earnings tests. In evaluating the continued propriety of this treatment of capitalized interest, we will, among other things, consider the Company's growth rate, construction activity, plans for future expansion, earnings trends, and financial condition.

We further find that in the event VGSC books its capitalized interest in a manner that differs from that accepted herein, the Company shall maintain sufficient records to track the resulting differences in plant in service, CWIP, accumulated depreciation, and accumulated deferred income taxes.

We also find that the Staff's booking recommendations which would treat service fees received from its affiliated companies above-the-line as credits to related payroll, payroll tax, health insurance and travel and vehicle expenses to be appropriate and hereby adopt them. Staff's recommendations regarding Schedules 1, 2, and 3 of the Rules and the presentation of short-term debt in the capital structure are also reasonable and should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) Consistent with the findings made herein, the booking, accounting, and other recommendations set out in the Staff's April 23, 1999, report are hereby adopted. VGSC shall incorporate the Staff's accounting and financial recommendations in its next AIF or rate application.

(2) If VGSC does not seek rate relief, the Company shall file its next AIF, utilizing audited financial and operating results for the year ending December 31, 1998, by no later than June 30, 1999.

(3) The ratemaking treatment for capitalized interest described herein shall be adopted, subject to its further evaluation related on pages 5-6, supra.

(4) 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. PUE980329
FEBRUARY 9, 1999

APPLICATION OF
WILDWOOD FOREST WATER COMPANY, INC.

For a certificate of public convenience and necessity authorizing the furnishing of water

FINAL ORDER

On May 27, 1998, Wildwood Forest Water Company, Inc. ("Wildwood" or "the Company") filed an application for a certificate of public convenience and necessity wherein it requested authority to provide water service to residents of lots 15-89 of the Wildwood Forest subdivision located in Culpeper County, Virginia.[1]

The Company also requested approval of its tariff. The Company proposed no connection fee for water service connections. The Company submitted the following monthly rates for water service: a minimum basic service fee of $96.00 semi-annually plus a usage fee of $2.50 per 1,000 gallons.

Wildwood proposed a customer deposit not to exceed a customer's estimated liability for two months' usage and a $15 meter test fee if the meter has no average error greater than two (2) percent. The Company suggested a $25 turn-on charge for water service in the event service was disconnected for non-payment of any bill or for a violation of the Company's rules and regulations of service. Additionally, the Company proposed a $6 bad check charge and a late payment fee of 1½ percent per month on all past due balances.

On September 25, 1998, the Commission issued an Order Amending Schedule for Submitting Comments and Requests for Hearing. In that Order, the Commission directed Wildwood to give its customers notice of its application and to provide interested parties with an opportunity to comment and/or request a hearing on or before November 5, 1998. The Commission also directed its Staff to review and analyze Wildwood's application.

On December 4, 1998, Staff filed its report. Staff noted that the Commission had received no comments or requests for hearing. Staff recommended that the Commission grant Wildwood a certificate of public convenience and necessity and approve its proposed rates, charges and fees with the exception of those detailed below.

Staff recommended that Wildwood bill its customers commencing with the date that service is established and that the minimum charge should be prorated for that portion of the billing cycle for which new customers received service. Staff explained that under the Company's current practices, a new customer is not billed for usage until that customer has been connected for an entire billing cycle. Thus, the customer receives free water service from the

[1] On September 17, 1998, the Company amended its application by filing certain changes to its Rates, Rules and Regulations for Water Service.

time the customer is connected to the system until the start of a new semi-annual billing cycle. Staff objected to this practice as unfair to Wildwood's existing customers.

Additionally, Staff recommended that the Company cease offering discounts to customers who report "brown water." Staff explained that the water provided by the Company contains iron and manganese, which occasionally cause the water to take on a slight rust color. Staff noted that the presence of iron and manganese is commonplace throughout Culpeper County. The Company manages this problem by periodically flushing its system, and the Virginia Department of Health does not consider this to be a health hazard.

Staff also recommended that the Company make several accounting changes. Specifically, Staff recommended that the Company correct the levels of plant, accumulated depreciation, contributions in aid of construction ("CIAC"), and accumulated amortization of CIAC as of March 31, 1998, to the levels determined by Staff. Staff further recommended that the Company apply a 3 percent composite rate to all depreciable plant balances and CIAC; maintain all invoices that pertain to disbursement, both expense and capital; establish Company books in accordance with the Uniform System of Accounts for Class C water utilities; maintain property records once the Company starts to capitalize plant items; and discontinue filing a state income tax return since the Company pays state gross receipts tax in lieu of state income tax.

By letter dated January 7, 1999, the Company noted certain minor discrepancies in the Staff Report but took no exception to Staff's recommendations.

NOW THE COMMISSION, having considered the matter, is of the opinion that Wildwood should be granted a certificate of public convenience and necessity. We will approve the Company's rates, charges, fees and rules and regulations of service with the accounting modifications recommended by Staff as noted above. We will allow Wildwood to continue offering discounts for "brown water" and to defer billing a customer for service until that customer has been connected for an entire billing cycle as long as these programs are conducted in a nondiscriminatory fashion and the cost is borne by the Company rather than the ratepayer. Accordingly, any reduction in revenues because of these programs will be attributed to the Company in future rate cases. Additionally, the Company must notify Staff if it decides to cease offering these discounts.

IT IS THEREFORE ORDERED THAT:

(1) Wildwood hereby is granted Certificate No. W-293 to provide water service to residents of lots 15-89 of the Wildwood Forest subdivision in Culpeper County, Virginia.

(2) The Company's rates, charges, fees and rules and regulations of service, as modified herein, are approved.

(3) The Company shall maintain a separate set of accounting records in accordance with the Uniform System of Accounts for Class C Water Companies.

(4) The Company shall implement Staff's accounting recommendations and shall file an Annual Financial and Operating Report, the first of which is due to be filed on or before April 1, 1999, for the calendar year 1998.

(5) Wildwood shall, on or before April 1, 1999, file with the Commission's Division of Energy Regulation, an amended tariff reflecting the revisions adopted herein.

(6) There being nothing further to be done, this matter be and hereby is dismissed and the papers placed in the file for ended causes.

CASE NO. PUE980331
SEPTEMBER 8, 1999

APPLICATION OF
C & P SUFFOLK WATER COMPANY

For an amended certificate of public convenience and necessity authorizing the furnishing of water service

FINAL ORDER

On June 17, 1998, C & P Suffolk Water Company ("C & P" or "the Company") filed an application to amend its certificate of public convenience and necessity. In its application, the Company requested authority to provide water service to the Idlewood Farms subdivision located in the City of Suffolk, Virginia.

The Company proposed to include Idlewood Farms in the rate schedule previously approved for the Bennett's Harbor, Lake Meade, and Lake Forest subdivisions (Schedule #2). That tariff is as follows:

WATER SERVICE

1. Metered Residential Bi-Monthly Rates

Gallons	Rate
For the first 6,000	$35.00
All over	$1.15 per 1,000 gallons

2. Minimum charge:

There shall be a bi-monthly minimum service charge of $35.00 for water service and no bill will be rendered for less than the minimum charge. The minimum bi-monthly service charge shall become effective when water service is connected to the lot.

The Company currently bills its customers on a bi-monthly basis in arrears. The Company has included certain miscellaneous fees and charges in its rules and regulations of service, which it proposed to apply to the Idlewood Farms subdivision also.

On August 4, 1998, the Commission issued an Order Inviting Written Comments and Requests for Hearing. In that Order the Commission took judicial notice of its February 20, 1998, Order Granting Approval in Case No. PUA970051, in which it granted approval under §§ 56-89 and –90 of the Code of Virginia for C & P to acquire from Idlewood Farms, Inc., the water facility used to provide service to the Idlewood Farms subdivision. Because this acquisition was not an ordinary extension or improvement in the usual course of business, the Commission, in its August 4, 1998, Order, deemed C & P's application for an amended certificate also to be a request for a certificate of public convenience and necessity pursuant to § 56-265.2 of the Code of Virginia. The Commission directed C & P to give its customers notice of its application and to provide interested parties with an opportunity to comment and/or request a hearing on or before September 25, 1998. The Commission also directed its Staff to review and analyze C & P's application.

On October 19, 1998, the Commission granted the motion of the Staff of the State Corporation Commission ("Staff") requesting an extension of the deadline for filing its Staff Report to August 1, 1999, and requesting that C & P be required to file certain financial data pertaining to the Company as a whole and to the Idlewood Farms water system individually. Staff requested additional time in which to conduct an audit and to better evaluate the reasonableness of C & P's proposed rates based on accurate consumer data from the Idlewood Farms subdivision for both summer and winter.

On July 30, 1999, Staff filed its Report. Staff recommended that the Commission grant C & P an amended certificate of public convenience and necessity to provide water service to the Idlewood Farms subdivision and that the Commission find that the rates at Idlewood Farms are just and reasonable and should be made permanent. The Staff Report also addressed C & P's July 1, 1999, rate increase and recommended that the Commission accept a Joint Stipulation[1] reached between the Company and Staff.

On May 4, 1999, C & P issued to all of its customers a notice of proposed increase in rates for those residing in the S. L. Hines, Deerfield, Scottswood, Maple Hills, Oak Ridge, Beck's, and Holland subdivisions. The increase became effective July 1, 1999, for the Company's currently metered subdivisions of S. L. Hines, Deerfield, Scottswood, and Oak Ridge. The Company proposed to implement the increase at the Maple Hills, Beck's, and Holland subdivisions when the installation of meters at each subdivision is complete. C & P projects the increase to be fully implemented by August 1, 2000. The rate increase is designed to align the water rates in these subdivisions with the water rates in the Bennett's Harbor, Lake Forest, Lake Meade, and Idlewood Farms subdivisions. This rate increase has caused Staff concern about the Company's overall annual income level, although customers representing less than one (1) percent of the Company's customer base complained about the rate increase. Due to these concerns, Staff and the Company agreed to a Joint Stipulation whereby Staff would not oppose or object to the rate increase beginning July 1, 1999, on the condition that C & P would not implement, for any subdivision, a further rate increase that would be effective before July 1, 2002.[2] Staff recommended that the Commission accept this Joint Stipulation.

Staff also recommended that the Company be allowed to implement a standard tariff for all its systems. C & P currently operates its systems under five (5) different rate schedules, creating a cumbersome billing process. Staff asserted that single-tariff pricing would enable the Company to realize efficiencies in operations and would not create an unhealthy level of subsidization for any one subdivision because all of the systems owned by C & P have similar physical characteristics.

Staff further recommended that the Company should be allowed to change its rates, charges, fees, and rules and regulations of service to reflect the proposed language regarding meters and meter installation contained in the May 4, 1999, notice to its customers. This language reads:

> RULE NO. 6 – METERS AND METER INSTALLATION:
> (c) The Company at its sole discretion may upgrade the water service connections for an entire subdivision from unmetered to metered connections and begin billing all customers in the entire subdivision for water based on the metered rate.

---

[1] A copy of the Joint Stipulation is included as Exhibit A to this Order.

[2] However, the Joint Stipulation provides:

> [I]f circumstances make it necessary to alter the Company's rates, rules, and regulations of service for the protection of the legitimate interests of the Company's customers or its shareholders, the Staff and the Company recognize that either of them may, on its own motion, institute a proceeding to consider and to order such increases, decreases, or other changes in rates necessary for the protection of those interests. The Staff or the Company may oppose any such motion or the establishment of any such proceeding.

See Joint Stipulation at paragraph 4.

This tariff language is necessary because the Maple Hills, Beck's, and Holland subdivisions currently are partially unmetered. Meter installation in these subdivisions is scheduled to be completed by August 2000. The Company intends to charge these subdivisions the existing flat rate until meter installation is completed and to switch the customers in each subdivision to the metered rate once that subdivision's meters are installed.

Finally, Staff recommended that C & P make two journal entries. First, Staff recommended that the Company debit Retained Earnings by $931 and credit Accumulated Amortization of Contributions in Aid of Construction ("CIAC") by an equal amount because the Company currently is amortizing one item of CIAC at a rate other than three (3) percent. Second, Staff recommended that the Company make a journal entry to debit Distribution Reservoirs by $6,695 and to credit Retained Earnings by the same amount in order to capitalize costs of a tank overhaul properly.

By letter dated August 6, 1999, C & P asked the Commission to accept the Joint Stipulation presented in the Staff Report as well as the recommendations presented by Staff. C & P further agreed to make the journal entries recommended by Staff.

NOW THE COMMISSION, having considered the matter and the applicable law, is of the opinion that the public convenience and necessity requires that C & P be granted an amended certificate to acquire the Idlewood Farms subdivision and that it is in the public interest for C & P to provide water service to such area. We will approve the Joint Stipulation reached by the Company and Staff. We also agree that C & P should be allowed to implement a standard tariff for all of its systems and that C & P's proposed language regarding meters and meter installation should be approved for inclusion in its tariff. We will approve all of these changes as well as the accounting modifications recommended by Staff as noted above. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Certificate No. W-280a, previously issued to C & P Suffolk Water Company, hereby is canceled.

(2) C & P Suffolk Water Company hereby is granted an amended certificate of public convenience and necessity, Certificate No. W-280b, authorizing it to provide water service to those areas previously authorized in Certificate No. W-280a, as well as to the Idlewood Farms subdivision in the City of Suffolk, Virginia.

(3) The Company's rates, charges, fees, and rules and regulations of service, as modified herein, are approved.

(4) The Joint Stipulation reached between the Company and Staff, attached hereto as Exhibit A, hereby is approved.

(5) The Company shall make the journal entries recommended by Staff as noted above.

(6) C & P shall, on or before October 15, 1999, file with the Commission's Division of Energy Regulation an amended tariff reflecting the revisions adopted herein.

(7) There being nothing further to come before us, this matter is dismissed.

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

CASE NO. PUE980333
JANUARY 26, 1999

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of a special rate contract pursuant to § 56-235.2 of the Code of Virginia

FINAL ORDER

On June 22, 1998, Virginia Electric and Power Company ("Virginia Power" or "Company") filed public and confidential versions of an application for approval of a special rate and contract for the electric service[1] it will provide to Chaparral (Virginia), Inc. ("Chaparral"), a steel recycling facility ("Facility") that is currently under construction in Dinwiddie County, Virginia. Virginia Power is offering Chaparral a special rate for electric service pursuant to § 56-235.2 of the Virginia Code. This application was filed pursuant to § 56-235.2 and the Commission's Guidelines for Filing an Application to Provide Electric and Gas Service under a Special Rate, Contract, or Incentive, 20 VAC 5-310-10, adopted in Case No. PUE970695 (hereinafter, "Guidelines").

On July 16, 1998, the Commission issued an Order for Notice and Hearing directing Virginia Power to give notice, establishing a procedural schedule and establishing a hearing in this matter before a hearing examiner on September 17, 1998.

On July 30, 1998, Chaparral filed both a Notice of Protest and a Protest to become a party to the proceeding. On August 28, 1998, the Virginia Committee for Fair Utility Rates ("Virginia Committee") filed a Motion for Leave to File Notice of Protest, its Notice of Protest, and a Protest. By Hearing Examiner's Ruling dated August 31, 1998, the Virginia Committee's Notice of Protest was accepted for filing out of time. On September 15, 1998, the Virginia Committee requested that its status be changed from protestant to intervenor.

The evidentiary hearing on the application were held on September 17–18, 1998, before Hearing Examiner Alexander F. Skirpan, Jr. Counsel appearing were: James C. Roberts, Esquire, and Richard D. Gary, Esquire, counsel for the Company; Michael Kaufmann, Esquire, on behalf of Chaparral;

[1] Virginia Power and Chaparral entered into an Agreement for Electric Service on April 13, 1998 ("Agreement").

and Sherry H. Bridewell, Esquire, and Allison L. Held, Esquire, counsel for the Commission's Staff. The Company, Chaparral, and Staff filed briefs on October 16, 1998.

The Hearing Examiner's Report

On November 20, 1998, the Examiner issued his Report. He found, based on the evidence received in this case, that the Agreement protects the public interest; will not unreasonably prejudice or disadvantage any customer or class of customers; and will not jeopardize the continuation of reliable electric service.

More specifically, the Examiner noted that this application marks the first "special rate" application under § 56-235.2 and that most of the differences among the parties relate directly to conflicting interpretations of the requirements of that statute. The Examiner stated that the General Assembly change to § 56-235.2 removes a utility's duty to charge uniform rates to all similarly situated customers as provided in § 56-234 when the Commission finds that it is in the public interest to do so. The Examiner also observed that the removal of another limitation, found in § 56-235.4, permits the adoption of special rates, contracts or incentives that increase the operating revenues of a utility more than once within any twelve-month period.

The Examiner stated that, pursuant to the statutory requirements, he would examine: (i) the impact of the proposed Agreement on the public interest, including the direct and indirect economic benefits associated with Chaparral's locating in Virginia, including the probability of attracting Chaparral without the Agreement; (ii) the impact of the proposed Agreement on other existing customers; and (iii) the impact of the proposed Agreement on service reliability. The Examiner stated that § 56-235.2 C directs the Commission "to apply its expert judgment to a specific set of facts and circumstances to determine when special rates, contracts or incentives are in the public interest."[2] The Examiner found that the "statute does not focus on whether other customers are prejudiced or disadvantaged; rather, the statute directs the Commission to inquire as to whether other customers are prejudiced or disadvantaged unreasonably."[3] He further found that such an inquiry requires an examination of the facts and circumstances of each special rate, including, but not limited to: (i) the economic impact of gaining or losing the customer(s); (ii) the likelihood or probability the customer(s) would purchase from an existing tariff; and (iii) the related risks and benefits to be placed on all other customers. The Examiner concluded that the level of prejudice or disadvantage to other customers that may be tolerated becomes a function of the relative level of benefits gained by offering the special rate. Further, he acknowledged that this analysis was limited by § 56-235.2 D, which directed the Commission to establish guidelines "that will ensure that other customers are not caused to bear increased rates as a result of such special rates."[4]

In considering the impact of the Agreement on the public interest, the Examiner considered a number of factors, including the economic benefits associated with the proposed Facility; the impact of the Agreement on other customers; the variable cost analysis; and the Company's total revenues and expenses. He found that the direct economic benefits of the Facility would be substantial, noting that, when completed, the Facility would employ about 400 people with an annual payroll in excess of $14 million. He also noted that Chaparral would become the largest taxpayer in Dinwiddie County and represented the largest economic investment in Virginia in 1997. No evidence challenged the economic benefits discussed by the Examiner, nor did any party introduce evidence concerning additional costs or any disadvantages that may be created by the Facility. The Examiner also found that since the cost of electricity was one of the key factors on which Chaparral based its decision to locate in Virginia and the economic benefits flowing from the Facility will be substantial, the economic benefits of Chaparral should be given "virtually full weight" in the analysis of whether the construction of the Facility will be in the public interest.[5]

Addressing the impact of the Agreement on other customers, the Examiner considered the risks and benefits placed on all other customers by the Agreement to determine whether approval of the Agreement will unreasonably prejudice or disadvantage any customer or class of customers, including whether the rates of other customers will be increased as a result of the Agreement. The Examiner stated that Virginia Power argues that the Agreement will be in the public interest because the rates under the Agreement will recover all of the costs of serving Chaparral, plus a margin of profit. The Examiner stated that two critical assumptions underlying the Company's assertion are: (i) no new generation will need to be constructed because Chaparral will be fully interruptible; and (ii) the Company will be able to predict its hourly system lambda or marginal cost a day in advance.

In this regard, Staff argued that since there is no definitive agreement setting forth the terms and conditions under which Chaparral can be interrupted, Virginia Power may find it necessary to build additional generation sources to serve Chaparral's load, which will cause the Company's other customers to bear increased rates. To preclude such a scenario, Staff proposed that the Agreement be modified to include contractual language that will guarantee that Virginia Power will interrupt Chaparral when revenues earned from Chaparral fall below the cost of serving the Facility to ensure that additional generation sources would not be required to serve the Facility.

The Examiner rejected Staff's proposed modification, finding that Staff's recommendation would be unworkable and likely create more problems than it would solve. He noted that both Virginia Power and Chaparral acknowledged that the Company has the right to interrupt Chaparral for any reason and that, if Chaparral failed to interrupt when directed, Virginia Power can disconnect Chaparral through remotely activated disconnect switches. The Examiner suggested that a more workable approach would be to require the Company to show that it has operated as promised under the Agreement and has either (i) not acquired; or (ii) has been reimbursed for, any additional generation sources that may be required to serve Chaparral's load. The Examiner proposed that if future earnings tests show that Virginia Power failed to recover its costs and earn a margin from the Facility, it may be appropriate for the Commission to impute revenue or eliminate expenses.

---

[2] Hearing Examiner's Report at 10.

[3] Id. (emphasis in original.)

[4] Virginia Code § 56-235.2 D.

[5] Hearing Examiner's Report at 14.

The Examiner also considered Staff's position that, at times when Virginia Power must purchase energy for service to Chaparral, the Generation Capacity Adder ("GCA")[6] may not be sufficient to cover both the additional costs of the purchased energy and the associated demand responsibility. The Examiner stated that Staff does not request a specific change in the Agreement to address this issue but, rather, uses this issue to support other of its arguments, particularly its argument that its proposed mechanism should be adopted to ensure that other Virginia Power customers will not bear increased rates because of Chaparral's special rate. The Examiner found that the issue of the adequacy of the GCA goes to whether Virginia Power will be able to deliver on its promises in the Agreement and found that, subject to verification that the Company operates prudently and as promised under the terms of the Agreement, it is reasonable to conclude that the revenues from the Facility will exceed the Company's variable costs of providing service to Chaparral.

Addressing the issue of the impact of the Agreement on other customers, the Examiner described the Company's and Staff's positions. He stated that Virginia Power asserts that its other customers will benefit from the Agreement because: (i) any margins earned by the Company will be used to increase the level of stranded investment recovered by the Company during the rate freeze (pursuant to the Stipulation in Case No. PUE960296);[7] and (ii) incremental fuel revenues will be matched with incremental fuel expenses, so the fuel factor will be lower than if the Company provides service to Chaparral under an average rate schedule. The Examiner stated that Staff contended that the Agreement may increase rates to other customers. First, service to Chaparral will increase Virginia Power's system lambda used as a basis for calculating the hourly price for RTP customers by $0.25 per MWh. In response to this issue, Staff recommends determining lambda values used to develop Chaparral's prices after RTP lambdas and prices have been calculated. Second, and more importantly, Staff contends that sales to Chaparral limit Virginia Power's ability to sell power to the potentially more lucrative competitive wholesale or off-system market. To address this issue, Staff proposed a sharing mechanism that would impute an off-system sales margin for each MWh of sales to Chaparral, and would be calculated based on the difference between the hourly market price for off-system sales at the PJM interconnection and the Company's hourly system lambda. As the Examiner stated, Staff further proposes to use 50% of such imputed margins to lower the deferred fuel balance and to add the other 50% to base rate margins.

The Examiner was not persuaded by Staff's rationale for adopting either of Staff's proposals. He stated that any increase in the rates of RTP customers would be the result of the addition of new load, not the Agreement's special rates. Thus, he concluded that such an increase would not violate § 56-235.2 D, which directed the Commission to establish guidelines for special rates "that will ensure that customers are not caused to bear increased rates as a result of such special rates." The Examiner also was not persuaded by Staff's argument that its proposal to impute margins from off-system sales should be adopted to ensure that other customers will benefit from the Agreement. The Examiner found that the record provides no support for the assumptions underlying Staff's position and that this proposed mechanism would be too speculative to initiate. The Examiner also found that, in weighing the public interest as contemplated by § 56-235.2 C, the potential benefits of off-system sales must be offset by the benefits of Chaparral's operation in the Commonwealth. Further, the Examiner stated that changes in the electric industry could limit the benefits Virginians will receive from off-system sales, which may be limited or even reduced in certain scenarios.[8] The Hearing Examiner concluded that the Agreement will not unreasonably prejudice or disadvantage any customer or class of customers. He further found that although it is important to monitor Virginia Power's performance under the Agreement and to adjust the Company's future earnings if it does not deliver on its promises, Staff's proposed sharing mechanism should not be adopted. In this regard, the Examiner found that depending upon the surrounding facts and circumstances, it may be appropriate for the Commission to increase or decrease either revenues or expenses when conducting an earnings test as provided by the Stipulation, or adopting a fuel factor.

Addressing the impact of the Agreement on system reliability, the Examiner stated that the Agreement permits the Company to interrupt Chaparral upon notice and Chaparral is required under the Agreement to rectify or cease any operations that have or may have an adverse impact on the Company's system. Thus, he concluded, the Agreement will not jeopardize the continued provision of reliable service.

Comments on the Hearing Examiner's Report

The Staff filed comments supporting certain of the Examiner's findings and excepting to certain other findings. Specifically, Staff supported the Examiner's findings that: (i) ratemaking adjustments to impute margins from off-system sales can be included in the earnings test required by the Stipulation in Case No. PUE960296; (ii) Staff should have an opportunity to review Virginia Power's implementation of the Agreement; (iii) when necessary, the Commission may adopt a fuel factor with imputed components; and (iv) Virginia Power should be directed to provide information to Staff upon request, documenting the Company's performance under the Agreement.

Staff, however, disagrees with the Examiner's analysis and conclusions, and argues that: (i) the Examiner failed to give proper weight to the increase in rates to existing Virginia Power customers; (ii) the Examiner failed to address sufficiently Staff's concerns about reliability of service; and (iii) Virginia Power should be required to seek further approval in the event the Company wishes to modify the Agreement in response to changes in the electric industry.

More specifically, Staff continues to argue that in several ways the other customers' rates will be increased as a result of Chaparral Agreement. Staff maintains that its sharing mechanism should be adopted to ensure that other customers are not harmed and may receive some benefit from the margins the Company will earn on Chaparral. Staff states that the Examiner is incorrect in asserting that Staff's analysis relies on Subsection C of § 56-235.2; Staff states that its proposed sharing mechanism is intended to ensure that the Agreement will also comply with the absolute directive of Subsection D of § 56-235.2, which mandates that a company's other customers must not be caused to bear increased rates as a result of a special rate, contract or incentive.

Staff also continues to argue that, if the Agreement is approved as filed, other customers may not realize any benefits from the energy margins associated with the Chaparral contract. Staff contends that the Examiner's proposal to place on the Company the burden of showing it performs as it has

[6] The GCA is a rate per kWh that is intended to cover any additional costs the Company may incur to purchase energy for Chaparral when there would be an associated demand responsibility (in other words, it would reflect the greater market value of capacity during the limited number of hours each year when energy is available, but only at a premium price, well above the incremental cost of production).

[7] Commonwealth of Virginia, at the relation of the State Corporation Commission, Ex Parte: Investigation of Electric Utility Restructuring – Virginia Electric and Power Company, Case No. PUE960296, Doc. Con. Center No. 980810137, slip op. (Aug. 7, 1998, Final Order).

[8] The Examiner thus rejected the Company's assertion that the earnings test required by the Stipulation precludes the inclusion of imputed revenues. He also rejected Virginia Power's argument that imputed revenues cannot be considered in calculating the fuel factor under the Definitional Framework of Fuel Expenses for Virginia Power established in Case No. PUE950094.

promised under the Agreement would not ensure that other customers receive some benefit from the Agreement because once the terms of the Agreement are approved by the Commission, no further approval by the Commission regarding the Agreement or its consequences are contemplated by the Agreement. Staff argues that the flaw in the Hearing Examiner's analysis is that the rate impacts identified by Staff are treated as just another variable to be balanced against the direct and indirect commercial benefits associated with the Agreement, rather than giving such impacts the weight contemplated by Subsection C of § 56-235.2 and required by § 56-235.2 D.

Staff also asks that the Company be required to provide, in writing, the specific terms, conditions and penalties associated with interruption of Chaparral's load. Finally, Staff states that the Chaparral Agreement may have to be amended if restructuring of the electric industry does occur and points out that Company witness Hilton agreed with this at the hearing. Staff states that the Examiner did not address this issue in his Report and requests that the Commission, in its Final Order, direct Virginia Power to file for approval of any amendment to the Agreement in advance of the effective date of such amendment.

Virginia Power filed comments stating that it agrees with most of the Hearing Examiner's findings and recommendations, except for two accounting issues. First, the Company contends that the Examiner erred in finding that the language of the Stipulation does not preclude the imputation or exclusion of expenses from earnings tests that will be applied in the future pursuant to the Company five-year rate freeze. Second, the Company argues that the Examiner erred in agreeing with Staff that the Commission may, when necessary, adopt a fuel factor with imputed components. The Company states that neither of these findings is critical to the Examiner's ultimate recommendation and, therefore, the Commission need not rule on them.

NOW THE COMMISSION, upon consideration of the record and the November 20, 1998 Hearing Examiner's Report, the comments and exceptions received thereto, as well as the applicable statutes and rules, is of the opinion and finds that Virginia Power's application should be approved.

Virginia Power's application for approval of a special rate is the first under § 56-235.2, as amended by the General Assembly in 1996, to allow utilities to request special rates, contracts or incentives for particular customers or classes of customers. Section 56-235.2 C provides that, in determining whether to approve an application for a special rate, contract or incentive, the Commission must:

> ensure that such action (i) protects the public interest, (ii) will not unreasonably prejudice or disadvantage any customer or class of customers, and (iii) will not jeopardize the continuation of reliable electric service.

The General Assembly directed the Commission, in amending Subsection D of § 56-235.2, to issue guidelines for special rates, contracts or incentives "that will ensure that other customers are not caused to bear increased rates as a result of such special rates." [9] Guideline No. 6 requires an applicant to describe the rate impact of a proposed rate on the utility's other customers and "explain how the company will ensure that other customers will be protected from bearing any increased rates" that may result from a special rate and to "explain how the utility will allocate or use any resulting benefits."[10]

We commend the Staff for raising and developing issues in this case that, once resolved, should provide utilities, current customers, and potential new customers with a more precise understanding of the requirements for a special agreement. Put simply, Staff asked the questions that needed to be asked. We recognize that Staff's motivation was to protect the economic interests of Virginia Power's customers living within the Commonwealth as directed by the Code of Virginia. We commend them for this and encourage their continued vigilant protection of the public interest.

Also, we believe that the Hearing Examiner did a commendable job of analyzing and applying the statutory requirements. We find that the record amply supports the Examiner's finding that the special rate at issue will be in the public interest and otherwise comports with the Special Rate Guidelines. Accordingly, we adopt his findings and recommendations, with certain clarifications discussed below.

Three primary issues remain for our consideration, which Staff raises in its Comments to the Hearing Examiner's Report. Staff maintains in its Comments that: (i) the Company's general body of ratepayers, including its Real Time Pricing customers, could be caused to bear increased rates as a result of the Agreement or not receive any benefit from the margin the Company will realize from its sales to Chaparral; (ii) the Agreement may adversely affect the Company's ability to provide reliable electric service during peak conditions; and (iii) Virginia Power should be required to seek further approval if the Company seeks to modify the Agreement in the future.

The first issue concerns balancing the statute's goal of attracting new business development in Virginia while ensuring that existing customers will not bear increased rates as a result of a special rate, contract or incentive. In its Comments, Staff maintains that sales to Chaparral may increase the rates of the Company's other customers in several ways. First, Staff asserts that the Generation Capacity Adder, which is designed to compensate the Company for existing fixed costs that may result from Chaparral, is less than the costs of the combustion turbine units for which the Company seeks approval in another current rate case, Case No. PUE980462. Second, Staff contends that the limitation of the application of the GCA rate to a limited number of hours per year has the potential to add to Virginia Power's capacity costs in excess of revenues derived since it is a much lower limit than that applied to existing RTP customers. Third, and most importantly, Staff maintains that the power sold to Chaparral will limit Virginia Power's ability to make off-system sales, which historically have lowered costs to the Company's other ratepayers because one-half of the margins from such sales are credited to the Company's deferred fuel balance and the other half credited to base rate margins.

To preclude or ameliorate the above-identified rate impacts, Staff continues to urge the Commission to adopt its proposed "sharing mechanism."[11] Staff contends that its proposed mechanism will more effectively satisfy the requirements of § 56-235.2 than the Examiner's "wait-and-see approach" of

[9] In our order entered on March 20, 1998, the Commission promulgated such guidelines. Commonwealth of Virginia, at the relation of the State Corporation Commission, Ex Parte, In re: Promulgation of Guidelines for Special Rates, Contracts or Incentives pursuant to Virginia Code § 56-235.2 D, Case No. PUE970695, Final Order at 10, (March 20, 1998) ("Special Rates Order").

[10] Id., Appendix A at 1-2.

[11] As discussed supra, Staff proposes that for each MWh of sales to Chaparral, 50 percent of the difference of the market price for off-system sales and Virginia Power's marginal production cost would be credited to the deferred fuel balance and to the base rate margins. The Company would retain the margin realized from sales to Chaparral below the line and thus the margins would be excluded from the Company's cost of service. Staff proposes that Virginia Power's interconnection with PJM should be used as a basis of price comparison for its mechanism because the Company has two ties to PJM, PJM

requiring Virginia Power, in the future, to show that it has performed as promised under the Agreement and that it has not acquired, or, if so, has been reimbursed for, additional generation sources to supply Chaparral's load. Staff contends that, if the Examiner's approach is adopted, the Company's other customers may not receive any of the benefits associated with sales to Chaparral since, under the terms of the Stipulation, ratepayers will benefit from sales to Chaparral only if the adjusted earnings required by the Stipulation produce regulatory asset write-offs in excess of $220 million. Alternatively, Staff requests that, if the Commission rejects the proposed sharing mechanism, the Company be required to credit at least 50 percent of the Chaparral energy margin through the deferred fuel balance so that ratepayers will receive at least some benefit from Virginia Power's sales to Chaparral.

In addition, Staff asserts that the method that Virginia Power will employ to develop Chaparral's hourly price will harm existing Real Time Pricing customers by raising the lambda value used as the basis for the RTP hourly price. Staff maintains that the Commission should require Virginia Power to develop the prices for its RTP customers by calculating lambda values used to develop Chaparral's prices after RTP prices have been calculated to ensure that RTP rates will not increase because of the addition of the Chaparral load.

We agree with the Examiner that the differing positions of the parties and Staff turn on the conflicting interpretations of § 56-235.2. We also agree with the Examiner that the General Assembly intended, in enacting § 56-235.2, that utilities have the ability to offer special rates when such rates are necessary to attract or maintain certain customers as long as all other, existing customers are not unreasonably prejudiced or disadvantaged. Further, we believe that the General Assembly intended an absolute prohibition on the approval of any special rate, contract or incentive if, as a result of such approval, the utility's existing customers would be caused to bear increased rates. We agree with the Examiner that the record supports a finding that the addition of Chaparral as a customer will result in substantial direct economic benefits for the Commonwealth, as well as indirect economic benefits. We also agree with the Examiner that existing customers will not be harmed as long as Virginia Power's performance under the Agreement is monitored and the Company is held to its promises under the Agreement and, in addition, is required to show that it has either: (a) not acquired, or (b) has been reimbursed for, additional generation sources required to serve the Facility.

Staff's proposal, in essence, attempts to ensure that the Company's other customers are not only not harmed (by paying increased rates) but, further, will receive a net benefit from the addition of Chaparral's load (by receiving at least some benefit from the margins Virginia Power will earn on Chaparral). We decline to adopt Staff's proposed sharing mechanism in this case. Though Staff relied upon the best evidence available, Staff was not able to show that its proposal, if fairly implemented, would be more beneficial to Virginia Power's other customers than the Agreement.

In this regard, we agree with the Examiner that because the bulk power market is still evolving, there remains too much uncertainty as to its end result to use the market price of the PJM interconnection as a basis for calculating imputed margins. There is no support for Staff's implicit assumption that future market prices for off-system sales will produce margins in excess of those that will be earned from Chaparral. Further, there is no support for Staff's assumption that each kWh sold to Chaparral represents a kWh that Virginia Power could have sold on the spot market at the PJM nodal proxy price. Also, as the Examiner points out, if full retail competition is in fact implemented in the Commonwealth, the adoption of Staff's proposed mechanism could prove not to be in the best interests of Virginia ratepayers.

In sum, we believe that the special rates of the Agreement will further economic development in the Commonwealth and, if implemented as promised, will provide an economic benefit to all of Virginia Power's Virginia jurisdictional customers. We find that the Examiner's proposal to monitor Virginia Power's performance under the Agreement and, if it fails to deliver on its promises, adjust its future earnings as if it had performed as promised, will be sufficient to ensure that the statutory requirements are satisfied. Such adjustments to future earnings, depending upon circumstances, may be made in the context of, but not limited to, an earnings test conducted pursuant to the stipulation in Case No. PUE960296, or a fuel factor proceeding. To ensure that Staff will have the opportunity and ability to monitor effectively Virginia Power's performance, we will adopt Staff's recommendation and hereby direct the Company to provide information to Staff upon its request, documenting the Company's performance under the Agreement on an ongoing basis. Further, we direct Staff to monitor the Company's performance under the Agreement to ensure that Virginia Power operates in an economically responsible manner on behalf of its customers throughout the Commonwealth.

In addition, we will not adopt Staff's proposal concerning the calculation of the system lambda for the Company's RTP customers. While the hourly prices for RTP customers will be affected by the addition of the new load to the Virginia Power system, the Staff's adjustment is not required.

With respect to the issue of reliability, we agree with Staff that Virginia Power should be directed to develop, immediately, written procedures setting forth the specific terms, conditions and penalties associated with interruption of Chaparral's load. Moreover, Virginia Power is further directed to keep Staff apprised of these written procedures as they are being developed and Staff is encouraged to provide Virginia Power any comments or assistance it deems necessary. However, this process should not be read, in any way, to diminish Virginia Power's obligation or responsibility to operate the Agreement in the public interest.

Finally, as requested by Staff, we direct Virginia Power to amend the Agreement to require the Company to seek further Commission approval, in the event that it seeks to modify the Agreement, in advance of the effective date of such amendment. Accordingly,

IT IS ORDERED:

(1) Virginia Power's application to provide electric service to Chaparral is granted, conditioned upon its acceptance of the modifications and reporting requirements discussed in the body of this Order.

(2) Virginia Power shall file with the Staff within sixty days of the date of issuance of this Order, a document setting forth the terms and conditions under which Chaparral may be interrupted.

(3) Virginia Power shall amend the Agreement to require the Company to seek prior Commission approval of any subsequent modifications to the Agreement. The Company shall file the amended Agreement with the Staff within thirty days of the issuance of this Order.

(4) There being nothing further to be done herein, this matter shall be dismissed from the Commission's docket of active proceedings.

---

posts an hourly market price for the interconnection on the Internet, and the Company had identified the price at the PJM interconnection to be a market price.

CASE NO. PUE980334
OCTOBER 1, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SANVILLE UTILITIES CORP.,
Defendant

FINAL ORDER

On September 27, 1999, the Staff of the State Corporation Commission ("Staff") filed a Motion Requesting Expedited Hearing for Appointment of Receiver ("Motion"). In its Motion, the Staff stated that Sanville Utilities Corp. ("Sanville" or "the Company") had failed to comply with the Commission's November 25, 1998, Order requiring the Company to provide adequate sewer services in the Fairway Acres subdivision in Henry County, Virginia. The Staff also recited numerous recent events concerning the treatment plant at Fairway Acres and problems with the water systems at the Rockhill and Westwood subdivisions in Henry County, also owned and operated by Sanville. The Staff also presented correspondence from Richard M. Anthony, owner of Sanville, indicating his desire to abandon the Fairway Acres wastewater treatment plant.

By Order entered September 29, 1999, we granted the Staff's request for expedited hearing, concluding that, due to the apparent imminent threat to the public health as alleged by Staff, we should conduct a hearing on the morning of September 30, 1999. Arrangements were made for telephonic participation by interested parties. The Clerk of the Commission was directed to serve a copy of the September 29 Order on Mr. Anthony by facsimile and overnight mail. The Staff provided a facsimile copy of our Order to the Virginia Department of Health.

On September 30, 1999, the Commission convened the hearing on the Motion. Entering appearances at the hearing either in person or by telephone were M. Renae Carter, Esquire, and William H. Chambliss, Esquire, representing the Commission Staff; and Judith Williams Jagdmann, Esquire and Deborah Love Feild, Esquire, representing the Office of the Attorney General and the Virginia Department of Environmental Quality. Mr. Anthony participated by telephone and appeared pro se. Also present at the proceeding were Tim Baker, Mike Painter, and Robert A. K. Payne from the Virginia Department of Health; Tom Henderson from the Virginia Department of Environmental Quality; and Sidney A. Clower, Henry County Administrator and General Manager of the Henry County Public Service Authority ("PSA").

At the outset of the hearing, Mr. Anthony stated that he would not contest the Staff Motion and that he consented to the receivership. Mr. Anthony advised that he did not contest any of the allegations contained in the Motion concerning conditions prevailing at the sewage treatment and water facilities, other than the complaints of individual customers regarding the origins of odors in the vicinity of their homes and certain sewer back-ups into homes. Mr. Clower represented that the Henry County PSA was willing and able to act as receiver for all of Sanville's assets.

NOW THE COMMISSION, upon consideration of the Staff's Motion, the admission and consent of Mr. Anthony and the further record developed at the hearing, as well as the applicable statutes and rules, is of the opinion and finds that at least two of the four conditions precedent to the appointment of a receiver, as set out in § 56-265.13:6.1 of the Code of Virginia, exist and apply to Sanville. We find that Sanville has "failed to supply water or sewer service to a majority of the consumers for five days or more during the preceding three months for reasons within the control of the water or sewer utility," and that the utility "has failed to comply with an order of the Commission to provide adequate service to the customers." Va. Code § 56-265.13:6.1 A 1 and 4. We further find that Sanville is unwilling or unable to provide reasonably adequate water and sewer services, as is required by § 56-265.13:6.1 of the Code of Virginia and that a receiver should be appointed to take possession of the utility's assets and to operate these in the best interests of the utility's customers. We further find that we should appoint the Henry County PSA as Receiver to operate the Sanville utility assets, including the Fairway Acres sewer system and treatment plant, the Westwood and Rockhill water systems, and the Westwood sewage lagoon. We will grant the PSA all necessary authority to operate these systems to furnish reasonably adequate water and sewer services, including, particularly, the authority to contract with the Virginia Department of Environmental Quality for resources provided by and through the Virginia Environmental Emergency Response Fund. Additionally, we find that Mr. Anthony and all other persons except the PSA and its agents should be restricted from taking any further actions on behalf of Sanville.

Accordingly, IT IS ORDERED THAT:

(1) The Henry County Public Service Authority hereby is appointed Receiver of Sanville Utilities Corp. and is vested, in addition to the powers set forth herein, with all the powers and authority expressed or implied under the provisions of § 56-265.13:6.1 and of §§ 8.01-583 to –590 of the Code of Virginia. The Receiver is authorized to do all acts necessary or appropriate for the conservation or rehabilitation of Sanville including, but not limited to, the following:

(a) to maintain immediate and exclusive possession and control of Sanville, including its assets, cash, bank accounts, contracts, causes of action, books, records and property, including such property of Sanville which may be discovered hereafter;

(b) to acquire, invest, deposit, hypothecate, encumber, lease, improve, sell, transfer, or otherwise dispose of or deal with any of the assets and property of Sanville, including any real property;

(c) to borrow money on the security of Sanville's assets, with or without security, and to execute and deliver all documents necessary to that transaction for the purpose of facilitating the receivership;

(d) to operate and transact business for Sanville;

(e) to collect all debts and monies due and claims belonging to Sanville;

(f) to enter into any contracts necessary to carry out this Order, and to affirm any contracts to which Sanville is a party;

(g) to make distribution and payment to creditors and members as their interests may appear;

(h) to receive, examine, and pass upon claims made against Sanville, including authority to sue, intervene in, and defend any actions in the name of the Receiver or its agent or in the name of Sanville;

(i) to remove any or all records and other property of Sanville to the offices of the Receiver or to such other place as may be convenient for the purposes of the efficient and orderly execution of the receivership; and to dispose of or destroy, in the usual and ordinary course, such of those records and property as the Receiver may deem or determine to be unnecessary for the receivership;

(j) to assign, extend, discharge in whole or in part, or foreclose any mortgage of real or personal property standing in the name of Sanville individually or held by Sanville in any fiduciary capacity, and to subordinate the lien of any such mortgage to any other mortgage, lease, or other interest, and to initiate and to defend any action with respect to any such mortgage;

(k) to sell, lease, convey, grant assessments or other interest in, enter agreements with respect to, and to initiate and defend any action with respect to any real estate acquired by Sanville individually or held by Sanville in any fiduciary capacity;

(l) to sign, seal with the corporate seal, acknowledge and deliver all pleadings, affidavits, deeds, contracts, releases, discharges, certificates, leases, assents, grants and other instruments necessary or appropriate to carry out the foregoing powers, and such execution shall in each case be conclusive as to the authority of the executing officer;

(m) to employ and to fix the compensation of such employees, counsel, accountants, consultants, assistants, and other personnel as the Receiver considers necessary;

(n) to change to the Receiver's own name the name of any of Sanville's accounts, funds, or other property or assets held with any bank, savings and loan association or other financial institution, wherever located, and to withdraw such funds, accounts, and other assets from such institutions or take any lesser action necessary for the proper conduct of the receivership;

(o) to perform such further and additional acts as the Receiver may deem necessary or appropriate for the accomplishment of or in aid of the purpose of the receivership; and

(p) to contract for and receive funding from the Virginia Department of Environmental Quality and other sources as necessary to abate conditions threatening the public health or safety.

(2) The Receiver shall obtain the prior written approval of the Commission with respect to any action taken pursuant to subparagraphs (b), (c), (j) or (k) of paragraph (1) above.

(3) The current owners, officers, directors, trustees, agents, and employees of Sanville hereby are restrained from transacting any further business and are restrained from transferring, removing, or disposing of any property or business until further Order of the Commission.

(4) Sanville, its officers, directors, trustees, agents, and employees, and all other persons having any property or records belonging to Sanville, including data processing information and records of any kind, hereby are directed to assign, transfer, and deliver to the Receiver all of such property in whatever name the same may be held, and any persons, firms or corporations having any books, papers or records relating to the business of Sanville shall preserve the same and submit these to the Receiver for examination at all reasonable times.

(5) Until further order of the Commission, all persons, corporations, partnerships, associations and all other entities, wherever located, hereby are enjoined and restrained from interfering in any manner with the Receiver's possession of the property or its right therein and from interfering in any manner with the conduct of the receivership of Sanville, including wasting, transferring, selling, disbursing, disposing of, or assigning property or attempting to do so.

(6) No bank, savings and loan association or other financial institution shall, without first obtaining permission of the Receiver, exercise any form of set-off, alleged set-off, lien, or other form of self-help whatsoever or refuse to transfer property to the Receiver's control.

(7) All secured creditors or parties, pledge holders, lien holders, collateral holders, or other persons claiming secured, priority or preferred interest in any property or assets of Sanville, including any governmental entity, hereby are enjoined from taking any steps whatsoever to transfer, sell, encumber, attach, dispose of or exercise purported rights in or against the property. However, notwithstanding any other provision of this Order, the commencement of conservatorship, receivership, liquidation or other delinquency proceedings against Sanville in another jurisdiction by an official lawfully authorized to commence such a proceeding shall not constitute a violation of this Order.

(8) No judgment, order, attachment, garnishment sale, assignment, transfer, hypothecation, lien, security interest or other legal process of any kind with respect to or affecting Sanville or its property shall be effective or enforceable or form the basis for a claim against Sanville or its property unless entered by the Commission or unless the Commission has issued its specific order, upon good cause shown and after due notice and hearing, permitting same.

(9) Except as otherwise specifically provided by law, the Receiver and its employees, counsel, accountants, consultants, assistants, and other personnel are deemed to be public officers acting in their official capacity on behalf of the state and shall have no personal liability for or arising out of their acts or omissions performed in good faith in connection with this or related proceedings or pursuant to this or related orders.

(10) The Receiver shall make quarterly reports to the Commission's Division of Energy Regulation to keep the Commission informed of the status of operations at Sanville's utility facilities and the status of Sanville's debts and to provide any other information that the Commission's Staff may request.

(11) The Receiver forthwith shall provide notice of the receivership to all of Sanville's customers. Such notice shall inform the customers that the Henry County PSA has been appointed Receiver for Sanville and will now operate all of Sanville's utility systems. The notice also shall instruct the

customers how, where, and when to submit payments for services rendered by the Receiver and provide information for customers to contact the PSA in case of service difficulties. The notice shall be approved by the Commission's Office of General Counsel before being sent to customers.

(12) All costs, expenses, fees, or any other charges of the Receivership, including but not limited to fees and expenses of those persons listed in paragraph (1)(m) above and the giving of notice required herein, shall be paid from the assets of Sanville.

(13) The Receiver may at any time make application for such further relief as its sees fit, including any application for an increase in rates or for other changes to the terms and conditions and rules and regulations of Sanville's water and sewer services.

(14) The Receiver is authorized to deliver to any person or entity a certified copy of this Order, or of any subsequent order of the Commission, such certified copy, when so delivered, being deemed sufficient notice to such person or entity of the terms of such Order. But nothing herein shall relieve from liability, nor exempt from punishment by contempt, any person or entity who, having actual notice of the terms of any such Order, shall be found to have violated the same.

(15) The Commission Staff shall confer with the Receiver on a Plan of Receivership and they shall file a Plan of Receivership on or before October 29, 1999.

(16) This matter is continued for further orders of the Commission.

This Order is effective as of 10:40 a.m., Thursday, September 30, 1999, and shall remain in effect until modified or withdrawn by the Commission, which shall retain jurisdiction for all purposes necessary to effectuate and enforce this Order.

The Commission wishes to commend the Henry County Public Service Authority for its agreement to serve as Receiver in this matter and for the assistance it has rendered to this Commission and to the customers of Sanville in the restoration of utility services.

CASE NO. PUE980334
DECEMBER 2, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SANVILLE UTILITIES CORP.,
Defendant

ORDER APPROVING PLAN OF RECEIVERSHIP

On September 30, 1999, the Commission held a hearing to consider the appointment of the Henry County Public Service Authority ("PSA") as receiver for Sanville Utilities Corp.[1] ("Sanville" or "the Company"). By Final Order entered October 1, 1999, the Commission appointed the PSA as receiver and, among other things, ordered the PSA and the Staff of the State Corporation Commission ("Staff") to file jointly a Plan of Receivership ("Plan") for the Company. On November 12, 1999, the Staff and the PSA jointly filed the Plan.

Interested parties who took part in the Commission's receivership proceedings and who entered an appearance during the Commission's September 30, 1999, hearing in this case were given the opportunity to file any comments concerning the Plan on or before November 30, 1999. No such comments were received.

NOW THE COMMISSION, upon consideration of the foregoing and the Staff's recommendation, is of the opinion and finds that we should approve the Plan of Receivership. Accordingly,

IT IS ORDERED THAT:

(1) The November 12, 1999, Plan of Receivership jointly submitted by the Commission's Staff and the Henry County Public Service Authority hereby is approved.

(2) This matter continued generally.

[1] The Commission is aware that the corporate status of Sanville Utilities Corp. lapsed as of November 2, 1998. However, for ease of reference, we will continue to refer to this entity by its former name.

CASE NO. PUE980368
MAY 5, 1999

APPLICATION OF
C & P ISLE OF WIGHT WATER COMPANY

For certificate pursuant to §§ 56-265.2 and 56-265.3 D

FINAL ORDER

On order entered October 9, 1998, the Commission severed consideration of the Queen Anne's Court subdivision from the other subdivisions for which C & P Isle of Wight Water Company ("C & P" or "the Company") had originally filed its application July 13, 1998. That same order prescribed notice to be furnished to all customers in the Queen Anne's Court subdivision, affording them an opportunity to submit comments or to request a hearing concerning C & P's application for authority to acquire water facilities in Queen Anne's Court and authorizing the transfer of the water certificate of DLG Utility Corporation ("DLG"). The notice also specified that transfer of the water facilities to C & P, involved a slight increase in bi-monthly recurring rates, as compared to those previously approved for DLG, and the notice also mentioned C & P's petition requesting approval for it to acquire and for DLG to dispose of water facilities in the Queen Anne's Court subdivision.

That order specified a cut off date of November 13, 1998, for any such comments or requests for hearing. It also directed appropriate members of the Commission's Staff to review the application and the petition and to submit one report detailing their findings and recommendations on or before November 20, 1998.

No requests for hearing were received on or before November 13, 1998. Only one customer complaint was received by that date, but two additional customer complaints were received before the Staff Report was filed November 20, 1998. After the filing of the Staff Report, Staff received a duplicate of one of the complaint letters together with an enclosed petition containing signatures representing five additional households.

On December 21, 1998, Staff submitted its supplemental report in Case No. PUE980368, addressing the customer complaints. The eight complaints received represent about 13% of the 60 customers served by the water and sewer systems. No hearing is required because no complainant requested one. Also, a hearing is not required by § 56-265.3 of the Code of Virginia unless requested by 25% or more of the customers.

The Supplemental Staff Report reviewed the eight complaints and noted that none of them contested the transfer of water facilities to C & P, the water rates proposed by C & P, or the granting of a Certificate of Public Convenience and Necessity to C & P. Instead, the complaints were directed to the service and the perceived sewer rates of DLG. Staff determined that some of the customers' complaints about higher bills were actually the result of higher consumption. Customers were comparing their billings during the low usage winter months with the higher usage summer months of June and July. Staff also discovered that DLG had implemented an unapproved rate increase for the billing cycle covering the months of June and July. Staff notified DLG and DLG agreed to lower its bi-monthly rate so that customers would receive essentially the same combined rates for C & P's water and for DLG's sewer service as they had previously received when DLG provided both services. DLG refunded the excess amounts collected in June and July on the customers' August and September bills.

Staff forwarded a letter to each complaining customer explaining the results of its investigation and the reasons for the apparently higher sewer bills. No additional comments have been received from these customers.

Part A of the Staff Report of November 20, 1998, addressed the amending of C & P's Certificate of Public Convenience and Necessity to allow it to provide water service to the Queen Anne's Court subdivision pursuant to § 56-265.3 of the Code of Virginia and the grant of authority to C & P to acquire water facilities pursuant to § 56-265.2 of the Code of Virginia. It concluded that the amendment to C & P's Certificate should be granted and that C & P should be authorized to acquire the water facilities.

C & P also requested that it be relieved of the obligation to maintain separate usage and cost information for each of its water systems and provide such information to the Commission's Staff as directed by the Commission's final order of August 5, 1996, Case No. PUE950062. The Staff Report recommended no change, such that C & P still be required to submit detailed usage and cost data for 1998.

Part B of the Staff Report of November 20, 1998, concluded that the transfer of water supply facilities from DLG to C & P should be approved because the transfer was not expected to impair or jeopardize the provision of adequate service to the public at just and reasonable rates. This will be addressed in a separate order in Case No. PUA980017.

Based upon the Staff Report, The Supplemental Staff Report, and the comments received, the Commission is of the opinion and finds: (1) that C & P is capable of providing adequate and reliable service in Queen Anne's Court subdivision; (2) that C & P is qualified to operate and maintain the water system in Queen Anne's Court; (3) that water certificate number W-286 held by DLG Utilities Corporation should be cancelled and water certificate number W-283a held by C & P Isle of Wight Water Company should be amended to include water service to the Queen Anne's Court subdivision; (4) that public convenience and necessity require that C & P acquire the water facilities of DLG in Queen Anne's Court subdivision; and (5) that C & P continue to collect usage information separately for each water system on an annual basis and submit such information to the Commission's Division of Energy Regulation and that it continue to maintain system costs separately for each water system and, on an annual basis, submit such cost information to the Commission's Division of Public Utility Accounting. The transfer of utility assets from DLG to C & P shall be addressed in a separate order in Case No. PUA980017. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) C & P is granted a certificate of Public Convenience and Necessity to acquire the water facilities of DLG in Queen Anne's Court subdivision.

(2) Water certificate number W-286 in the name of DLG shall be cancelled and water certificate number W-283a held in the name of C & P shall be cancelled.

(3) Water certificate number W-283b is issued to C & P to include the service territory of Queen Anne's Court subdivision as well as the territory previously contained in water certificate number W-283a.

(4) C & P's existing water utility rates for metered service in Isle of Wight County for Rushmere Shores/Poplar Harbor No. 1 and Poplar Harbor No. 2 are approved for Queen Anne's Court subdivision.

(5) C & P is to collect usage information separately for each system on an annual basis and submit such information to the Commission's Division of Energy Regulation and C & P is to maintain system costs separately for each water system and, on an annual basis, submit such information to the Commission's Division of Public Utility Accounting.

CASE NO. PUE980462
JANUARY 14, 1999

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For Approval of Expenditures for New Generation Facilities pursuant to Va. Code § 56-234.3 and for a certificate of public convenience and necessity pursuant to Va. Code § 56-265.2

ORDER

On August 11, 1998, Virginia Electric and Power Company ("Virginia Power" or "Company') filed the instant application (the "Application"), requesting regulatory approval for the construction of five new gas-fired turbine generator units of approximately 150 megawatts ("MW") capacity each, to be installed either at a site in Caroline County or a site in Fauquier County. A related application seeks regulatory approval for construction of transmission facilities necessary to connect these generators to the electric transmission grid.

The Application has been twice amended. First, Virginia Power sought to increase the number of units from five to six, and also to utilize both sites. Later, in its rebuttal testimony, the Company modified the request to seek authority to construct only the first four units, using only its site in Fauquier County. It is proposed that the 4 units would begin operation on or about July 1, 2000.

On September 2, 1998, the Commission Staff ("Staff") moved for a ruling as to whether the Rules Governing the Use of Bidding Programs to Purchase Electricity from Other Power Suppliers, now codified at 20 VAC 5-301-10 ("Rules"), were applicable to Virginia Power's filings. Pursuant to the Commission's order, also issued on September 2, 1998, the Company filed its response to the motion on September 16, 1998, and replies to this response were filed by other interested parties and by the Staff.

Virginia Power's response to the motion stated that it no longer had either an active bidding program or a long term resource plan, and so was not subject to the Rules, but if the Commission found otherwise, requested an exemption from the Rules. The Company asserted that the "critical need in 2000 and 2001 for extensive capacity warrants an exemption" for its Application, and that the Application could not be "accommodated within a competitive bidding process because of the quick timetable." The Company requested the Commission grant an exemption from the Rules "in order to assure the timely availability of this peaking capacity in 2000."

On October 20, 1998, the Commission issued an order establishing a procedural framework within which to resolve the issues raised by Staff's request for a ruling and the responses filed. The Commission found that an expedited hearing should be convened to determine, "the need for capacity and how any need can best be met, whether the Bidding Rules are applicable and if so whether Virginia Power should be granted an exemption from them, and whether the Virginia Power's asserted 'quick timetable' can accommodate meaningful participation from other parties." To encourage meaningful participation by other potential energy suppliers, the Commission further directed Virginia Power to file, "documents and materials necessary to enable interested parties to determine whether, if there is a need for additional capacity, they can meet such need through construction or purchase of generating capacity, demand side measures, or otherwise." A number of parties did respond to our order of October 20, 1998, by prefiling an intent to bid or testimony indicating their interest in submitting bids for capacity that the Commission may ultimately find to be needed by Virginia Power.[1]

The Commission convened a public hearing on January 5, 1999, which concluded three days later after receiving testimony from five witnesses for Virginia Power, eight witnesses from other power producers, a witness for the Attorney General, and two Staff witnesses. The witnesses testifying on behalf of potential bidders gave few specific details on their individual proposals to provide peaking capacity. Thus, the record is unclear as to whether timely bids could be received after the hearing and, if so, whether such bids would be under the benchmark pricing established by Virginia Power's construction proposal. We understand the reluctance of these parties to disclose the competitively sensitive details of their potential bids.

In addition to evidence of potential bids, the prospect for greater market power concentration resulting from Virginia Power constructing the requested gas-fired turbine generator units was also addressed by witnesses for the Attorney General, Staff, Old Dominion Electric Cooperative and the Virginia Independent Power Producers.

We will begin with an analysis of the Rules and the reasons for their promulgation to determine their applicability to Virginia Power today.

---

[1] Florida Power & Light filed notice of its intent to bid and Verified Declaration. Other parties presenting testimony indicating an interest in submitting bids included Edison Mission Energy, LG&E Power, Dynergy Power Corp., Westmoreland Energy Inc., and Calpine Corporation. Westvaco and the Virginia Independent Power Producers indicated an interest in extending existing power contracts. Additionally, Ingenco, a small scale provider of distributed generation capacity, provided testimony through Public witnesses.

The Commission promulgated the Rules by order dated November 29, 1990, in Case No. PUE900029.[2] This case was established because:

> issues relative to the bidding process, including the propriety of an exclusive bidding program and the proper weighting of utility construction compared to purchase options, have arisen in a number of recent certificate and arbitration proceedings filed with this Commission. The growing use of bidding programs and the questions raised in those several proceedings resulted in our determination that it was necessary to initiate this investigation to revisit the principles discussed in the January 1988 Order and to adopt clear rules to delineate a framework for the contracting process between utilities and other power suppliers, both qualifying facilities under PURPA and non-PURPA independent power producers.

The Commission concluded in this order that "bidding programs continue to provide electric utilities with an excellent option for acquiring necessary capacity in an orderly and reasonable manner," and that a utility that establishes such a program "should be free to refuse offers of capacity that have been received outside of its bidding program."[3]

In the January 1988 Order, the Commission noted it had instituted the proceeding "to consider questions surrounding the acquisition of additional generating capacity by electric utilities." A comprehensive review of this subject was needed "as a result of the contention by one of the state's major utilities, Virginia Power, that it was receiving capacity offers in amounts greater than its projected needs for the foreseeable future."[4]

Both the guidelines and the Rules were intended to impose some structure in utility capacity acquisition at a time when federal law[5] and regulations had caused numbers of new participants to respond to a newly created opportunity to market power to traditional utilities. Prior to the implementation of the Rules, utilities were required to accept capacity offers from qualifying facilities and small power producers whenever they had need for capacity additions and to establish the price for such purchases at the utility's "avoided cost" on a case-by-case basis. Soon, both Virginia Power and this Commission were embroiled in numbers of protracted and contentious negotiations. Hence, the Rules established the important *quid pro quo* that utilities that established bidding programs could refuse offers received outside the bidding program. With limited exceptions, all capacity acquisition was to be conducted through the utility's bidding program. The bids themselves, compared against the utility's benchmark cost of building the capacity itself, which by rule it must determine, established an acceptable proxy for avoided costs.

In the January 1988 Order, the Commission stated that it "envisions a system in which a utility determining a need for additional power would issue, probably on an annual basis, a form of 'Requests for Proposals,' ("RFP") identifying its requirements in broad general terms, and the factors to be used in selecting projects to meet those needs. Participants in the market would evaluate this RFP in light of their own best interests and respond accordingly." The Commission cautioned utilities to "guard against the temptation to make an RFP overly restrictive in terms of the types of projects which could reasonably meet the threshold requirements. It is important that the process give a fair opportunity to all participants."[6]

It is unquestioned that Virginia Power established and maintained a bidding program. The record is replete with references to various RFPs issued by the Company over the years. At no time has Virginia Power advised the Commission or the interested public that it has abandoned its bidding program, which would re-open its obligation to accept capacity offers. If at any time Virginia Power intends to formally abandon its bidding program, then the Company is directed to file with this Commission its notice of election to do so. Included in such notice shall be a complete description of the Company's methodology for determining its avoided costs under PURPA. This methodology will be in lieu of the use of competitive bids for determining avoided costs.

While Virginia Power has not issued an RFP recently, it requested and received waivers of the Rules as recently as 1996 and 1997.[7] Further, its witness, Mr. Rigsby, testified during the hearing that on the day the Application was filed, August 11, 1998, the utility intended to "go to the market" for at least 264 MW of additional capacity, and would go to the market by issuing an RFP.

The Commission concludes that the Company's contention that it could solicit competitive bids for power without regard for or compliance with the Rules is unfounded and untenable. We find that Virginia Power presently has an active bidding program.

It is similarly unreasonable for the Company to contend as it did in its responsive pleading filed September 16, 1998, that it has no long-term resource plan as contemplated by the Rules. Rule III states that any utility's need for capacity identified in an RFP "should be consistent with its long-term resource plans. The capacity need identified by an investor owned electric utility should be consistent with the resource plans filed most recently with the

---

[2] Commonwealth of Virginia, ex. rel State Corporation Commission, Ex Parte: In the matter of adopting Commission rules for electric capacity bidding programs, 1990 S.C.C. Ann. Rep. 340. The Commission had earlier announced policy guidelines regarding utility capacity bidding programs in Commonwealth of Virginia, ex. rel State Corporation Commission, Ex Parte: In the matter of adopting Commission policy regarding the purchase of electricity by public utilities from qualifying facilities when there is a surplus of power available, Case No. PUE870080, 1988 S.C.C. Ann. Rep. 297, Final Order, January 29, 1988 ("January 1988 Order").

[3] 1990 S.C.C. Ann. Rep. 340. Rule IX codifies this statement.

[4] 1988 S.C.C. Ann. Rep. 297.

[5] The Public Utility Regulatory Policies Act of 1978, 16 U.S.C. 2601 et seq., ("PURPA").

[6] 1988 S.C.C. Ann. Rep. 298 (footnote 3).

[7] Application of Virginia Electric and Power Company, For a Certificate of Public Convenience and Necessity Pursuant to Va. Code § 56-265.2 and Joint Application of Virginia Electric and Power Company, Richmond Power Enterprise, L.P. and Enron Power Marketing, Inc., For authority to enter into a purchased power contract without competitive bidding, Case No. PUE960062, Final Order, November 18, 1996. Application of Virginia Electric and Power Company, Virginia Power SPC-1, Inc., Virginia Power SPC-II, Inc. and Cheasapeake Paper Products Company, For issuance of Certificates of Public Convenience and Necessity Pursuant to Va. Code § 56-265.2 and related regulatory approvals, Case No. PUE950131. The exemption was granted in a 1997 Commission order that was later withdrawn.

Commission." Virginia Power subsequently acknowledged through its witnesses Cartwright and Green that the capacity need identified in this proceeding is consistent with Virginia Power's most recent long-term resource plans and consistent with its plan "filed most recently with the Commission."

The Rules apply.

We turn now to the request for an exemption from the Rules. We will deny this request. Virginia Power's reason for the exemption is that the Rules cannot accommodate the "quick timetable" for adding the capacity in the year 2000.

In testimony filed with the Application, Virginia Power witness Cartwright asserted that unit construction must begin on the site selected approximately one (1) year in advance of the planned in-service date for the units. This in-service date is July 1, 2000.[8] Mr. Cartwright, in ore tenus testimony during the hearing disclosed, however, that construction in the form of site preparation should begin by April 1, 1999.[9] While this date was challenged as too early, the procedures that this Order will implement are designed to, and will, accommodate the Company beginning work on the Remington site on April 1, 1999, as proposed.

Concerning the Company's timetable, evidence was brought forward during the hearing that in 1988, while also soliciting bids for peaking capacity, Virginia Power had issued an RFP on November 15, 1988, for capacity with an in-service date of December 31, 1989. Thus, the period from issuance to capacity availability was 13 1/2 months for the 1988 RFP. July 1, 2000, is roughly 18 months from now. No persuasive reason was offered to show that bids for supply of the July 1, 2000, capacity could not reasonably be received and evaluated on a timetable that would accommodate this schedule.

During the hearing, as noted, Virginia Power revealed both that it had finalized the contract for the purchase of the six CTs[10] and also that it intends to soon "go to the market" with an RFP. Its last reported intent is to solicit bids for 264 MW of capacity for July 1, 2000, as well as bids for about 850 MW for July 1, 2001, and July 1, 2002. Virginia Power's intent to solicit bids for power delivery on July 1, 2000, indicates its belief that even its "quick timetable" can be accommodated within the Rules for some increment of capacity. We are not persuaded from the evidence that a solicitation for the 600 MW of capacity represented by the units it asks to build cannot also be accommodated. Delivery of both increments of capacity will fall due on the same date.

To the extent that there is time pressure present in this case, the responsibility for such lies squarely with the Company. Further, the record supports and the Rules require that others be permitted an opportunity to supply some or all of the Company's identified peaking capacity requirements.

We are also mindful of the valid concerns over increased market power expressed by Staff, the Attorney General, Old Dominion Electric Cooperative, and others on cross examination. We share their concern that our approval of the proposed construction program will increase the Company's generation market power just when the Commonwealth may undertake to provide retail customer choice. In light of these market power concerns, we believe it appropriate for this Commission to encourage new entrants into Virginia's electricity market.

Therefore, we will order the Company to issue an RFP for at least the entire increment of capacity needed by July 1, 2000, and we direct our Staff to oversee the immediate development of the RFP and to review the Company's evaluation of all responses to it. The Staff is also directed to report any irregularities or complaints about the procedures promptly to the Commission for our further consideration. At the hearing, the Company indicated that its RFP would be ready in a matter of days. Accordingly, the Company should, no later than January 19, 1999, at noon, deliver to the Staff its proposed RFP and the Staff will promptly review and amend the proposal, as it deems appropriate.

Thereafter, Virginia Power will disseminate the RFP approved by Staff broadly within the interested marketplace by publication in appropriate newspapers and trade journals, by distribution via the Internet, and by direct delivery of the RFP to the Virginia Independent Power Producers ("VIPP") and other parties in this case, to parties that have previously entered into purchased power contracts with Virginia Power, to surrounding utilities, and to other organizations of potential suppliers. Responses for the capacity need identified for July 1, 2000, will be received and considered on an expedited schedule set out below, while the solicitation process for the 2001 and 2002 capacity may occur at a more measured pace. The Company is, however, free to include the 2001 and 2002 capacity requirements within the RFP to be issued in conformance to this order, with notification that the scheduling of responses and evaluation of these bids will be issued separately.

We again caution Virginia Power, as we did in our January 1988 Order, to "guard against the temptation to make an RFP overly restrictive in terms of the types of projects which could reasonably meet the threshold requirements. It is important that the process give a fair opportunity to all participants."[11] We direct the Company to consider any and all options that might reliably meet the identified need, including those that would utilize power wheeled into Virginia Power's service territory making use of the Company's available transmission capability as identified during the hearing.

The RFP shall clearly state preferences for purchased power arrangements such as the nature, operating characteristics and location of capacity. The Company may also include appropriate provisions for discouraging frivolous bids and for requiring surety for contracting parties. The Company should consider bids for offers of up to 30 months, for offers to meet the July 1, 2000, need. Provisions for extending such arrangements should also be considered by the Company.

The Company shall compare any offers so received against the benchmark cost of its proposed units as set out in its Application as amended. We agree with Virginia Power that non-price factors should be weighed less heavily than in earlier solicitations. However, we believe that reliability is an appropriate non-price factor for consideration. For example, "iron in the ground" within the Company's control area should be viewed as being more reliable than a proposal for firm energy from an unspecified source. Consistent with the market power concerns raised by the Staff and other parties, mitigation of

[8] Exh. WRC-6, at 4.

[9] We note, however, that the April 1, 1999, date for beginning site preparation does not appear in the Company's Application or Supplemental Application, nor in its direct, supplemental, additional supplemental, or rebuttal testimonies.

[10] Further, the Company disclosed that it had not finalized its construction contract for installation of the units.

[11] 1988 S.C.C. Ann. Rep. 298 (footnote 3).

Virginia Power's market power is another non-price factor for consideration. We will grant an exemption from consideration of additional non-price factors, to the extent such consideration is mandated by the Rules.

We further agree with the Company that, since the RFP to be ordered herein may generate a wide variety of offers, it should be exempted from the Rules' requirement of issuing a form purchase contract together with the RFP.

If the Company's build option is the successful bid (and its testimony indicates strong confidence that it will be), Virginia Power will be required to install the capacity at a capped price not to exceed the amount set out in its testimony and Application. This "price cap" is needed to ensure that the Company's and any potential bidder's financial risks are comparable.

Virginia Power's witnesses all expressed strong belief that the market will unlikely be able to supply the entire increment of July 1, 2000, capacity at prices below the build option. The witness for the Old Dominion Electric Cooperative, Mr. Kappatos, voiced a similar opinion, as did the Staff. If, as is believed by these entities, this is the case, then evaluation of any responses to the RFP for the July 1, 2000, block of capacity should not be difficult. However, the Commission finds that the Rules, and sound policy, dictate that the market be provided the opportunity to express itself through the bidding process.

The Commission also finds that the Company's contention that there is a critical need for additional capacity in the summer of 2000 is well-founded. In order to meet this need, the Commission will, pursuant to § 56-234.3 of the Code of Virginia, conditionally grant the Company the authority to make financial expenditures for the proposed units at its Remington site in Fauquier County. Virginia Power is authorized and directed to begin such necessary permitting and site preparation work as needed to ensure the timely installation of the proposed combustion turbines. The Company is to continue such activity during the pendency of the bidding process, at its expense and risk, until such time as the Commission orders differently. The Company is further directed to maintain its ownership of the combustion turbines while this action remains pending. The authorization granted herein is conditioned upon the bidding process uncovering no superior bid or bids for the supply of the needed capacity.

The Commission directs its Staff to review offers for capacity for July 1, 2000, and to report to the Commission as set out below the results of its review of the Company's evaluation of said offers. If no superior bids are received, the Commission will issue to Virginia Power certificates of public convenience and necessity by further order, which may impose additional conditions relative to the Company's use of the units.

Should reliable suppliers willing to meet the capacity needs at lower prices come forward, the Commission will issue a further procedural schedule. We expect and direct Virginia Power, however, to begin immediate negotiation to finalize an agreement with any such supplier who comes forward in response to the solicitation and offers to meet any portion of the identified capacity need at a superior price. Such negotiations, if any, over final contract details need not await the establishment of the further procedures contemplated herein.

Accordingly, IT IS ORDERED THAT:

(1) Virginia Power shall, no later than January 19, 1999, at noon, deliver to the Commission Staff its proposed Request for Proposals ("RFP");

(2) Staff shall review and, if necessary amend, the RFP and return the document to Virginia Power on or before January 21, 1999;

(3) Virginia Power shall immediately cause the RFP approved by Staff to be published and distributed as discussed herein;

(4) Interested parties shall submit to the Company, and may submit to the Commission's Division of Energy Regulation, responses to the solicitation for the July 1, 2000, capacity on or before March 26, 1999;

(5) Staff shall file with the Clerk of the Commission on or before April 2, 1999, a preliminary report detailing whether it appears that any responses so received indicate supplier or suppliers willing and able reliably to meet the need at prices below the Company's build option, and if so, how much further analysis of such offer or offers is required;

(6) To the extent that the requirements of this Order do not comply with the Rules, appropriate exemption therefrom is granted;

(7) The financial expenditures of Virginia Power proposed herein are approved, conditioned as set forth herein, pursuant to Code of Virginia § 56-234.3; and

(8) This matter is continued for further order of the Commission.

CASE NO. PUE980462
MAY 14, 1999

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For Approval of Expenditures for New Generation Facilities pursuant to Va. Code § 56-234.3 and for a certificate of public convenience and necessity pursuant to Va. Code § 56-265.2

ORDER

On August 11, 1998, Virginia Electric and Power Company ("Virginia Power" or "Company") filed an application (the "Application"), requesting regulatory approval for the construction of new gas-fired turbine generator units ("CTs"). Each unit produces approximately 150 megawatts ("MW"). The Company requested permission to install the units either at a site in Caroline County or a site in Fauquier County. A related application seeks regulatory

approval for construction of transmission facilities necessary to connect these generators to the electric transmission grid. Following amendments to the Application, Virginia Power seeks authority to construct four CTs at its Fauquier County site.

On September 2, 1998, the Commission Staff ("Staff") moved for a ruling as to whether the Rules Governing the Use of Bidding Programs to Purchase Electricity from Other Power Suppliers, now codified at 20 VAC 5-301-10 ("Rules"), were applicable to Virginia Power's filings. The Company responded, arguing that either the Rules did not apply to it, for various reasons, or that it should be granted an exemption from the Rules. A number of other parties filed responses as well.

On January 5, 1999, the Commission heard the case. On January 14, 1999, we entered an Order in which we found that the Rules applied and that Virginia Power should not be granted an exemption from them. During the hearing, the Company revealed that it intended to issue a solicitation for 264 MW of the 864 MW needed for delivery by July 1, 2000, but sought exemption from bidding the remaining increment. We were not persuaded from the evidence that a solicitation for the 600 MW of capacity represented by the units the Company proposed to build could not also occur. Delivery of both increments of capacity will fall due on the same date.

Therefore, we directed Virginia Power to conduct a competitive solicitation for bids for the entire increment of power it sought for delivery in the year 2000. At its option, Virginia Power could solicit for the power it planned to acquire for the years 2001 and 2002 as well. The Order set out certain terms and conditions the Company was required to meet in conducting its solicitation.

The Company was ordered to compare any offers it received against the benchmark cost of its proposed units as set out in its Application, as amended. We agreed with Virginia Power that non-price factors should be weighed less heavily than in earlier solicitations. However, we stated that supply reliability is an appropriate non-price factor for consideration. "Iron in the ground" within the Company's control area could be viewed as more reliable than unspecified firm energy proposals.

Further, as several parties and the Staff requested, we found that mitigation of Virginia Power's market power was another important non-price factor for consideration. We considered the presence of other providers able to supply the necessary capacity at a price equal or superior to that of Virginia Power to be in the public interest, as this would help to moderate the amount of market power Virginia Power could continue to exercise as the Commonwealth makes the transition from a fully regulated to a more competitive generation market. Nonetheless, we viewed reliability of service to be the more significant non-price factor to be considered. We granted exemption from consideration of additional non-price factors, to the extent such consideration was mandated by the Rules.

Because we found that additional capacity is needed in the summer of 2000, the Commission granted conditional authority to Virginia Power to make financial expenditures, pursuant to § 56-234.3 of the Code of Virginia, for the four units in Fauquier County. The Company was ordered and directed to begin necessary permitting work and to maintain its control and ownership of the CTs it had secured from the manufacturer in contemplation of its proposed construction. The approvals were conditioned upon the Company's proper conduct of the competitive solicitation and the bid producing no superior offers of capacity.

March 26, 1999, marked the close of the bidding window. On that day, the Staff witnessed the opening of the bids, which had previously been sealed. Thereafter, the Company analyzed the bids received and submitted its analysis to the Staff for its review. The Staff filed a report of its own analysis and review of the bids on April 2, 1999, in both public and proprietary versions. On April 16, 1999, comments on the Staff report were filed by one protestant, Dynegy Power Corp.

The Staff report concludes that Virginia Power should be allowed to proceed with construction of the Fauquier County units. The report expresses the Staff's continued concern with the market power implications of the recommendation, but concludes that construction of the units is necessary for maintenance of system reliability.

The report finds that a number of reasonable offers were received, but not in an amount both sufficiently reliable and competitively priced to supplant completely the Company's construction of the units. The Company rejected some offers because of uncertainties about the effects of the proposals on existing environmental permits. One bid containing favorable prices, but based on deployment of unspecified distributed generation facilities, was rejected as being incomplete.

The Staff report concludes that Virginia Power should be permitted to construct the units subject to some restrictions. First, the Staff recommends that in its earnings tests filings for the period 2000-2006 the Company should use the same annual fixed revenue requirements for the units as it used in its bid analysis, rather than the actual revenue requirements associated with the units. Second, the Staff recommends that Virginia Power be directed to account separately for the fixed costs of the units to facilitate appropriate accounting adjustments.

NOW THE COMMISSION, having considered the Staff's report, the pleading filed in response, the record herein and the applicable statutes and rules, is of the opinion and finds that Virginia Power has complied with the directives of the Order, has conducted a solicitation for competitive bids to supply the identified capacity need for July 2000, and has appropriately analyzed the bids received. Because the Company retains the obligation to serve within its designated service territory, and we are convinced from the record that additional capacity is needed by the Summer of 2000, we will permit Virginia Power to construct the units.

We are also convinced upon the record before us that the Company now has, and will continue to have, the ability to exercise market power over the generation and supply of electricity in a large portion of the Commonwealth. The Commission finds that while Virginia Power has developed an economical and efficient program for meeting its identified capacity needs, the program increases the Company's market power and makes generation competition more difficult and less likely to develop. The Company should continue to negotiate with bidders to fulfill the remaining 264 MW increment of capacity necessary for delivery by July 2000 and continue to consider all offers received for capacity to be delivered in 2001 and 2002. Virginia Power has indicated that it will obtain all capacity for these later years from the market and doing so should serve to retard its ability to exercise market power to a degree. We direct the Company to take promptly all steps necessary to secure market supplied capacity for delivery in 2001 and 2002.

The conditional authority to make expenditures for construction of generating facilities, granted in our Order of January 14, 1999, should be, and is, made final and the Company is authorized to make such expenditures for its construction of the units in Fauquier County.

We are granting these certificates of public convenience and necessity reluctantly, as we believe the record demonstrates that the Company now has substantial market power over the provision of electric utility service within its current service territory, and will continue to possess such market power for the foreseeable future.

The 1999 Session of the Virginia General Assembly enacted the Electric Utility Restructuring Act ("Act"),[1] which will bring sweeping changes in the structure of the Commonwealth's electric utility industry. The new law[2] will set aside the policy that required the Commission to establish and protect the integrity of the service territories within which the Commonwealth's electric utilities provided integrated electric service, i.e., the combined generation, transmission and distribution of power to Virginians. In exchange for service territory protection, those utilities were obligated to serve, at regulated rates, any and all customers within those areas that desired service.

The new law opens the generation market and foresees competition as the prime regulator of the price of the generation component of electricity. For the law to work as intended, there must be many generators or other suppliers ready and able to provide the electricity needs of customers, and willing to compete for business on the basis of price, service, or other factors. If competition is to establish prices in a fair and reliable manner, there must be competitors in the field.

The Act establishes the timeframe within which and many of the conditions upon which the Commission is directed to manage the transition from rate-regulated to market-regulated utility service. We believe that, all things being equal, the new public policy of the Commonwealth would favor the awarding of the contracts to supply the required generating capacity to entities other than Virginia Power. Doing so would establish the presence of other generation suppliers within the Commonwealth as the transition from regulated to competitively priced generation of electricity is made.

But, we cannot find that all things are equal in this case. Virginia Power did not solicit bids in a timely manner as required by the Bidding Rules. The solicitation that it made pursuant to our Order of January 14, 1999, did not develop bids superior to its planned construction. Under this unfortunate constraint, Virginia Power's proposal provides the best price to supply the necessary capacity in a timely and reliable manner. We are granting the Company certificates of public convenience and necessity under the Utility Facilities Act[3] to construct the units *because the convenience of the public* makes it necessary for Virginia Power to do so. We have found that the units are needed to meet the service needs of customers that currently are served by Virginia Power. We will also adopt the recommendations from the Staff report referenced above.

The Act will authorize the Commission to take certain actions necessary to mitigate market power. Incumbent electric utilities should be on notice that the Commission will take all necessary actions to mitigate market power, to ensure that the operation of the generating units of incumbent utilities will not inhibit the development of competition within the Commonwealth, and to carry out the purposes of the new law.

On May 12, 1999, the Commission received a filing from the Piedmont Environmental Council ("Piedmont"), requesting leave to intervene and to participate as protestants herein. The record indicates that the Company published appropriate public notice of its application and the hearing herein. We will deny this motion because it was received well after the filing date and the noticed hearing. Further, the record includes, as part of our compliance with § 56-46.1, a letter from the Department of Environmental Quality ("DEQ"), stating that DEQ coordinated a review of the project by all affected state agencies and localities and that none of the reviewing entities objected to the proposed project. The DEQ letter does not constitute that agency's approval of construction, however, so Piedmont may raise its arguments regarding air quality to the DEQ in the permitting process there. Piedmont has not shown good cause to permit its belated entry into the proceedings before us.

As stated, we are approving the construction of the units so that needs of customers now served by Virginia Power can be timely and reliably met in the future, and we may impose conditions upon their future operation that become necessary to ensure that our approval is not detrimental to the development of competition, as directed by the General Assembly.

Accordingly, IT IS ORDERED THAT:

(1) Virginia Power is authorized to construct four combustion turbine generating units at its location in Fauquier County, Virginia, named in its application, pursuant to Code § 56-265.2;

(2) Virginia Power's authorization, pursuant to Code § 56-234.3, to make financial expenditures for said construction, granted conditionally in the Commission's Order of January 14, 1999, is made final;

(3) Virginia Power shall use the annual fixed revenue requirements set out in the Staff report for purposes of its earnings test filings for the period 2000-2006, and shall account separately for the fixed costs of the units to facilitate appropriate accounting adjustments;

(4) The Motion to Intervene and Request to Participate as Protestants filed by Piedmont is denied; and

(5) There being nothing further to come before the Commission in this proceeding, this case shall be removed from the docket and the papers transferred to the file for ended causes.

---

[1] Section 56-576 et seq. of the Code of Virginia, effective July 1, 1999.

[2] The 1998 Session of the General Assembly began the Commonwealth's course toward a competitive retail market for electricity in enacting HB 1172.

[3] Section 56-265.1 et seq. of the Code of Virginia.

CASE NO. PUE980602
APRIL 15, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

v.

ROBERT A. WINNEY, Social Security No. 123-32-9127, D/B/A THE WATERWORKS COMPANY OF FRANKLIN COUNTY,
Defendant

JUDGMENT

The Commission's Order Making Findings, Directing Refunds, and Suspending Judgment was filed in this proceeding on December 22, 1998. As set out in that Order, the Commission found that Robert A. Winney, d/b/a The Waterworks Company of Franklin County, ("Winney") had failed to apply prescribed rates and charges and had failed to make refunds ordered by the Commission. As provided by § 12.1-33 of the Code of Virginia, the Commission fined Winney $2,500.00 for failing to comply with provisions of the Code of Virginia and to obey orders of the State Corporation Commission. Entry of judgment for this fine was suspended on condition that Winney make refunds to his customers on or before February 5, 1999.

On March 11, 1999, the Commission's Staff Motion Initiate Further Proceedings or Entry of Judgment was filed. According to the Staff, Winney had failed to comply with the refund provisions of our Order of December 22, 1998. Winney filed a response to the Staff motion on March 18, 1999.

Upon consideration of the record developed in this proceeding, the Staff motion, and Winney's response, the Commission finds that Winney has failed to comply with the refund provisions of our Order of December 22, 1998. Our December 22 Order provided redress to customers in two situations. As previously authorized by the Commission, lot owners not connected to the water system are subject to an annual availability charge. By order of February 27, 1998, in another proceeding, the Commission reduced the availability charge and directed a refund of $35.33 to customers. The refund was to be made by March 18, 1998, but the date was later extended to July 15, 1998, in response to Winney's pleas of financial hardship. The record made at our December 3, 1998 hearing in this proceeding established that the refund had not been made. We ordered Winney to issue refund checks by February 5, 1999, and file a report of the refunding, including the names of customer and the refund check number, by February 17, 1999. In his response to the Staff's motion, Winney conceded that he did not make the refunds as we expressly directed. He stated the bills for 1999 were credited by the refund amount, but he provided no means of verifying or auditing this representation.

Our Order of December 22, 1998, also addressed Winney's systematic overbilling and misbilling for water service during 1998. The record made at the December 3 hearing established numerous instances of overbilling, and Winney did not appear to present testimony or documents to show otherwise. As with the availability charge refund, we directed Winney to issue by February 5, 1999, refund checks for overpayments and to file a report of payments, including refund check numbers and amount, by February 17, 1999. Winney did not file the required report with the Commission. He now contends in his response to the Staff motion that no refunds were due. Such a post-hearing claim cannot refute the evidence of improper billing made at the December 3 hearing.

The record establishes a pattern of continued, systematic violation of the Commission's orders and applicable provisions of the Code of Virginia. Allegations of financial distress, even if true, do not excuse Winney from complying with Commission's orders and applicable provisions of law. The Code of Virginia and the policies and procedures adopted by this Commission to implement these provisions of law provide avenues for securing rate relief that carefully balance the interests of consumers and the utilities. Under these circumstances, the Commission finds that judgment for the full amount of the suspended fine should be imposed. Accordingly,

IT IS ORDERED THAT:

(1) Judgment in the amount of $2,500.00 be entered in favor of the Commonwealth against Robert A. Winney, Social Security No. 123-32-9127, 430 Windtree Drive, Moneta, Virginia 24121-3106.

(2) The judgment shall bear interest at the judgment rate of interest fixed by law from this date, provided that interest will be waived if the judgment is paid in full on or before May 10, 1999, to the Clerk, State Corporation Commission, P.O. Box 1197, Richmond, Virginia 23218-1197.

(3) The Office of General Counsel and the Commission Comptroller are directed to take all measures provided by law to collect this judgment, including, but not limited to, recording the judgment; pursuing remedies provided by the Virginia Debt Collection Act, §§ 2.1-726 through 2.1-735 of the Code of Virginia; and making claim to any state income tax refund as provided by the Setoff Debt Collection Act, §§ 58.1-520 through 58.1-535 of the Code of Virginia.

(4) Insofar as is practicable, the Office of General Counsel shall mail a copy of this order to every customer of the Waterworks Company of Franklin County.

(5) This case be dismissed from the Commission's docket.

CASE NO. PUE980621
SEPTEMBER 17, 1999

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

FINAL ORDER

On October 1, 1998, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against NOCUTS, Inc. ("NOCUTS", "the Company", or "the Defendant"), alleging that NOCUTS violated §§ 56-265.19 A and D of the Underground Utility Damage Prevention Act, Chapter 10.3 (§ 56-265.14 et seq.) of Title 56 of the Code of Virginia (hereafter "the Act").

Specifically, the Rule alleged that NOCUTS, acting on behalf of Columbia Gas of Virginia, Inc. ("Columbia"), caused damage to a one-half inch gas service line operated by Columbia, located at or near 210 Church Street, Fredericksburg, Virginia, by: (i) failing to mark the approximate horizontal location of the underground utility line on the ground to within two feet of either side of the underground utility line; (ii) failing to mark the approximate horizontal location of the underground utility line no later than forty-eight hours after receiving notice from the notification center; and (iii) failing to report whether the location of the underground utility line was marked or clear to the notification center's excavator-operator information exchange system as required by §§ 56-265.19 A and D of the Code of Virginia. The Rule appointed a Hearing Examiner to the matter, directed the Company to respond to the Rule by October 21, 1998, and to appear before the Commission's Hearing Examiner on January 13, 1999, to show cause why it should not be penalized pursuant to § 56-265.32 of the Code of Virginia for the alleged violations.

In its Answer of October 21, 1998, the Defendant admitted, among other things, that it failed to mark the location of the underground pipeline within forty-eight hours after receiving notice of an intent to excavate from the notification center. NOCUTS denied that the failure to mark the facility within the designated time caused the damage described in the Rule. The Company maintained that the damage occurred after the facility was marked, and that the damage to the facility could not have been caused by its failure to mark the facilities within the time prescribed by statute.

On November 13, 1998, and December 18, 1998, the Commission's Staff ("Staff") moved to amend the October 1, 1998, Rule. In his Rulings of November 24, 1998, and January 7, 1999, the Hearing Examiner granted the Staff's motion to amend the October 1, 1998, Rule.

As amended, the Rule alleges that:

> (1) NOCUTS, acting on behalf of Columbia Gas of Virginia, Inc., failed to mark the approximate horizontal location of the underground utility line located at or near 210 Church Street, Fredericksburg, Virginia, on the ground to within two feet of either side of the underground utility line in violation of Sections 56-265.19 A and D of the Code of Virginia;
>
> (2) NOCUTS, acting on behalf of Columbia Gas of Virginia, Inc., failed to mark the underground gas line located at or near 210 Church Street, Fredericksburg, Virginia, within forty-eight hours after receiving notice from the notification center in violation of Sections 56-265.19 A and D of the Code of Virginia; and
>
> (3) NOCUTS, acting on behalf of Columbia Gas of Virginia, Inc., failed to report whether the location of the underground utility line located at or near 210 Church Street, Fredericksburg, Virginia, was marked or clear to the notification center's excavator-operator information exchange system as required by Sections 56-265.19 A and D of the Code of Virginia.

The Hearing Examiner's November 24, 1998, Ruling permitted NOCUTS to file an Amended Answer to the Amended Rule to Show Cause on or before December 11, 1998. On December 11, 1998, the Defendant filed its Amended Answer to the Amended Rule to Show Cause.

During the oral argument held on January 13, 1999, to consider Staff's Motion to compel NOCUTS to produce a document, the Hearing Examiner continued the hearing of the proceeding to March 30, 1999.

The hearing began on March 30, 1999. Anthony Gambardella, Esquire, Michael J. Quinan, Esquire, and Elizabeth Niles, Esquire, appeared as counsel for NOCUTS. Sherry H. Bridewell, Esquire, and Philip R. de Haas, Esquire, appeared as counsel for the Staff. Staff and the Company filed simultaneous post-hearing briefs on May 6, 1999.

On June 22, 1999, the Hearing Examiner issued his Report in this matter. In his Report, the Hearing Examiner found that:

> (1) NOCUTS failed to mark the location of the underground gas line located at 210 Church Street, Fredericksburg, Virginia, within the time required by Section 56-265.19 of the Code of Virginia;
>
> (2) NOCUTS failed to mark within two feet of either side of the location of the underground gas line at 210 Church Street, Fredericksburg, Virginia, as required by Section 56-265.19 of the Code of Virginia;
>
> (3) NOCUTS failed to report no later than forty-eight hours to the notification center's excavator-operator information exchange system that the location of the utilities at 210 Church Street had been marked;
>
> (4) Pursuant to Section 56-265.32 of the Code of Virginia, NOCUTS should be assessed a civil penalty of $2,500 for each violation, for a total of $7,500; and

(5) Pursuant to Rule 20 VAC 5-309-50 B of the Commission's Rules for Enforcement of the Underground Utility Damage Prevention Act, the Commission should order NOCUTS to:

a. Provide adequate training to its locators,

b. Develop and follow a contingency plan to manage work load fluctuations, and

c. Use utility company records that will assist in locating underground utilities.

The Hearing Examiner recommended that the Commission enter an order adopting his findings and dismissing the case from the Commission's docket of active proceedings. He invited the parties to file Comments to his Report within fifteen (15) days from the date of its issuance.

On July 7, 1999, NOCUTS, by counsel, filed its Comments to the June 22, 1999, Hearing Examiner's Report. In its Comments, among other things, the Company asserted that the evidence as a whole failed to establish that NOCUTS violated any recognized standard or practice in the locating industry. It also objected to the recommendations issued in the Report, because, it maintained, the evidence did not establish that NOCUTS failed to exercise reasonable care and because the Company had already taken specific voluntary measures to improve the quality of its performance.

NOW UPON CONSIDERATION of the record, the Hearing Examiner's Report, and the Comments thereto, the Commission is of the opinion and finds that there is clear and convincing evidence that NOCUTS, Inc., violated §§ 56-265.19 A and D of the Underground Utility Damage Prevention Act as a result of its failure to exercise reasonable care. The findings and recommendations of the June 22, 1999, Hearing Examiner's Report are hereby adopted, subject to the modifications and clarifications set out below.

Section 56-265.19 A requires an operator to conduct several discrete acts, i.e., (i) to mark the approximate horizontal location of the underground utility line on the ground to within two feet of either side of the underground utility line by means of stakes, paint, or flags; (ii) to do so no later than forty-eight hours after receiving notice from the notification center; and (iii) to report no later than forty-eight hours that the location of the underground utility lines has been marked to the notification center's excavator-operator information exchange system. This statute further provides for an extension of time to mark the location of underground utility lines when extraordinary circumstances exist. "Extraordinary circumstances" are defined by § 56-265.15 of the Act to mean "floods, snow, ice storms, tornadoes, earthquakes, or other natural disasters." Subsection D of § 56-265.19 extends the operator's duties set out in the Act to any contract locator acting on behalf of an operator. It subjects contract locators to the liabilities in § 56-265.25 and the civil penalties in § 56-265.32 of the Code of Virginia when they fail to perform the duties imposed by the Act.

The failure of NOCUTS to perform any one of the actions mandated by § 56-265.19 A, could, upon a showing that the Company failed to exercise reasonable care, result in the imposition of penalties pursuant to § 56-265.32 A of the Code of Virginia. "Reasonable care" is a relative term, and varies with the nature and character of the situation to which it is applied. The amount or degree of diligence and caution necessary to constitute reasonable care depends upon the circumstances and the particular factual context of each case. Perlin v. Chappell, 198 Va. 861, 864 (1957). While the custom of a business may provide evidence of the exercise of reasonable care, it is not necessarily conclusive of what reasonable care would demand in a particular case. See, Keith v. Clinchfield Coal Corp., 189 Va. 592, 600 (1949).

The chronology of events that gave rise to the violations of §§ 56-265.19 A and D is undisputed. Columbia, formerly known as Commonwealth Gas Services, hired NOCUTS to serve as its contract locator to locate Columbia's underground utility lines. On May 11, 1998, One Number Information Systems, Inc., the operator of the notification center's excavator-operator information exchange system, transmitted a ticket to NOCUTS, Columbia's contract locator. This ticket informed the Company that Bill Knisley, the homeowner and excavator, intended to drive ground rods at 210 Church Street in Spotsylvania County, Virginia. NOCUTS, along with certain utilities, was instructed by the ticket to "[m]ark all utilities behind the house - mark on patio and around the air conditioner and a 6 feet radius around the meter at 210 Church Street". Ex. PT-1. The expiration date for the forty-eight hour statutory deadline to mark 210 Church Street was identified on the ticket - May 13, 1998, at 7:32 a.m.

NOCUTS received the ticket from the notification center on May 11, 1998, at 7:51 a.m. The Defendant was responsible for marking cable television, telephone, and gas underground utility lines for Cable Vision of Fredericksburg, Bell Atlantic-Virginia, Inc., and Columbia, respectively. The ticket to mark 210 Church Street was picked up by a courier service from NOCUTS' Richmond office at 5:30 p.m. on May 11, and transported to NOCUTS' Fredericksburg, Virginia drop box along with other tickets received that day. The ticket was assigned to NOCUTS' locator Marion Dean, also known as Johnny Dean, at approximately 7:00 a.m. on May 12, 1998. At the time Mr. Dean received the ticket to mark 210 Church Street, he was approximately 30 tickets behind. Mr. Dean testified that his workload was and had been heavier than usual for some time.

On May 12, 1998, at 3:11 p.m., Pam Anderson, an employee at NOCUTS' Richmond office, left a message on Mr. Knisley's answering machine, requesting an extension of time in which to mark the 210 Church Street address. According to former NOCUTS' employee Cathy Ruppe, NOCUTS would request extensions from excavators and the Ticket Information Exchange ("TIE") System for more than 100 of the 700 tickets she saw every day. No additional effort was made to contact Mr. Knisley, the homeowner and excavator, to determine whether he agreed to the extension. The notification center's TIE system was notified that an extension was requested. Mr. Robert Worthy, a former employee of One Number Information Systems, testified that it was not uncommon for NOCUTS to request an extension of time to conduct its locates and, in comparison with other locators with which he was familiar, the Defendant made more requests for extensions than other locators. Mr. Worthy testified that the Defendant sought extensions for half of the tickets it received.[1]

On May 14, 1998, Mr. Dean arrived at 210 Church Street to mark and locate the underground utility lines, more than twenty-four hours after the deadline set by the Act and shown on the ticket. There, the record reflects, he observed a metal riser protruding through the patio at the rear of the house. He did not consult Columbia's service card for this address, which was available at Columbia's nearby office.[2] Mr. Dean carried maps and plats, which

[1] The extensions requested by NOCUTS were in violation of the Act. The Act only allows extensions for "extraordinary circumstances", a term explained on page 6, supra. NOCUTS' extension requests were a result of inadequate staffing to handle the volume of incoming tickets.

[2] Columbia's service card for 208 Church Street correctly showed the location of the underground natural gas service line, which ran toward the left rear of the house at 210 Church Street. The service card for 210 Church Street indicated that the natural gas service line for that address was a plastic underground line.

showed the location of the main gas line running under the street, when locating for Columbia, but did not carry the service card, which would have shown the location of the underground natural gas service line from the main to the residence.

Mr. Dean prepared a record, called a manifest, of what he located and how long it took him to conduct his locates at 210 Church Street. According to the manifest, he spent 11 minutes locating and marking the gas, telephone, and cable television underground utility lines at the site.

Mr. Dean called the NOCUTS' Richmond office to bill Columbia for the ticket at 2:00 p.m. from a payphone. NOCUTS' computer attempted to call the notification center's TIE system at 2:13 p.m. on May 14, 1998, but could not access the system to report 210 Church Street as marked or clear. The Defendant had taken more than seventy-two hours, and the fifteen minute grace period programmed into the TIE system computer, to respond to the TIE. The notification center's computerized TIE system incorporated the calling requirements set out in § 56-265.19 A to accommodate responses to the TIE, including responses made for "extraordinary circumstances". Since NOCUTS called after forty-eight hours (in fact, after seventy-two hours) and was not faced with any "extraordinary circumstances" to justify its delayed contact, its call to report that 210 Church Street had been marked could not be accepted by the TIE system.

The manifest indicates that Mr. Dean marked Columbia's underground gas line as extending toward the right rear of the house at 210 Church Street. Columbia's service card for 210 Church Street refers to the card for 208 Church Street. The service card for 208 Church Street indicates that the underground gas line to 210 Church Street was a split service between 208 and 210 Church Street, running toward the left rear of the house at 210 Church Street. In this case, the service card for 208 Church Street correctly indicated the location of the underground split service line between 208 and 210 Church Street and correctly identified the service line as plastic.

Mr. Dean assumed, without verification, that the underground gas line to 210 Church Street was steel, and so he located the line by clipping his locating device onto the steel riser. Mr. Dean acknowledged in his testimony that he could not have successfully located a plastic underground gas line by clipping to the steel riser. To locate a plastic underground line, the locating device is connected to the tracer wire installed with the plastic wire to get a signal for marking.

Mr. Knisley, the excavator and homeowner of the 210 Church Street residence, drove a grounding rod at 210 Church Street on May 15, 1998, piercing a 1/2-inch plastic gas service line owned by Columbia in an area of the backyard that had not been marked by NOCUTS. On May 16, 1998, at 7:18 a.m., a natural gas explosion occurred at the 210 Church Street address. Mr. Knisley was injured and subsequently died.

If Columbia had not contracted with NOCUTS or another contract locator to locate Columbia's underground natural gas lines, Columbia would have had to locate its underground natural gas lines itself. Testimony from two Columbia employees with locating experience provided evidence of what a reasonable person should have done under the circumstances applicable to this case. Columbia employee Eric Thomas testified that the appropriate actions for a locator, upon seeing a steel riser coming up through a patio with no visible tracer wire, would be to check the service card to see if the line was plastic, and then, if the line was plastic, to dig the service line up at the riser to try to expose the tracer wire.[3] Tr. at 234-35.

Columbia employee Dale Knicely, a locator having nine years of experience,[4] corroborated the importance of consulting the service card when locating an underground gas utility line. Tr. at 258. He testified that, as an experienced locator, if he had arrived on site for a locate and had seen a patio with a steel riser without a tracer wire, he would have called the Columbia shop for a service card to verify whether the underground wire was steel or plastic and would have hand-dug the gas line from the riser to where it turned into plastic. Tr. at 263. Before Mr. Knicely conducted his locate after the incident, a Columbia crew, after consulting the service card, had already exposed the underground gas line so that Mr. Knicely could hook his locating device to the tracer wire, and successfully locate Columbia's gas line at 210 Church Street. Tr. at 274, 281.

Columbia employee Eric Thomas also identified the service head adapter, a device located on the riser used to keep the plastic service line from leaking gas at the point of connection with the riser. The presence of the service head adapter enables a person to identify whether an underground service line is plastic or steel. Tr. at 236, 242.

In this case, the evidence indicates the service head adapter was above ground and clearly visible on the riser at 210 Church Street. Tr. at 236-37, 612-13. Ex. DS-7. However, NOCUTS' locator had not been sufficiently trained by the Company to recognize the service head adapter as an indicator of a plastic gas line and failed to use the presence of the service head adapter to perform a proper locate for the plastic service line.[5] Tr. at 613-14.

---

[3] A locator cannot hook to a steel riser without a tracer wire and get an accurate signal if the underground service line is plastic because there is no way to pass the radio signal from the locating device through the plastic line. Tr. at 243.

[4] There appears to be little factual basis for NOCUTS' assertion at footnote 2, page 6 of its Comments, that Mr. Knicely was a "troubleshooter". Mr. Knicely testified that his job for the past nine years was as a line locator for Columbia.

[5] At page 9 of its Comments, NOCUTS asserts that if Columbia wanted NOCUTS to use the presence of its coupler for plastic services as an identifying mark to signal the presence of a plastic gas line, then the Company would have expected Columbia to have acquainted NOCUTS with the appearance of this coupler and its purported significance. Staff witness Hotinger testified that service head adapters are used generally by gas utilities to protect plastic piping from degradation by the environment and to allow a connection to steel piping. Tr. at 612-13.

In addition, Columbia's service cards are important Company records. NOCUTS' contract with Columbia, then known as Commonwealth Gas Services, Inc., required NOCUTS to locate underground facilities by use of locating devices capable of identifying the underground facilities within a required range of accuracy or by use of Columbia's maps and records, which, Columbia employee Duren testified, included service cards.

NOCUTS' attempt to blame Columbia for NOCUTS' failure to train its employees properly is a misguided attempt to avoid the dictates of the Act. Section 56-265.19 D mandates that a contract locator is required to perform the same duties as an operator. If NOCUTS was ignorant of the importance of service cards and service head adapters, then it should not have undertaken to act as Columbia's, the natural gas operator's, contract locator charged with locating underground natural gas lines. The Act forecloses NOCUTS' specious attempt to shift blame to Columbia.

The Defendant also failed to follow its own procedures in locating the underground gas line at 210 Church Street and failed to provide a copy of its locating procedures to its employee, or to properly train him with regard to these procedures. NOCUTS' training manual for locators requires NOCUTS' locators to mark within the time prescribed by state law, i.e., in Virginia, 48 hours from the time of notification by the notification center. The manual also requires that Company locators use the maps and drawings from utilities to obtain an "enormous quantity of information about the presence and position of buried pipes and cables." Ex. GR-18 at 3. Tr. at 470. It requires Company locators to acquire and use all knowledge of plant (record drawings and accumulated knowledge). Ex. GR-18, Section 1: Overview at 3. The training manual further directs NOCUTS' locators to "VERIFY NOT ASSUME". Ex. GR-18, Section 1: Overview at 3.

NOCUTS' training manual establishes techniques that the Company asserts should be employed before and during a locate. NOCUTS' locator failed to follow several critical procedures detailed in this training manual when he was performing his locate at 210 Church Street, Fredericksburg, Virginia. He failed to consult the service card for the location he was to mark; he failed to mark within 48 hours of NOCUTS' receipt of notification from the notification center; and he failed to verify the type of gas line he was marking at 210 Church Street. In fact, Mr. Dean, NOCUTS' locator, was never provided a training manual by NOCUTS or made aware of the procedures contained therein. Only new locators hired by NOCUTS after 1995 were made aware of these Company objectives and requirements for locates. Tr. at 486-87. Mr. Dean was hired in 1990. Tr. at 345, 487.

We agree with the Hearing Examiner that during the time of the incident, NOCUTS had inadequate personnel and failed to seek assistance with its workload. Mr. Dean, NOCUTS' locator, testified that he had been carrying a heavy workload for most of 1998. NOCUTS did not fill its vacant locator positions until July or August of 1998, and the Company never requested Columbia's assistance to get its work done. The Defendant's inadequate staffing, its improper dependence on routine extensions to complete work, and its failure to take timely measures to mitigate its staffing problems all point to a failure to exercise reasonable care to discharge its obligations under the Act. NOCUTS' lack of staffing contributed to its failure to mark the underground gas line at 210 Church Street by no later than 48 hours and its failure to report "marked or clear" to the notification center's excavator-operator information exchange system by no later than 48 hours. These failures are clearly violations of §§ 56-265.19 A and D that result from failure to exercise reasonable care.

Further, we agree with the Hearing Examiner that NOCUTS: (i) failed to mark the approximate horizontal location of the underground utility line located at or near 210 Church Street, Fredericksburg, Virginia, within two feet of either side of the underground utility line by means of stakes, paint, or flags, (ii) failed to mark the underground utility line no later than 48 hours after receiving notice from the notification center, and (iii) failed to report whether the location of the underground utility line located at 210 Church Street was marked or clear to the notification center's excavator-operator information exchange system, all as a result of a failure to exercise reasonable care. Therefore, we will affirm his recommendation to impose a penalty of $7,500, for these three violations. However, the Order of Settlement entered on July 2, 1999, in Commonwealth of Virginia, ex rel. State Corporation Commission v. NOCUTS, Inc., Defendant, Case Nos. PUE970508 et al., Doc. Control Center No. 990710043, already requires NOCUTS to undertake the remedial relief recommended by the Hearing Examiner in this proceeding. Consequently, we will not adopt the Hearing Examiner's recommendation regarding further remedial relief.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the June 22, 1999, Hearing Examiner's Report are hereby adopted, except as modified and clarified herein.

(2) Pursuant to § 56-265.32 A of the Code of Virginia, a civil penalty of $7,500 shall be imposed on NOCUTS for the three violations described herein of §§ 56-265.19 A and D of the Code of Virginia resulting from the Defendant's failure to exercise reasonable care.

(3) 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. PUE980625
JUNE 2, 1999

APPLICATION OF
C & P ISLE OF WIGHT WATER COMPANY

For certificates pursuant to § 56-265.2 and § 56-265.3 D of the Code of Virginia

FINAL ORDER

On July 13, 1998, C & P Isle of Wight Water Company ("C & P" or "the Company") filed an application, pursuant to § 56-265.2 of the Code of Virginia, requesting a certificate of public convenience and necessity to acquire water facilities in the Queen Anne's Court subdivision; to construct water facilities for the Cedar Grove/Quail Meadows area of the Brewer's Creek subdivision; and to construct water facilities for the Carrollton Meadows area of the Ashby subdivision in Isle of Wight County, Virginia. In addition, the Company requested authority, pursuant to § 56-265.3 D of the Code of Virginia, to amend its current certificate of public convenience and necessity (Certificate No. W-283a) to include the above-referenced areas in its service territory. Finally, the Company requested that it be relieved from its obligation to maintain separate usage and cost information for each of its water systems and to provide such information to the Commission on an annual basis.

In an order dated October 9, 1998, the Commission, pursuant to the Company's request, severed the Company's application to acquire water facilities in the Queen Anne's Court subdivision from matters addressed in this proceeding; specifically, matters concerning the Company's application to construct water facilities and serve the Cedar Grove/Quail Meadows and Carrollton Meadows areas.

In an order issued on November 4, 1998, the Commission directed the Company to give public notice of its application; to provide interested persons with an opportunity to comment and request a hearing; and directed its Staff to conduct an investigation of the matter and file a report detailing its findings and recommendations.

By letter dated December 17, 1998, the County of Isle of Wight ("the County"), through its Director of Public Utilities, objected to the granting of a certificate of public convenience and necessity for C & P to provide water service to Carrollton Meadows and requested a hearing on the matter. Pursuant to the County's request, the Commission issued an order on February 5, 1999, scheduling the matter for hearing on March 4, 1999.

On the appointed day, a hearing was conducted before Hearing Examiner Michael D. Thomas. Counsel appearing were Robert W. Jones, Jr., Esquire, for the Company; Robert M. Gillespie, Esquire, for the Commission's Staff; and H. Woodrow Crook, Jr., Esquire, for the County.

The only issue at the hearing was whether C & P should be permitted to construct water facilities and expand its service territory into the Carrollton Meadows portion of the Ashby subdivision. It was the Company's and Staff's position that C & P should be authorized to construct such facilities and provide service because it could provide such service at lower cost, provide water that currently meets all state and federal water quality standards,[1] and provide capacity that meets the requirements of the entire Carrollton Meadows area.

It was the County's position that C & P's application should not be approved as the County was already serving the Carrollton Meadows area pursuant to an agreement with the developer. In addition, the County maintained that, although its system did not meet current state standards for fluoride content, a proposed Consent Order between the County and the Virginia Department of Health, Office of Water Programs ("VDH-OWP"), would provide a suitable timetable for bringing the system into compliance with state standards. The County also maintained that it had entered into an agreement with the Western Tidewater Water Authority to purchase treated groundwater from Suffolk that would meet all current state and federal water quality standards. The County stated that it was in the process of constructing a one million-gallon elevated storage tank and a transmission line that would connect the County's water system with that of the City of Suffolk. Upon completion of such construction,[2] the County would have the capacity to provide service to the entire Carrollton Meadows area.

On April 12, 1999, the Hearing Examiner filed his Report. In that Report, the Examiner found that:

(1) The Company's application should be granted in part and denied in part;

(2) The Company's application for a certificate of public convenience and necessity to construct water facilities in the Cedar Grove/Quail Meadows area of the Brewer's Creek subdivision should be granted;

(3) The Company's application to amend its service territory to include the Cedar Grove/Quail Meadows area of the Brewer's Creek subdivision should be granted;

(4) The Company's application for a certificate of public convenience and necessity to construct water facilities for the Carrollton Meadows area of the Ashby subdivision and its application to amend its service territory to include this subdivision should be denied; and

(5) The Company's request to be relieved from its obligation to maintain separate usage and cost information for each of its water systems and to provide such information to the Commission on an annual basis should be denied.

The Examiner recommended that the Commission enter an order adopting the findings in his Report; granting the Company its requested authority consistent with the above referenced findings; and dismissing this case from the Commission's docket of active cases.

In his discussion of the issue of the Carollton Meadows portion of the application, the Examiner found that the "public interest" would not be served by granting the Company its requested authority. He noted that the County was already serving that area and that the proposed construction was unwarranted as there were no additional customers currently requiring water service. In addition, the proposed construction of facilities could be detrimental to existing customers if such customers were required to absorb the costs without the benefit of having a corresponding revenue offset.

On May 3, 1999, the Company, by its counsel, filed Comments on the Hearing Examiner's Report. It its Comments, the Company objected to the Examiner's finding and recommendation denying C & P's application for a certificate to construct water supply facilities for the Carrollton Meadows area and to amend its certificate to include that area in its service territory. The Company noted that, as of the date of its pleading, the County had not negotiated a consent order with VDH-OWP and currently lacked the capacity to provide service to the entire Carrollton Meadows area.

NOW THE COMMISSION, having considered the Examiner's Report, the record, pleadings, and applicable law, is of the opinion that the Examiner's findings and recommendations are proper and should be adopted. We agree that the public convenience and necessity requires that C & P be granted a certificate of public convenience and necessity to construct water facilities in the Cedar Grove/Quail Meadows area of the Brewer's Creek subdivision and that it is in the public interest for C & P to provide water service to such area.

We do not believe that such is the case for the Carrollton Meadows area of the Ashby subdivision. The record in this proceeding shows that the County has the capacity, within Virginia Department of Health guidelines, to serve an additional twenty-two (22) connections. The Carrollton Meadows subdivision currently has five (5) houses under construction. The County is therefore capable of meeting existing demands for water service. We will therefore deny C & P's application for such certificates consistent with the Examiner's recommendation. Accordingly,

IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner as detailed herein are hereby adopted.

(2) Certificate No. W-283a is hereby canceled.

---

[1] The record reflects that the County's Carisbrooke Well serving Carrollton Meadows may exceed the current state requirements for fluoride.

[2] The construction of the storage tank and transmission line is due to be completed by July 2000.

(3) C & P Isle of Wight shall be granted an amended certificate of public convenience and necessity, Certificate No. W-283b, authorizing it to provide water service to those areas previously authorized in Certificate No. W-283a as well as to the Cedar Grove/Quail Meadows subdivision of the Brewer's Creek subdivision.

(4) The Company is hereby authorized to construct water facilities in the Cedar Grove/Quail Meadows area of the Brewer's Creek subdivision.

(5) The Company shall continue to maintain separate usage and cost information for each of its water systems and provide such information annually to the Commission's Division of Public Utility Accounting.

(6) Since there is nothing further to be done in this matter, it is hereby dismissed from the Commission's docket of active cases and the papers placed in the file for ended causes.

CASE NO. PUE980625
JUNE 10, 1999

APPLICATION OF
C & P ISLE OF WIGHT WATER COMPANY

For certificates pursuant to § 56-265.2 and § 56-265.3 D of the Code of Virginia

AMENDING ORDER

On June 2, 1999, the Commission issued a Final Order in the above-captioned proceeding which, among other things, granted C & P Isle of Wight Water Company ("C & P" or "the Company") an amended certificate of public convenience and necessity authorizing it to provide water service to those areas previously authorized, as well as to the Cedar Grove/Quail Meadows subdivision of the Brewer's Creek subdivision. In ordering paragraph (3) of that Order, the amended certificate was incorrectly referenced as Certificate No. W-283b. The correct reference should be Certificate No. W-283c since C & P's certificate was previously amended in Case No. PUE980368[1] to reflect the addition of the Queen Anne's Court subdivision in C & P's service territory.

NOW THE COMMISSION, having considered the matter, is of the opinion that our June 2, 1999, Final Order in this proceeding should be amended to reflect the correct amended certificate number. Accordingly,

IT IS ORDERED THAT:

(1) Ordering paragraph (3) of our June 2, 1999, Order is hereby amended as follows:

> (3) C & P Isle of Wight shall be granted an amended certificate of public convenience and necessity, Certificate No. W-283c, authorizing it to provide water service to those areas previously authorized in Certificate No. W-283b as well as to the Cedar Grove/Quail Meadows subdivision of the Brewer's Creek Subdivision.

(2) All other provisions of our June 2, 1999, Order shall remain in full force and effect.

[1] In an Order issued on May 5, 1999, in Case No. PUE980368, the Commission issued C & P Certificate No. W-283b authorizing the Company to include the Queen Anne's Court subdivision in its service territory.

CASE NO. PUE980626
SEPTEMBER 15, 1999

APPLICATION OF
ROANOKE GAS COMPANY

For general increase in rates and to revise its tariff

FINAL ORDER

On September 30, 1998, Roanoke Gas Company ("Roanoke" or the "Company") filed an application requesting additional operating revenues of $877,527, based on a test year ending June 30, 1998, and a return on equity of 10.7%. The Company stated that the rate increase was needed to cover the costs of its safety and service obligations, and to recover the capital costs related to replacing its aging distribution system. Roanoke requested that its proposed rates and charges, and proposed revisions to its tariff, become effective for service rendered on and after October 30, 1998.

By Order issued October 27, 1998, the Commission suspended the proposed rates, charges and tariff revisions for 150 days from the date of the filing, thus permitting the rates to take effect for service rendered on and after February 27, 1999, subject to refund with interest. The Order also scheduled a public hearing for April 13, 1999; established a procedural schedule for the filing of pleadings, testimony and exhibits; and appointed a hearing examiner to conduct all further proceedings.[1]

[1] By Order dated February 25, 1999, the Commission consolidated a disputed accounting issue that was under consideration in another Roanoke proceeding, Case No. PUE970908, with the captioned matter.

On January 25, 1999, Roanoke filed additional direct testimony in which it lowered its revenue request to $722,565. Rates based on the lowered request were to be effective on February 27, 1999, subject to refund with interest.[2]

On March 19, 1999, Staff, the Company, and the Office of the Attorney General, Division of Consumer Counsel ("AG") filed a written Stipulation, and on April 5, 1999, a Supplemental and Amending Stipulation (collectively, "Stipulation").[3] The Stipulation sets forth the parties' agreement that resolved all but one of the issues in this case. The parties agreed to a rate increase designed to recover an additional $433,650 in gross annual revenues. The one disputed issue is discussed below.

On April 7, 1999, the Company filed a Motion to Implement Rates and Provide Refund ("April 7 Motion"). In this Motion, Roanoke requested authority to implement the rates contained in the Revised Exhibit 2 attached to the Supplemental and Amending Stipulation, and to refund, with interest, any monies collected in excess of the interim rates since it placed these rates into effect on February 28, 1999.

On April 8, 1999, the Hearing Examiner entered a Ruling granting the April 7 Motion, subject to any refunds that may be required when the Commission determines the final rates in this case.

Background

The sole issue in controversy at the time of the hearing was whether the Distribution System Renewal Surcharge ("DSR Surcharge"), which the Company proposed in connection with its distribution system renewal program ("DSR Program"), should be approved by the Commission. Roanoke implemented the DSR Program in 1993, to replace the bare steel and cast iron sections of the Company's distribution system over a span of 25 years. These sections of the distribution system are generally the oldest and most prone to failure. According to Roanoke, the goal of the DSR Program is to protect the public and to ensure compliance with federal and state pipeline safety regulations.

Roanoke has proposed the DSR Surcharge to permit the recovery of the carrying costs and depreciation on prudently incurred distribution system renewal investment outside the scope of a full rate case proceeding. Under Roanoke's proposed schedule, the Company would annually file with the Commission its distribution system renewal investment and proposed DSR Surcharge for administrative review and approval. According to the Company, this streamlined process would encourage the ongoing efforts to improve system safety and reliability, while reducing the administrative and legal costs of frequent rate case filings.

The Hearing and Hearing Examiner's Report

On April 13, 1999, this matter came to be heard by Hearing Examiner Michael D. Thomas. Counsel appearing at the hearing were Michael J. Quinan, Esquire, counsel for Roanoke; John F. Dudley, Esquire, counsel for the Attorney General's Office; and Don R. Mueller, Esquire, and C. Meade Browder, Jr., Esquire, counsel for Commission Staff. No public witnesses appeared at the hearing to testify.

On June 29, 1999, the Hearing Examiner issued his Report ("Hearing Examiner's Report"). He found that this case presents three issues for the Commission's consideration, specifically: (1) whether the rates, stipulated to by the parties, are reasonable; (2) whether a voluntary rate design experiment, such as the DSR Surcharge, is permitted under Virginia law; and, (3) whether the Commission should approve or disapprove the surcharge.

With respect to the rates set forth in the Stipulation, the Examiner observed that the accounting and cost of capital adjustments agreed to by the parties effectively reduced the Company's rate request by 50 percent. The Examiner found that the stipulated rates are fair, reasonable, and not unfairly discriminatory.

Turning to the DSR Surcharge, the Hearing Examiner agreed with Staff that the surcharge does not meet the criteria for an automatic adjustment clause as set forth by the Commission in *Application of Old Dominion Power Company, Inc.*[4] He also found that there is no doubt that the Company's aging distribution system must be replaced for the system to comply with state and federal gas pipeline safety requirements. The Examiner further found that the DSR Surcharge is in the public interest because it encourages Roanoke to continue its ongoing DSR Program which improves the overall safety and reliability of the Company's gas distribution system. The Examiner stated that the real question is whether the efficiencies expected from the surcharge actually will be achieved.[5] According to the Examiner, this question could be answered only after collecting and analyzing in-depth data gained during the three-year experimental period. The Examiner therefore concluded that there is a need to proceed with the DSR Surcharge as a voluntary rate design experiment pursuant to § 56-234 of the Code of Virginia to find out whether, in fact, the anticipated benefits would materialize.

The Examiner characterized the proposed surcharge as "an innovative solution" to recover the prudently incurred costs of replacing the non-revenue generating distribution system. The Examiner commended the Company for its willingness "to try something new and different because it believes that it is the right thing to do for the Company and the customers."[6] In addition, the Examiner noted that Staff and the AG neither supported, nor opposed, the proposed surcharge. Both, however, recommended that certain safeguards be required and expressed several concerns in their post-hearing briefs. The Examiner addressed several of these concerns and other points in the post-hearing briefs that, in his view, warranted further discussion.

No comments on the Hearing Examiner's Report were filed.

---

[2] On February 5, 1999, Roanoke advised the Commission that it would place the interim rates into effect on February 28, 1999.

[3] A copy of the Stipulation is attached to the Hearing Examiner's Report as Appendix A. The provisions of the Stipulation also are set forth in the Hearing Examiner's Report at pages 2-5.

[4] Case No. PUE830035, 1984 S.C.C. Ann. Rept. 408, 409 ("*Old Dominion*").

[5] Hearing Examiner's Report at 12.

[6] *Id.*

NOW THE COMMISSION, upon consideration of the record and the Hearing Examiner's Report, as well as the applicable statutes, is of the opinion and finds that the Hearing Examiner's findings and recommendations should be adopted, subject to the modifications discussed below.

In its post-hearing brief, Staff stated that it continues to be concerned that the proposed surcharge may: (i) ignore offsetting savings in other areas; (ii) ignore earnings generated by new growth; (iii) diminish the Company's incentive for efficient management and hard bargaining in negotiating construction contracts; and, (iv) not provide an opportunity for hearing or public scrutiny of the costs recovered through the surcharge. In its post-hearing brief, the AG expressed concern that the DSR Surcharge: (i) would result in diminished opportunity for public review and comment prior to rate increases; (ii) may lead to overrecovery of reasonably incurred costs; and, (iii) may be inequitable to smaller customers.

We find that the proposed Stipulation, as well as additional testimony proffered by Company and Staff witnesses at the hearing, sufficiently address Staff's and the AG's concerns. Under the terms of the Stipulation, the DSR Surcharge will be limited to an initial three-year period expiring on November 30, 2002. Collections through the DSR Surcharge shall be limited to those based on a maximum annual investment of $1,500,000 in the distribution renewal program. The Company will be required to file earnings tests for each fiscal year ending September 2000 through September 2002, which will enable Staff to determine whether the Company has overearned. Surcharge collections, including interest,[7] will be refundable to the extent the Company's cumulative earnings exceed its return on equity benchmark over the three-year surcharge period. The benchmark for determining overearnings will be 10.25%, which is below the authorized midpoint of the return on equity range. Significantly, the Company agreed to a moratorium on filing a rate case for new non-gas rates throughout the three-year surcharge period.[8]

We find that the safeguards described above adequately address any concerns of potential overearnings; further, the safeguards should give the Company an increased incentive to hold down costs and look for ways to increase operating efficiencies wherever possible. Moreover, we agree with the Hearing Examiner that this surcharge mechanism will encourage Roanoke to continue its renewal program to improve the overall safety and reliability of its gas distribution system.

We shall require Roanoke to submit to Staff annual DSR Surcharge filings supporting the development of its proposed annual surcharges. These filings shall be made no later than 45 days prior to the effective dates of the three annual surcharge periods, and shall be made available for public inspection. In the event Company, Staff or other interested parties are unable to reach agreement regarding the amount of the surcharge during this 45-day period, the Commission's Rules of Practice and Procedure permit an informal resolution of any disputes. If the informal dispute procedure does not resolve the issues in controversy, then the Staff or parties may apply to the Commission for relief, and, consistent with Roanoke's representation, the Company's proposed annual DSR Surcharge for the surcharge period shall not become effective until the Commission makes its final determination of the issues in controversy.

Further, we will require the Company to report annually to the Staff information pertaining to the ongoing distribution system renewal operation, including: (i) the data from Roanoke's leak detection surveys and other operational inputs considered in planning system replacements; (ii) the exact amount of mains and service connections replaced during the year; and, (iii) the amount of main replacement that is revenue producing, if any, and not recoverable by the surcharge. We also will hold the Company to its commitment to allow Staff access to the internal analysis it performs in the evaluation of contractor bids for distribution system renewal projects. We believe that this information will be sufficient to allow the Staff to review adequately the system renewal costs and to determine the proper annual surcharge. In view of the foregoing, we find that the DSR Surcharge is reasonable, and we hereby approve the proposed surcharge as an automatic rate adjustment clause to be effective for a three-year period.[9] Although not an experiment, the DSR Surcharge will operate for three years. If the Company wishes to continue or modify this Surcharge, it must apply to the Commission to do so. If the Company does not apply to continue the Surcharge, it will expire on November 30, 2002.

In the past, we have approved automatic adjustment clauses in limited circumstances, generally, in the case of wholesale power cost adjustment clauses for electric cooperatives and purchased gas adjustment clauses for gas companies. In *Old Dominion, supra*, we rejected a proposal made by Old Dominion Power Company, Inc. ("Old Dominion") to implement a purchase power expense clause that would automatically flow through to its customers any and all increased costs of purchasing power (at wholesale rates that are regulated by the Federal Energy Regulatory Commission) from its parent company, Kentucky Utilities Company. The Commission explained that the purpose of an automatic adjustment clause is to allow a company to adjust, without a formal rate proceeding, its revenues in response to changes in the cost of a relatively volatile, major expense item over which the company has little control. The Commission rejected Old Dominion's request, stating that a wholesale purchased power clause in the circumstances of that case would be inappropriate because purchased power had not been shown to be a volatile expense and Old Dominion would be able to exert considerable control over its purchased power costs since its officers were also officers of its parent company.[10]

We find this situation to be significantly different from that at issue in *Old Dominion.* Because the Company will be subject to an earnings test, using a benchmark below the authorized midpoint of the return on equity range, for each of the three years that the DSR Surcharge is collected, along with the other safeguards discussed above, the Company will not have an opportunity to overearn. Moreover, Roanoke has agreed that it will not file for a non-gas rate increase during the three-year surcharge period, except under the limited circumstances set forth in the Stipulation. Based on these factors, and taking into account the size of the Company, the safety considerations present, and the inherent safeguards of the proposed surcharge and the reporting requirements, we conclude that the DSR Surcharge should be approved as an automatic adjustment clause.

We also find that the Company's proposed allocation of the DSR Surcharge is reasonable. The proposed rate design allocates the DSR Surcharge among Roanoke's residential and commercial customer classes, with no increase to interruptible industrial customers. Since the Company's distribution

[7] The Stipulation does not specify how interest would be calculated for refunds on any surcharge overcollections. We will address the issue of how the interest on any such refunds should be calculated if, and when, such refunds are required.

[8] The Stipulation provides for an exception to the moratorium, when "circumstances make it necessary for the protection of the legitimate interests of the Company's customers or its shareholders." Stipulation, paragraph 7, subparagraph f.

[9] We do not find the DSR Surcharge proposal to be an experiment under § 56-234 of the Code of Virginia.

[10] *See Old Dominion*, 1984 S.C.C. Ann. Rept. at 409.

system renewal plan over the next few years focuses primarily on main replacements in older residential neighborhoods with some small commercial businesses, the surcharge will be allocated primarily to customers receiving the benefits of the program.

Moreover, the proposed allocation is consistent with a class cost of service study performed by the Company that indicates interruptible customers already are providing a return in excess of other classes. Concerns about the customers' reaction to the surcharge should be assuaged by the Company's stated intent to include a notice on customers' bills concerning the DSR Surcharge, and to respond promptly to customer inquiries once the surcharge is implemented. It is our opinion that such notice and the Company's availability to address customer questions and concerns are essential.

Finally, we wish to commend Roanoke Gas, the Commission's Staff and the AG for developing a Stipulation that has resolved a substantial number of complex issues in this general rate case. We also commend Roanoke Gas for proposing the DSR Surcharge. As approved here, the DSR Surcharge will provide an innovative approach to cost recovery, allowing for the continued improvement of the safety and reliability of Roanoke's gas distribution system and including adequate safeguards that will protect the interest of customers.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner's June 29, 1999 Report, as modified and supplemented herein, are accepted.

(2) The Company shall be granted an increase in gross annual revenues of $433,650, effective for service rendered on and after February 28, 1999.

(3) The Company shall forthwith file revised permanent schedules of rates and charges designed to produce the additional revenues found reasonable herein, effective for service rendered on and after February 28, 1999. The final increase in revenues shall be recovered through the rates filed as part of the Supplemental and Amending Stipulation, attached to the June 29, 1999 Report of the Hearing Examiner. In addition, the Company shall file appropriate tariff pages addressing its DSR Surcharge, including the charge and its calculation for each applicable surcharge period as that surcharge period occurs.

(4) On or before October 1, 1999, Roanoke is directed to recalculate, using the rates being established by this order, each bill it rendered that used, in whole or in part, the interim rates being replaced by the rates established by this Order. In each instance where application of the rates being established by this Order yields a reduced bill to the customer, the Company is directed to refund with interest as directed below, the difference.

(5) 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.

(6) The interest required to be paid herein shall be compounded quarterly.

(7) The refunds ordered in Paragraph (4) above may be accomplished by credit to the appropriate customer's account for current customers (each refund category shown separately on each customer's bill). Refunds to former customers shall be made by check to the last known address of such customers when the refund amount is $1 or more. Roanoke may offset the credit or refund to the extent no dispute exists regarding the outstanding balances of its current customers or customers who are no longer on its system. To the extent that outstanding balances of such customers are disputed, no offset shall be permitted for the disputed portion. The Company may retain refunds owed to former customers when such refund amount is less than $1. However, Roanoke shall prepare and maintain a list detailing each of the former accounts for which refunds are less than $1, and in the event such former customers contact the Company and request refunds, such refunds shall be made promptly. All unclaimed refunds shall be handled in accordance with § 55-210.6:2 of the Code of Virginia.

(8) On or before October 15, 1999, 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 costs of the refund and accounts charged. Such itemization of costs shall include, inter alia, computer costs, the personnel hours, associated salaries, and costs for verifying and correcting the refunds directed in this Order.

(9) The DSR Surcharge is approved as an automatic adjustment clause through November 30, 2002. If the Company desires to continue or modify this surcharge, it must seek further authority to do so from the Commission.

(10) There being nothing further to be done herein, this matter is hereby dismissed from the Commission's docket of active proceedings.

CASE NO. PUE980627
JUNE 3, 1999

APPLICATION OF
VIRGINIA GAS PIPELINE COMPANY

For an Annual Informational Filing

ORDER ADOPTING RECOMMENDATIONS AND DISMISSING PROCEEDING

On September 30, 1998, Virginia Gas Pipeline Company ("VGPC" or "the Company") filed its Annual Informational Filing ("AIF") for the twelve months ending December 31, 1997. The Commission's September 17, 1997, Order in Case No. PUE960093 directed VGPC to file its AIF for the test year ended December 31, 1997, by no later than September 30, 1998.

On April 23, 1999, the Staff filed its report on the captioned application, which included a financial and accounting analysis. Staff noted in its report that it used a 13.5% cost of equity in its financial analysis for illustrative purposes only. It explained that in VGPC's application for certificates of public convenience and necessity for the Company's storage and pipeline facilities, the Company's estimates of revenues and costs assumed a ratio of 25% equity with a cost of 13.5%. The Staff used the consolidated capital structure of Virginia Gas Company ("VGC"), VGSC's parent, in its financial analysis because VGC is the primary entity that has raised capital on behalf of VGPC. This consolidated capital structure, together with a 13.50% cost of equity, produced an overall weighted cost of capital of 11.895%.

In its accounting analysis, the Staff noted that the line item for Interest Expense on Schedule 11 should include gross interest. The Staff also included capitalized interest in Interest During Construction above-the-line. It recommended that the Company include lease expense related to utility operating and service fees received from affiliate companies above-the-line rather than below-the-line. Staff proposed that the service fees received from affiliate companies should be recorded above-the-line as offsets to payroll, payroll tax, health insurance travel, and vehicle expense in future filings with the Commission.

Additionally, the Staff recommended that the Commission direct the Company to record the appropriate level of an acquisition adjustment in Account 114--Gas Plant Acquisition Adjustments and the associated depreciation in Account 115--Accumulated Provision for Amortization of Gas Plant Acquisition Adjustments.

The Staff report represented that the Staff and the Company had reached an agreement concerning the ratemaking treatment for capitalized interest in rate base. Under that agreement, interest capitalized in 1996, would be allowed in VGPC's rate base. The inclusion of capitalized interest in rate base for the twelve months ending December 31, 1997, would be subject to an earnings test. Staff's analysis indicated that VGPC had not recovered all of its 1997, interest costs.

Additionally, under Staff's and the Company's agreement, the amount of capitalized interest to be included in rate base would be calculated as follows: The thirteen-month average level of Construction Work In Progress ("CWIP") would be multiplied by a capitalization rate. The capitalization rate assumed the assignment of debt financing to CWIP first. Under the agreement, debt financing related to Industrial Revenue Bond ("IRB") debt proceeds would be assigned first to CWIP because this financing contains restrictions that limit its use to construction. Gross capitalized interest would then be reduced by earnings on funds held in reserve. The amount of capitalized interest, gross of accumulated depreciation, to be included in rate base as of December 31, 1997, was $462,213, on a total company basis or $332,192, on a jurisdictional basis.

The Staff further recommended that if the Company books capitalized interest in a manner different than that agreed upon for ratemaking purposes, the Company should maintain sufficient records to track the resulting difference in plant in service, CWIP, accumulated depreciation, and accumulated deferred income taxes. Staff proposed that the Commission require the Company to present capitalized interest in a manner consistent with the agreed-upon ratemaking treatment in any subsequent filings it makes with the Commission.

The report cautions that the inclusion of capitalized interest in rate base for the test year ending 1998, and future years was contingent upon the results of future earnings tests. It notes that beginning with the refinancing of IRBs with John Hancock debt in 1998, VGPC's capitalization rate should reflect the fact that all operations, including construction, are financed by debt and equity as represented by the entity's appropriate capital structure. With respect to the Company's pending application for a certificate of public convenience and necessity docketed as Case No. PUE990167, the Staff observed that the agreement reached with regard to this AIF was not intended to limit Staff or any party's position regarding the treatment of capitalized interest in Case No. PUE990167.

Finally, Staff concluded that VGPC should continue to file AIFs that conform to the Commission's Rules Governing Utility Rate Increase Applications and Annual Informational Filings adopted in Case No. PUE850022 ("Rules"). Staff recommended that the Company file its next AIF, using a calendar year test period by no later than May 31, 1999, to enable VGPC to provide Staff with audited financial information. It noted that in future filings, the Company should file Schedules 1,2, and 3, in a manner consistent with the Rules to include financial information for the test year and the prior calendar years available for the preceding four years. Additionally, consistent with the Rules, Staff recommended that the Company reflect an average balance of short-term debt in its capital structure rather than a year-end balance in any subsequent AIFs. Staff proposed that no action be taken to revise the Company's rates at this time.

By letter dated May 14, 1999, VGPC advised that it did not intend to file comments on the Staff's report.

NOW, UPON CONSIDERATION of the Company's application, the Staff's report, and the applicable statutes, the Commission finds that the Staff's recommendations found in its April 23, 1999, report are reasonable and should be adopted. Until VGPC files a rate case using a different test period, VGPC should file its future AIFs, using a calendar year test period. As provided by our May 26, 1999, Order Authorizing Extension of Time, entered in Case No. PUE990285, VGPC shall file its next AIF by no later than June 30, 1999.

We further find that the agreement reached by Staff and VGPC regarding the ratemaking treatment of capitalized interest is reasonable and should be adopted. In this regard, we find that capitalized interest, gross of accumulated depreciation, to be included in rate base as of December 31, 1997, is $332,192, on a jurisdictional basis. We note that the inclusion of capitalized interest in rate base for the test year ending 1998, and in future years is contingent upon the results of future earnings tests. Moreover, we will continue to evaluate the propriety of this ratemaking treatment, monitoring the Company's growth rate, construction activity, plans for future expansion, earnings trends, and financial condition.

By accepting this treatment of capitalized interest, we are not deciding how capitalized interest should be treated in the Company's pending application for a certificate of public convenience and necessity, Case No. PUE990167. The agreement on this issue reached by the Company and Staff in this case does not bind the Commission, nor does it limit the positions which may be taken by parties or the Staff in that proceeding regarding the treatment of capitalized interest.

We further find that for ratemaking purposes, the Company should present capitalized interest in a manner consistent with the agreement regarding capitalized interest accepted herein. In the event VGPC books its capitalized interest in a manner that differs from that accepted herein for ratemaking purposes, the Company shall maintain sufficient records to track the resulting differences in plant in service, CWIP, accumulated depreciation, and accumulated deferred income taxes.

Finally, we adopt the Staff's booking recommendations concerning the treatment of VGPC's lease expense, service fees, and acquisition adjustment. The Company should implement these proposals immediately.

Accordingly, IT IS ORDERED THAT:

(1) Consistent with the findings made herein, the booking, accounting and other recommendations set out in the Staff's April 23, 1999, report are hereby adopted. VGPC shall incorporate the Staff's accounting and financial recommendations in its next AIF or rate application.

(2) If VGPC does not seek rate relief, the Company shall file its next AIF, utilizing audited financial and operating results for the year ending December 31, 1998, by no later than June 30, 1999.

(3) The ratemaking treatment for capitalized interest described herein is adopted, subject to its further evaluation as related on pages 5-6, supra of this Order.

(4) 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. PUE980725
JANUARY 20, 1999

APPLICATION OF
STONE MOUNTAIN ENERGY, LC

To furnish gas service to Greer & Sons, Inc. pursuant to § 56-265.4:5 of the Code of Virginia

ORDER DISMISSING PROCEEDING

On October 16, 1998, Stone Mountain Energy, LC ("Stone Mountain" or "the Company") notified the State Corporation Commission ("Commission"), pursuant to § 56-265.4:5 of the Code of Virginia, of its plans to furnish natural gas service to Greer & Sons, Inc. ("Greer") in Lee County, Virginia.

On November 5, 1998, the Commission entered an Order docketing the proceeding, notifying all public utilities providing natural gas service in the Commonwealth of Stone Mountain'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. The Order also found that Greer's facilities were not located within a territory for which a certificate of public convenience and necessity has been granted, and, as of the time of the Commission's receipt of the notice provided for by § 56-265.4:5 of the Code of Virginia, were not located within any area, territory, or jurisdiction served by a municipal corporation that provided gas distribution service as of January 1, 1992.

Sixty days have now elapsed since the entry of the Commission's Order dated November 5, 1998, and no jurisdictional public utility has filed an application to provide natural gas service within the area identified in the captioned notification.

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that the Company has satisfied the requirements of §§ 56-265.1(b)(4), and –265.4:5 of the Code of Virginia, and that there being nothing further to be done herein, this matter should be dismissed. Accordingly,

IT IS THEREFORE ORDERED THAT this matter shall be dismissed from the Commission's docket of active proceedings, and the papers filed herein made a part of the Commission's file for ended causes.

CASE NO. PUE980788
JANUARY 13, 1999

PETITION OF
VIRGINIA COMMITTEE FOR FAIR UTILITY RATES
and OLD DOMINION COMMITTEE FOR FAIR UTILITY RATES
and VIRGINIA INDUSTRIAL GAS USERS ASSOCIATION

To institute a formal investigation for the purpose of determining all matters concerning the Year 2000 compliance of Virginia Electric and Power Company, Appalachian Power Company, Columbia Gas of Virginia, and Virginia Natural Gas, Inc.

ORDER

On November 10, 1998, the above-styled petition was filed by the named coalitions of industrial customers ("Petitioners") of the named utilities. On November 24, 1998, the Commission entered an order permitting responses to the petition. Responses were filed on behalf of Virginia Natural Gas, Inc., Columbia Gas of Virginia, Inc., Virginia Electric and Power Company, Appalachian Power Company, and the Commission Staff. On December 15, 1998, Petitioners filed additional comments in response to these pleadings.

NOW THE COMMISSION, being sufficiently advised, is of the opinion that the relief requested in the petition should be, and is, denied. The Commission shares the concerns of the Petitioners about the Year 2000 computer difficulties, and has directed its Staff to maintain regular contact with each

of the named utilities and to receive reports from each as to its efforts to remediate the "Y2K" problem. The Commonwealth's utilities have cooperated in this informal undertaking and have supplied the Commission with a satisfactory type and amount of information about their efforts thus far. The Commission is not convinced from Petitioners' pleadings that a formal investigatory hearing need be commenced now.

This is not to say that the Commission can guarantee that there will be no interruption of service at the stroke of midnight on December 31, 1999. Simply, the Commission believes utilities should spend their resources to address the problem and not to prepare for formal hearings on the subject. Should it appear from the informal briefings given to Staff that the effort is flagging, the Commission will consider additional appropriate responsive steps.

Accordingly, IT IS ORDERED THAT the petition is denied and this matter is dismissed.

CASE NO. PUE980789
JANUARY 29, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
WASHINGTON GAS LIGHT COMPANY,
Defendant

ORDER OF SETTLEMENT

The Natural Gas Pipeline Safety Act, 49 U.S.C. § 60101 et seq. ("Act"), requires the Secretary of Transportation ("Secretary") to establish minimum federal safety standards for the transportation of gas and pipeline facilities. The Secretary is further authorized to delegate that authority to prescribe safety standards and enforce compliance with such standards over gas pipeline facilities used for intrastate transportation to an appropriate state agency.

The Virginia State Corporation Commission ("Commission") has been designated as the appropriate state agency for the Commonwealth of Virginia. In Case No. PUE890052, the Commission adopted Parts 191, 192, 193, and 199 of Title 49 of the Code of Federal Regulations to serve as minimum gas pipeline safety standards ("Safety Standards") in Virginia. The Commission is authorized to enforce the Safety Standards under Va. Code Ann. § 56-5.1 (1993 Cum. Supp.), which allows the Commission to impose fines and penalties not in excess of those specified by § 60122(a)(1) of the Act.

The Commission's Division of Energy Regulation ("Division"), charged with investigation of each jurisdictional company's compliance with the Safety Standards, has conducted an investigation of the incident on North Irving Street in Arlington, Virginia involving Washington Gas Light Company ("WGL" or "Company"), the Defendant, and alleges:

(1) That WGL 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 the Company violated the Commission's Safety Standards by the following conduct:

(a) Failing to comply with certain portions of Company Procedure S-14, Trench Excavation Precautions, and

(b) Failing to comply with certain portions of Company Procedure M&S-17, Pressure Testing Distribution Main.

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, WGL represents and undertakes that:

(1) The Company will pay a fine to the Commonwealth of Virginia in the amount of $75,000 to be paid contemporaneously with the entry of this Order. This payment will be made by check, payable to the Treasurer of Virginia, and directed to the attention of the Director of the Division of Energy Regulation;

(2) Pursuant to Va. Code Ann. § 12.1-15 (1993 Repl. Vol.), the Company will also pay contemporaneously with the entry of this Order the sum of $1,485.02 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; and

(3) Any fines and costs of the investigation paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines and costs shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Commission's Division of Public Utility Accounting.

The Commission being fully advised in the premises and finding sufficient basis herein for the entry of this Order, and in reliance on the Defendant's representations and undertakings set forth above, is of the opinion and finds that WGL 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 WGL be, and it hereby is, accepted;

(2) That pursuant to Va. Code Ann. § 56-5.1 (1993 Cum. Supp.), WGL be and it hereby is, fined in the amount of $75,000;

(3) That the sum of $75,000 tendered contemporaneously with the entry of this Order is accepted;

(4) That pursuant to § 12.1-15, WGL's payment of the sum of $1,485.02 to defray the costs of this investigation is hereby accepted; and

(5) That this case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE980791
JANUARY 13, 1999

COMMONWEALTH OF VIRGINIA, et rel.
STATE CORPORATION COMMISSION
v.
ST SERVICES,
Defendant

ORDER OF SETTLEMENT

The Hazardous Liquid Pipeline Safety Act, 49 U.S.C. § 60101 et seq. ("Act"), requires the Secretary of Transportation ("Secretary") to establish minimum federal safety standards for the transportation of hazardous liquid and pipeline facilities. The Secretary is further authorized to delegate that authority to prescribe safety standards and enforce compliance with such standards over hazardous liquid 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. PUE940070, the Commission adopted Parts 195, and 199 of Title 49 of the Code of Federal Regulations to serve as minimum hazardous liquid pipeline safety standards ("Safety Standards") in Virginia. The Commission is authorized to enforce the Safety Standards under Va. Code § 56-555(b), which allows the Commission to impose fines and penalties not to exceed those specified under § 60122(a) of the Act, as amended.

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 ST Services ("STS" or "Company"), the Defendant, and alleges:

1) That ST Services operates an intrastate pipeline transporting hazardous liquid as defined in § 56-554;

2) That between October 21, 1998 and November 20, 1998, the following probable violations of various subparts of 49 C.F.R. § 195, by STS were investigated by the Division:

a) Failure to follow written company procedure to purge combustibles from pipeline.

b) Failure to qualify welding procedures by destructive tests.

c) Failure to ensure company personnel attend welder qualification as outlined in API 1104 Section 3.1.

d) Failure to have a procedure in place to insure proper interpretation of nondestructive testing of welds.

e) Failure to correct adverse conditions within a reasonable time after discovery, as it relates to external corrosion.

f) Failure of local manager to review O&M manual annually.

g) Failure to update construction records on maps.

h) Failure to follow procedure of maintaining liaison with emergency services.

i) Failure to startup pipeline to assure operation within MOP.

j) Failure to monitor pressure of pipeline during startup and shut-in.

k) Failure to monitor for abnormal operating conditions.

l) No procedure in place to instruct personnel in operations and maintenance to recognize Safety Related Conditions.

m) Failure to have a procedure in place to instruct personnel in operations and maintenance to recognize abnormal operations .

n) Failure to provide current maps and records of scraper and sphere facilities.

o) Failure to provide current maps and records of cathodically protected facilities.

p) Failure to provide current maps and records of foreign line crossings.

q) Failure to provide current maps and records of diameter, grade, type, and nominal wall thickness of each pipe.

r) Failure to provide communication system for transmission of operational data.

s) Failure to follow company procedure to inspect entire ROW every two weeks.

t) Failure to address variance in rectifier readings.

u) Failure to protect personnel in excavated trenches.

v) Failure to follow company procedures relating to pipeline repair.

w) Failure to provide accurate company procedure to determine if pressure has been relieved prior to opening scraper vessel.

x) Failure to test each pressure limiting device.

y) Failure to have a procedure in place for filing a supplemental report on a Safety Related Condition.

z) Failure to provide correct Office of Pipeline Safety notification information.

aa) Failure to display current information on line markers.

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, STS represents and undertakes that:

(1) The Company will pay a fine to the Commonwealth of Virginia in the amount of $83,000 to be paid contemporaneously with the entry of this Order. This payment will be made by check, payable to the Treasurer of Virginia, and directed to the attention of the Director of the Division of Energy Regulation; and

(2) Pursuant to § 12.1-15 of the Code of Virginia, the Company will also pay contemporaneously with the entry of this Order the sum of $683.05 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.

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 STS 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 § 12.1-15 of the Code of Virginia, the offer to compromise and settle made by STS be, and it hereby is, accepted;

(2) That pursuant to § 56-555 (b) of the Code of Virginia, STS be and it hereby is, fined in the amount of $83,000;

(3) That the sum of $83,000 tendered contemporaneously with the entry of this Order is accepted;

(4) That pursuant to § 12.1-15 of the Code of Virginia, STS's payment of the sum of $693.05 to defray the costs of this investigation is hereby accepted; and

(5) That this case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE980805
MARCH 2, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BYERS LOCATE SERVICES, LLC,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about August 10, 1998, William B. Hopke Co. Inc. damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 701 Kahn Place, Alexandria, Virginia, while excavating;

(2) On or about August 20, 1998, Arthur Construction, Inc. damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 4707 Holborn Avenue, Fairfax, Virginia, while excavating;

(3) On or about August 31, 1998, Leo Construction Inc. damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 4328 Hill Head Place, Loudoun, Virginia, while excavating;

(4) On or about August 31, 1998, Bainbridge Construction Company damaged a one and one-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 6116 Rolling Road, Springfield, Virginia, while excavating;

(5) On or about September 1, 1998, Triple H Contracting, Inc. damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 6302 Zekan Lane, Fairfax, Virginia, while excavating;

(6) On or about September 4, 1998, Rockingham Construction Co., Inc. damaged an eight inch plastic gas main line operated by Washington Gas Light Company located at or near City Center Boulevard and Route 7, Sterling, Virginia, while excavating;

(7) On or about September 9, 1998, APAC – Virginia, Inc. damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 7915 Ashton Place, Fairfax, Virginia, while excavating;

(8) On or about September 17, 1998, Arthur Construction Co. damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 202 Williamsburg Road, Sterling, Virginia, while excavating; and

(9) The Company caused such damages by failing to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, 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 before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $6,450 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $6,450 accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE980811
APRIL 15, 1999

APPLICATION OF
ROBERT A. WINNEY, d/b/a/ THE WATERWORKS COMPANY OF FRANKLIN COUNTY

To revise tariff

FINAL ORDER

On November 16, 1998, the Commission's Division of Energy Regulation received notice from Robert A. Winney, doing business as The Waterworks Company of Franklin County ("Mr. Winney" or "Company"), of its intent to revise its rates, rules and regulations for water service rendered on and after January 1, 1999, pursuant to the Small Water or Sewer Public Utility Act.[1] The Company proposed to increase its rates for water service from $67.50 per quarter to $80.50 per quarter, and to increase the rates for availability service from $60.00 per year to $100.00 per year. The Company also proposed a connection or hook-up charge of $1,250.00 and a charge of $50.00 to restore service that had been disconnected for non-payment of a bill or a violation of its rates, rules and regulations. The proposed rates, charges and fees were to apply to service rendered on and after January 1, 1999.

By Order dated December 7, 1998 ("December 7 Order"), the Commission allowed the proposed rate for water service to go into effect on an interim basis, subject to refund with interest, for service rendered on and after January 1, 1999. The Commission also suspended the proposed availability fee and hook-up and connection fees for 60 days, to and through March 1, 1999, after which the proposed fees would be interim and subject to refund with interest until a final determination is made in this proceeding. The Commission established a procedural schedule, assigned this matter to a hearing examiner, and directed that a public hearing be held on February 3, 1999.

The public hearing was held as scheduled. Four public witnesses appeared in opposition to the rates increase. Mr. Winney failed to appear, and no counsel appeared on the Company's behalf.

On February 25, 1999, the Examiner issued his Report, recommending that the application be dismissed. The Examiner stated that while the Company appeared to have complied with the initial notice requirements of § 56-265.13:5 of the Code of Virginia, there was no proof of that fact. The

[1] Sections 56-265.13:1 et seq. of the Code of Virginia.

Examiner found that there was no evidence that the Company had complied with the notice requirements of the December 7 Order or with Rule 8:2(a)(iii) of the Commission's Rules of Practice and Procedure.[2] Further, the Examiner stated that applicants carry the burden of showing that a proposed rate increase is justified and, because no one appeared on the Company's behalf, this burden was not met.

On March 18, 1999, a long letter from Mr. Winney was filed in which he maintains that he does not have sufficient funds to cover the Company's expenses and that he has complied with the Commission's directives to the best of his ability. This letter also contains a number of assertions that are contrary to Staff's statements and contentions.

NOW, UPON CONSIDERATION of the Hearing Examiner's February 25, 1999 Report and the applicable rules and statutes, the Commission finds that the Hearing Examiner's findings and recommendations are reasonable and should be adopted. The record shows that the Company failed to comply with the public notice requirements of the December 7 Order and of the Commission's Rules of Practice and Procedure.[3] As the Examiner stated, there is no evidence that Mr. Winney complied with any of the notice requirements. Further, the December 7 Order required Mr. Winney to take specific actions to ensure that all customers would be aware of the proposed rate increase. Specifically, the Commission directed Mr. Winney to promptly make available for public inspection copies of the proposed tariff and all materials to be filed with the Clerk of the Commission at the Franklin County Public Library; to serve a copy of the December 7 Order on all customers; and to file with the Clerk of the Commission a certificate stating the date of mailing and the name and mailing address of all customers served. There is no evidence that Mr. Winney did any of these things.

In addition to his failures concerning notice, Mr. Winney has made no showing that his proposed rate increase is reasonable and should be approved. He failed to appear at the hearing and thus did not offer any testimony or evidence. In short, the Company has wholly failed to make its case and, therefore, has failed to meet its burden of showing the rate increase is justified.

Considering the above, we find that the only proper course is to dismiss this matter, with the result that the rates and charges prescribed in Case No. PUE970119 will remain in effect.[4]

The December 7 Order allowed the proposed water rates for service rendered on and after January 1, 1999, to go into effect on an interim basis and subject to refund with interest, and suspended the proposed availability fee and the hook-up and reconnection fee for 60 days, until March 1, 1999, at which time such fees would be allowed to go into effect on an interim basis and subject to refund with interest. Since we have dismissed this matter, Mr. Winney will be required to refund to his customers, with interest, any monies received since January 1, 1999, for water service and availability fees in excess of the rates established in Case No. PUE970119, and any hook-up or reconnection fees collected since March 1, 1999.

Specifically, the Company is directed to credit $26.00 to any customer who has not paid the interim water rate of $80.50 per quarter for the first and second quarters of 1999, and $26.76 (reflecting interest) to any customer who has paid the interim water service rate for the first two quarters of 1999.[5] Based on the foregoing, the quarterly rate for water service, payable in advance, due on or before July 1, 1999, for the third quarter of 1999 shall be $41.50 ($67.50 - $26.00 = $41.50) for customers who did not pay the interim rates for the first two quarters of 1999, and $40.74 ($67.50 - $26.76 = $40.74) for customers who have paid the interim rates; thereafter, the quarterly rate for water service shall return to $67.50. The Company is directed to refund, on or before July 1, 1999, to any customer that paid an availability fee for the calendar year 1999, the difference between the interim rate and the previously approved rate, with interest, by check in the amount of $41.55. Under the previously established rate schedule, the Company had no authority to charge hook-up fee or reconnection charges and therefore will be required, on or before July 1, 1999, to refund by check any such fees paid during the interim period. Accordingly,

IT IS ORDERED THAT:

(1) This case is hereby dismissed.

(2) Mr. Winney shall refund, with interest as discussed herein, all revenues collected from the application of the interim rates that were effective for service beginning January 1, 1999, to the extent such revenues exceeded the revenues that would have been produced by the rates prescribed in Case No. PUE970119.

(3) On or before July 1, 1999, the Company shall credit $26.00 to customers who have not paid the interim water rates for the first and second quarters of 1999, and $26.76 to customers who have paid the interim water service rate of $80.50 per quarter for the first two quarters of 1999.

(4) On or before July 1, 1999, the Company shall make a refund by check in the amount of $41.55 to each customer who paid an availability charge of $100.00 for the year 1999.

---

[2] Rule 8:2(a)(iii) requires that a copy of the notice stating the time, place and nature of the hearing, the date such notice was given, and the method of service be introduced into the record.

[3] Tr. at 25-26, 31-32, 38-39.

[4] We note that the Company's last rate application similarly was dismissed because of the applicant's failure to comply with the public notice requirements. *Application of Robert A. Winney d/b/a/ The Waterworks Company of Franklin County, For an increase in rates and charges*, Case No. PUE980057, Document Control No. 980830341, __ S.C.C. Ann. Rept. __ (Aug. 21, 1998).

[5] We have calculated the interest on the ordered refunds using the prime rate value published in the Federal Reserve Bulletin for the first calendar quarter for 1999. If Mr. Winney desires to compute the interest based on the usual procedure, he must compute the interest from the date payment of each quarterly bill was due during the interim period until the date refunds are made, at average prime rate for each calendar quarter. The applicable average prime rate for each calendar quarter shall be the arithmetic mean, to the nearest one-hundredth of one percent, of the prime rate values published in the Federal Reserve Bulletin, or in the Federal Reserve's Selected Interest Rates (Statistical Release G.13), for the three months of the preceding calendar quarter. The interest required to be paid shall be compounded quarterly.

(5) On or before July 1, 1999, the Company shall refund, with interest, by check any hook-up fees or reconnection charges paid during the period in which the interim charges were in effect.

(6) Insofar as is practicable, the Office of the General Counsel shall mail a copy of this order to every customer of Mr. Winney.

(7) On or before July 15, 1999, the Company shall file with the Clerk of the Commission, Document Control Center, State Corporation Commission, P.O. Box 2118 , Richmond, Virginia 23218-2118 the names and mailing addresses of all customers that were credited or paid a refund; the date the credit or refund was made; and the check number of each availability charge, hook-up fee, and reconnection charge refund that is made.

CASE NO. PUE980817
MARCH 23, 1999

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For waiver of gas pipeline safety requirement found at 49 C.F.R. § 192.179

ORDER GRANTING WAIVER

The Natural Gas Pipeline Safety Act, 49 U.S.C. § 60101 et seq. ("Act"), requires the Secretary of Transportation ("Secretary") to establish minimum federal safety standards for the transportation of gas and pipeline facilities. The Secretary is further authorized to delegate the authority to prescribe safety standards and enforce compliance with such standards over gas pipeline facilities used for intrastate transportation to an appropriate State agency. The Virginia State Corporation Commission ("Commission") has been designated as the appropriate State agency for the Commonwealth of Virginia. In Case No. PUE890052, the Commission adopted Parts 191, 192, 193, and 199 of Title 49 of the Code of Federal Regulations to serve as minimum gas pipeline safety standards in Virginia ("Safety Standards"). Pursuant to 49 U.S.C. § 60118 (d), if, where as here, a certification under 49 U.S.C. § 60105 is in effect, the Commission may waive compliance with a safety standard to the same extent that the Secretary may waive compliance with an applicable safety standard, if the waiver is not inconsistent with pipeline safety, and provided the U.S. Secretary of Transportation is given written notice of the waiver at least 60 days prior to the effective date of the waiver.

On January 14, 1999, Virginia Natural Gas, Inc. ("VNG" or "the Company") filed an application with the Commission, requesting a waiver of the gas pipeline safety standard found at 49 C.F.R. § 192.179 (a)(2), which specifies the requirements for spacing of sectionalizing block valves on transmission lines. In particular, the Company's application states that VNG owns and operates approximately 80 miles of 24-inch transmission pipeline, extending from Fauquier County to the Mechanicsville area of Hanover County, Virginia. A portion of this pipeline located in Hanover County runs adjacent to State Route 656 (Sliding Hill Road) within an easement owned by VNG. The Virginia Department of Transportation is proposing to modify the existing Interstate 95 Interchange at Atlee, Virginia in such a way as to require the relocation of sections of Route 656. According to the application, VNG must relocate approximately 2,700 lineal feet of its joint use pipeline and a 24-inch sectionalizing block valve known as Main Line Valve 170 ("MLV 170").

The Company has determined that the best site to relocate MLV 170 is within the existing VNG right-of-way located on the south side of State Route 813 (Air Park Road). According to VNG, this location is directly across the road from a VNG Measurement and Regulating ("M&R") Station located in Hanover Industrial Air Park. However, placing the valve at this site will result in some Class 3 locations between MLV 170 and Main Line Valve 180 being approximately 4.21 miles from the nearest valve or 1,100 feet greater than the 4 mile spacing required for Class 3 locations for spacing of sectionalizing block valves as prescribed by 49 C.F.R. § 192.179. VNG's application alleges that having the valves near the above ground M&R Station will provide efficiencies for ongoing operation and maintenance, and access to the valve station will be advantageous since it is located along a roadway in an industrial park setting. The Company represents that all the sectionalizing block valves on this transmission pipeline, including the one to be relocated, are remotely controlled from VNG's Norfolk Gas Control Center and maintains that the level of safety provided now, and after the relocation, is greater than the level of safety required by the valve spacing requirements of 49 C.F.R. § 192.179.

On January 21, 1999, the Commission entered an Order for Notice and Inviting Comments, which, among other things, prescribed the notice VNG must give of its application. Under the provisions of the Order, VNG was required to serve local governmental officials with a copy of the Order by February 5, 1999. The Order also directed VNG to publish the notice prescribed therein in newspapers of general circulation in the areas of the Commonwealth affected by the Company's waiver request by February 5, 1999. Both the Order and the published notice described procedures whereby the public could comment or request a hearing on VNG's application.

On February 19, 1999, the Company filed its proof of the notice and service required by the January 21, 1999, Order. No comments or requests for hearing were filed in this matter.

On March 12, 1999, the Commission's Staff filed its Report on VNG's application. In its Report, the Staff cited an advisory opinion concerning alternate valve spacing, issued by the Research and Special Programs Administration of the U.S. Department of Transportation. This opinion concluded that the remote control of main line block valves and the line break sensing system are safety systems which go beyond the requirements contained in the applicable gas pipeline safety standards. In reliance on this opinion, and the representations set out in VNG's application, the Staff recommended that VNG's application be granted.

The Commission, upon consideration of this matter, is of the opinion and finds that granting VNG's application is not inconsistent with gas pipeline safety; that the requested waiver should become effective within 70 days from the date of this Order, unless modified by further order of the Commission; and that the U.S. Secretary of Transportation should be informed forthwith of the Commission's action.

According, IT IS ORDERED THAT:

(1) VNG be and hereby is granted a waiver of 49 C.F.R. § 192.179 (a)(2).

(2) This waiver shall become effective 70 days from the date of this Order, unless modified by further order of the Commission.

(3) A copy of this Order shall be served by REGISTERED MAIL, RETURN RECEIPT REQUESTED, by the Office of the Clerk of the Commission upon Rodney E. Slater, Secretary of Transportation, United States Department of Transportation, Room 10200, 400 Seventh Street, S.W., Washington, D.C. 20590.

(4) There being nothing further to be done herein, this matter shall be dismissed, and a copy hereof shall be placed in the Commission's files for ended causes.

CASE NO. PUE980895
MAY 21, 1999

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For a further amendment to Pilot Delivery Service Program

ORDER GRANTING MOTION TO AMEND CERTAIN TARIFF LANGUAGE OF THE PILOT DELIVERY SERVICE PROGRAM

In a motion filed on April 28, 1999, Washington Gas Light Company ("WGL" or "the Company") requests a further amendment to the Pilot Delivery Service Program approved by the Commission by Final Order issued June 18, 1998, in Case No. PUE971024. The requested amendment relates to tariff revisions pertaining to commencement of service in the pilot program as reflected in revised Rate Schedule Nos. 1A, 2A, 3A and 9 attached thereto. Specifically, the Company requests that the language in the above-referenced rate schedules be changed to reflect that service shall begin "on the day of the meter reading in the Company's next billing cycle month following receipt by the Company of notification from the customer's supplier" rather than "on the day of the meter reading immediately following receipt by the Company of notification of the customer's intent to take such service."

In support of its motion, WGL states that the proposed modification of its tariff language will reflect the Company's intent and actual practices.

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 THAT:

(1) Washington Gas Light Company's motion to amend the tariff language of Rate Schedule Nos. 1A, 2A, 3A and 9 relating to commencement of service in the above-referenced pilot program is granted.

(2) Rate Schedules Nos. 1A, 2A, 3A and 9 approved by Commission Final Order issued June 18, 1998, in Case No. PUE971024 are hereby canceled and replaced with revised Rate Schedules Nos. 1A, 2A, 3A and 9 referenced above (First Revised Page No. 3C, First Revised Page No. 5B, First Revised Page No. 7B, First Revised Page No. 10O, and First Revised Page No. 10U.)

(3) This matter is continued generally.

CASE NO. PUE980895
NOVEMBER 8, 1999

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For a further amendment to Pilot Delivery Service Program

ORDER ON MOTION

On August 16, 1999, Washington Gas Light Company ("WGL" or "Company") filed a motion ("August 16 Motion") with the Commission proposing certain amendments to the Company's Pilot Delivery Service Program ("pilot program" or "pilot"). WGL requested that its pilot program be modified to authorize the Company to: (i) increase the participation levels for its commercial and industrial customer class and its group metered apartment customer class from the currently authorized levels; (ii) modify the balancing provision to allow the Company to adjust the amount of gas delivered by suppliers to the Company's city-gate on certain days of the year and make the Capacity Assignment Option available to suppliers at WGL's discretion; (iii) accept suppliers' customer participation forms on a weekly basis rather than on a monthly basis; (iv) replace the supplier's annual and monthly balancing options with daily balancing options; and (v) offer an additional billing option that would allow suppliers to issue a single bill for all applicable charges.

As originally proposed by WGL and approved by the Commission, each of the Company's firm sales classes has the option of purchasing its gas commodity requirements from third-party gas suppliers while obtaining firm delivery service from WGL, for the duration of the two-year program. As originally approved, in the first year of the pilot, up to ten percent (10%) of customers in each of the Company's firm sales classes would be allowed to participate and, in the second year, up to twenty percent (20%) of such customers would be allowed to participate.[1]

[1] The Commission initially approved the pilot on June 18, 1998, in Case No. PUE971024. *Application of Washington Gas Light Company*, 1998 S.C.C. Ann. Rept. 390.

Subsequently, the Company twice requested and received Commission approval to increase the level of participation in the pilot. Specifically, the Company was authorized to expand the number of group metered apartment customers eligible to participate in the first year of the pilot from ten percent (10%) of the customers in that class to the number of applications received on behalf of customers in that customer class on or before October 9, 1998, or approximately thirty percent (30%),[2] and to expand the number of commercial and industrial customers eligible to participate in the first year of the pilot from ten percent (10%) of the customers in that class to the number of applications received on behalf of customers in that customer class on or before December 9, 1998, or approximately fifteen percent (15%).[3]

In its August 16 Motion, WGL requests that it be permitted to expand the number of group metered apartment customers eligible for service under Rate Schedule No. 3A from thirty percent (30%) of the customers in that class to forty percent (40%), and the number of commercial and industrial customers eligible for service under Rate Schedule No. 2A from fifteen percent (15%) of such customers to thirty percent (30%). The Company states that it would attempt to minimize oversubscription of these two classes in the second year of the pilot by accepting information from suppliers on a weekly basis and closing the pilot to additional customers during the second year once the customer class was fully subscribed.

WGL also requests approval of certain other changes in the terms and conditions for participation in the pilot. First, it requests authority to adjust the amount of gas delivered to its city-gate by suppliers on days of abnormally warm weather when more gas may be delivered to the Company than the Company's customers and storage facilities together can accommodate. The Company states that this would be a temporary measure to enable it to ensure system integrity until such time that the Company implements daily balancing.[4] WGL states that it would notify suppliers 24 hours in advance of any reduction to a supplier's delivery.

Second, WGL requests that it be authorized to make the Capacity Assignment Option available at its discretion. According to WGL, suppliers would continue to have the option of using the Company's upstream pipeline capacity for their deliveries, but the Company would have the discretion to withhold such capacity. WGL is concerned that suppliers may use the Company's upstream capacity only when the market price of that capacity exceeds the Company's average capacity cost. The Company states that as it experiences system growth, it must be able to use its upstream capacity to serve its growing requirements.

As stated, WGL proposes to add an additional billing option effective with the commencement of the second year of the pilot on January 1, 2000. This option would permit the issuance of a single bill by the supplier for all applicable charges, including the Company's System Charges and Distribution Charges. Finally, the Company requests permission to accept suppliers' customer participation forms on a weekly, rather than a monthly, basis.

On August 27, 1999, the Commission's Staff filed a response to the August 16 Motion stating that the Staff had reviewed the motion and believed the proposed amendments to the pilot were significant enough to warrant an opportunity for comments by Staff and other interested parties.

By Order entered August 31, 1999, the Commission granted Staff's request and invited Staff and interested parties to respond to the August 16 Motion on or before September 17, 1999, and provided WGL an opportunity to reply to any such responses on or before October 6, 1999.

On September 17, 1999, Staff filed comments expressing concerns about certain of WGL's proposed modifications and requesting that the August 16 Motion be denied as filed. Staff stated that further amendments to the pilot program would result in significant changes in the terms, conditions, and policies of the pilot program. According to Staff, the impact of such changes could impact the validity of data collected from the pilot and have an adverse effect on Staff's review of the entire pilot. Staff added that the pilot should be stabilized to permit Staff and the Company to assess adequately the results of the pilot and its effect on customers, suppliers, and the Company.

Additionally, Staff observed that there are still issues about the application and collection of gross receipts taxes that have not been resolved by the General Assembly. Staff contended that expansion of the pilot program would not provide new or additional data concerning retail access and that further increases in the size of the pilot would exacerbate the loss of tax revenues until that issue is resolved.

Staff stated that it had no objections to WGL's request that it be authorized to adjust the amounts of gas delivered by suppliers to the Company's city-gate, as long as there are no objections from suppliers. However, Staff opposed the Company's proposal to restrict the availability of upstream capacity for supplier use. Staff stated that, currently, the pilot tariff allows suppliers, at the suppliers' option, to use the Company's upstream capacity assigned to pilot participants to deliver the customers' gas. Staff observed that WGL's proposal would make such upstream capacity available solely at the Company's discretion, with the result that a supplier's ability to serve customers could be restricted if the Company elects not to release the capacity and the supplier is unable to obtain other upstream capacity. Staff added that if WGL does not release upstream capacity upon request by suppliers, the Company could increase its exposure to stranded costs associated with such capacity.

Staff stated that it does not oppose the Company's proposal to permit suppliers to provide a single bill, but Staff believes that such billing should be accepted subject to certain conditions. The conditions are: (i) participation forms provided to customers should include a check off item that indicates that the customer is aware that the supplier is preparing his bill, and educational literature provided to customers should include the information that the customer still has access to the Company and the Commission for complaint resolution regarding the bill; (ii) WGL's procedures for billing by suppliers should be reviewed and accepted by Staff; and (iii) the Company must adhere to the tariff provisions concerning late payment charges and notices for disconnection. In addition, Staff recommended that the date that payment was received by the supplier should be the payment date for the Company and should be used to determine the application of late payment fees and disconnection notices.

---

[2] *Application of Washington Gas Light Company*, 1998 S.C.C. Ann. Rept. 429.

[3] *Application of Washington Gas Light Company*, 1998 S.C.C. Ann. Rept. 434.

[4] Currently, suppliers participating in the pilot have two balancing options: (i) the annual balancing option, requiring a supplier to deliver a level amount of gas to the Company's city-gate throughout the year; and (ii) the monthly balancing option which requires the supplier to deliver a level amount of gas to the city-gate on each day of every month. The Company explains that it is developing a daily balancing option under which the amount of gas that the supplier delivers to WGL's city-gate each day is adjusted to reflect each customer's expected requirements for that day. WGL anticipates that daily balancing will be available effective April 1, 2001, assuming the pilot is continued beyond the second year.

Finally, Staff noted that the Company's pilot program should be subject to the generic code of conduct that will be adopted in Case No. PUE980812 once a final order is issued in that proceeding. Staff stated that at the time the generic code of conduct is adopted, WGL should file tariff revisions reflecting the changes necessary to conform its present code to the generic code of conduct.

On October 6, 1999, WGL filed a reply to Staff's comments. In response to Staff's objection to increased participation levels, the Company stated that if it is not permitted to increase the participation level of the group metered apartment class in the second year of the pilot, it would be required to return approximately one-third of the first-year participants at the end of the first year. The Company reiterated its request to permit all current participants in the group metered apartment customer class to continue in year two and to permit an additional ten percent (10%) of its customers to participate in year two, for a total of forty percent (40%). WGL pointed out that an increase of ten percent (10%) of its customers in the group metered customer class would be consistent with the pilot program as originally proposed by the Company and approved by the Commission. With respect to commercial and industrial customer class, WGL stated that it will lower its requested increase from thirty percent (30%) of such customers to twenty-five percent (25%), also constituting an increase of an additional ten percent (10%), consistent with the originally approved pilot program.

With respect to the Capacity Assignment Option, WGL stated that it requests permission to withhold upstream capacity because, under the current relevant tariff provision, the Company may be faced with the dilemma of having to acquire additional capacity in the market, possibly at a higher cost, to serve its system requirements when it is required to release upstream capacity upon a supplier's request.

Turning to the Company's proposal to offer a third billing option, the Company stated that it did not oppose the three conditions recommended by Staff. The Company requested, however, that the first condition (requiring the Company to inform customers that they will continue to have access to the Company and the Commission to assist in resolving billing disputes) be modified to clarify that the referenced billing disputes will be those concerning charges for utility distribution service, not charges related to commodity sales of gas.

WGL responded to Staff's concerns that the proposed changes to the pilot would significantly change the terms and conditions of the pilot program. The Company pointed out that none of the suppliers, the entities that would be most directly affected by the changes, filed a response to the Company's August 16 Motion and thus apparently do not anticipate any adverse consequences from the proposed changes. In response to Staff's concern about the impact of the proposed changes on the validity of data collected in the pilot, WGL countered that the pilot program should not be static but should be revised based on on-going experience, particularly in the case of operational changes. The Company added that there can be little benefit from testing a pilot design that on-going experience shows should not be part of the future permanent program.

Further, the Company disagreed with Staff that the pilot should not be expanded because of unresolved tax issues. WGL stated that increasing the participation levels as proposed would result in a relatively *de minimis* reduction in the annual gross receipts tax collections. The Company added that it is actively working with others to propose a resolution to the gross receipts tax issue applicable to natural gas sales to the General Assembly in the 2000 legislative session.

NOW THE COMMISSION, having considered the matter, is of the opinion that the Company's August 16 Motion should be granted in part and denied in part.

We will permit WGL to expand the number of group metered apartment customers eligible for service under Rate Schedule No. 3A in the second year of the pilot by an additional ten percent (10%) of customers and the number of commercial and industrial customers available for service under Rate Schedule No. 2A in the second year of the pilot by an additional ten percent (10%) of customers. As the Company noted, a ten percent (10%) increase in the number of customers in each of these two customer classes in the second year is consistent with the original pilot program design approved by the Commission.

We find the Company's request to modify its pilot program to accept customer information on a weekly basis is reasonable and should be granted. We further find that WGL's proposal to offer a third billing option and allow suppliers to send a single bill, as modified by Staff's three conditions discussed herein, is reasonable. WGL does not oppose Staff's conditions if the proposed condition that WGL inform customers that they will have access to the Company and the Commission for complaint resolution is clarified to apply to complaints involving billing disputes concerning charges for utility distribution service, not charges related to commodity sales of gas. In view of the foregoing, we will grant the Company's request to offer a third billing option, subject to Staff's proposed conditions and the clarification requested by the Company.

We do not find, however, the Company's request that it be authorized to adjust the suppliers' daily contract quantity on exceptionally warm days or its request to release upstream capacity at its discretion to be in the public interest. We are concerned that, taken together, these two modifications would relieve WGL from its responsibility to acquire capacity and storage to serve customers that elect to participate in the pilot program, thus effectively abdicating its role as the supplier of last resort for these customers. If approved, customers who elect to switch to another supplier may not receive reliable service or any service at all, should a supplier fail to procure adequate supplies or capacity or simply decide to get out of Virginia. We believe that it is premature to accept this policy change until additional experience demonstrates that the change would not be contrary to the public interest. Thus, we will deny WGL's request to reduce the amount of gas delivered by suppliers to its city-gate and to make the Capacity Assignment Option available at its discretion.

Accordingly, IT IS ORDERED THAT:

(1) WGL's August 16 Motion is granted in part and denied, in part, as discussed herein.

(2) This matter shall be continued generally.

CASE NO. PUE980910
FEBRUARY 3, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
WASHINGTON GAS LIGHT COMPANY,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about September 14, 1998, Long Fence Company damaged a one-quarter inch plastic gas service line operated by Washington Gas Light Company ("the Company") located at or near 4550 North Pegram Street, Alexandria, Virginia, while excavating;

(2) On or about September 29, 1998, Jose A. Miranda damaged a three-quarter inch plastic gas service line operated by the Company located at or near Lot 87, Balmoral Heights Place, Clifton, Virginia, while excavating;

(3) On or about October 15, 1998, Arlington County damaged a three-quarter inch steel gas service line operated by the Company located at or near 1107 North Edgewood Street, Arlington, Virginia, while excavating;

(4) On or about October 15, 1998, Capco Construction Corporation damaged a three-quarter inch plastic gas service line operated by the Company located at or near Lot 4, Apple Brook Lane, Vienna, Virginia, while excavating;

(5) On or about October 22, 1998, Structural & Soil Systems, Inc. damaged a three-quarter inch steel gas service line operated by the Company located at or near 3408 King Street, Alexandria, Virginia, while excavating;

(6) On or about October 23, 1998, Arlington County damaged a three-quarter inch plastic gas service line operated by the Company located at or near 1595 North Colonial Terrace, Arlington, Virginia, while excavating;

(7) On or about October 28, 1998, B. Frank Joy Company, Incorporated damaged a one-half inch copper gas service line operated by the Company located at or near 242 Jackson Avenue, Arlington, Virginia, while excavating;

(8) On or about November 2, 1998, Harry B. King Sewer & Water damaged a one-half inch copper gas service line operated by the Company located at or near 5527 North 22nd Street, Arlington, Virginia, while excavating; and

(9) The Company caused such damages by failing to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, 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 before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $5,900 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

(2) Any fines paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $5,900 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE980915
NOVEMBER 17, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BYERS LOCATE SERVICES, LLC,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about April 30, 1998, The Driggs Corporation damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 5851 King Center Drive, Alexandria, Virginia, while excavating;

(2) On or about May 19, 1998, Rick Carney Irrigation, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 8303 Tabor Lane, Fairfax, Virginia, while excavating;

(3) On or about August 19, 1998, Leo Construction Company damaged a four inch plastic gas main line operated by Washington Gas Light Company located at or near Burghead and Woolen Kilt Court, Gainesville, Virginia, while excavating;

(4) On or about August 28, 1998, Leo Construction Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near Lot 92, Balmoral Forest Road, Fairfax, Virginia, while excavating;

(5) On or about September 11, 1998, Pruitt's Backhoe Service, Inc., damaged a six inch plastic gas main line operated by Washington Gas Light Company located at or near Eden Drive and South of Matador Terrace, Loudoun, Virginia, while excavating;

(6) On or about September 23, 1998, Leo Construction Company damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near Lot 35, Lord Fairfax Place, Loudoun, Virginia, while excavating;

(7) On or about September 25, 1998, D. A. Foster Company damaged a one-half inch copper gas service line operated by Washington Gas Light Company located at or near 21 West Mount Ida Avenue, Alexandria, Virginia, while excavating;

(8) On or about September 28, 1998, Lloyd R. Frazier, homeowner, damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 9017 Brook Ford Road, Fairfax, Virginia, while excavating;

(9) On or about October 5, 1998, Lemire Construction damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 13132 Tuckaway Drive, Reston, Virginia, while excavating;

(10) On or about October 6, 1998, Capitol Cable Construction damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 20570 Glenbrook Terrace, Loudoun, Virginia, while excavating;

(11) On or about October 12, 1998, Martin and Gass, Incorporated, damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 2917 Westcott Street, Fairfax, Virginia, while excavating;

(12) On or about October 14, 1998, Hilton Cable Enterprises, Inc., damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 12130 Folkstone Drive, Fairfax, Virginia, while excavating;

(13) On or about October 14, 1998, Triple H Contracting, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 11015 Blenheim Drive, Fairfax, Virginia, while excavating;

(14) On or about October 19, 1998, R. L. Cook Excavating damaged a two inch plastic gas service line operated by Washington Gas Light Company located at or near 3400 Commission Court, Woodbridge, Virginia, while excavating;

(15) On or about October 29, 1998, Fred W. Borden, Incorporated, damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near Lot 21, Center Road, Fairfax, Virginia, while excavating;

(16) For the incidents described in paragraphs (1) through (15) herein, Byers Locate Services, LLC, ("the Company") failed to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A of the Code of Virginia;

(17) On or about May 20, 1998, Leo Construction Company notified the notification center of plans to excavate at or near South Sterling Boulevard and Shaw Road, Sterling, Virginia;

(18) On or about September 20, 1998, Phoenix Development Corporation notified the notification of plans to excavate at or near Saulty Drive, Sugarland Run, Loudoun, Virginia;

(19) On or about October 6, 1998, David Coleman, homeowner, notified the notification center of plans to excavate at or near 4533 Gilbertson Road, Fairfax, Virginia;

(20) On or about October 7, 1998, Thompson Cable Services, Inc., notified the notification center of plans to excavate at or near 3725 Ridgelea Drive, Fairfax, Virginia;

(21) On or about October 7, 1998, Thompson Cable Services, Inc., notified the notification center of plans to excavate at or near Ridgelea Drive, Fairfax, Virginia;

(22) On or about October 7, 1998, Thompson Cable Services, Inc., notified the notification center of plans to excavate at or near 3800 Sandlewood Court, Fairfax, Virginia;

(23) On or about October 29, 1998, Impact Augering, Inc., notified the notification center of plans to excavate at or near 2650 Meadow Hall Drive, Herndon, Virginia; and

(24) For the incidents described in paragraphs (17) through (23) herein, the Company failed to mark the approximate horizontal location of the lines to within two feet of either side of the underground utility lines no later than 48 hours after receiving notice from the notification center, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, 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 before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $26,100 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $26,100 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE980916
SEPTEMBER 23, 1999

APPLICATION OF
C. RAY BEARD, d/b/a RED HILL UTILITY COMPANY

For certificates of public convenience and necessity to provide water and sewer service

FINAL ORDER

On December 21, 1998, C. Ray Beard, d/b/a Red Hill Utility Company ("Red Hill" or "the Company") filed its application for certificates of public convenience and necessity. In its application, the Company requests authority to provide water and sewer service to residents of the Red Hill Mobile Home Park located in Prince George County, Virginia.

The Company also requests approval of the following tariff:

WATER RATES

Metered Rates:

Per Month	Rate per 1,000 Gallons
For the first 1,000 gallons	$11.00
All over 1,000 gallons	$ 3.00

There shall be a monthly minimum service charge of $4.00 per month for water service. The minimum monthly service charge shall become effective when the water service is connected to the lot.

SEWERAGE RATES

Per Month	Rate per 1,000 Gallons
For the first 1,000 gallons	$15.00
All over 1,000 gallons	$ 3.00

Bills shall be rendered monthly.

Red Hill charges a customer deposit, the maximum amount of which shall not exceed the customer's estimated liability for two months' usage. The Company also charges a meter test fee of $20.00 if a meter test has been conducted within the past twenty-four (24) months, unless the meter is found to have an average error greater than two (2) percent, in which case the test will be at no charge to the customer. Red Hill's tariff also contains a turn-on charge of $10.00 when it becomes necessary to discontinue service because of a violation of the rules and regulations of service. In addition, Red Hill has a bad check charge of $25.00 and a late payment fee of 1 1/2% per month on any customer charges not timely paid.

In an order entered on February 10, 1999, the Commission directed the Company to give notice of its application and to provide the public with an opportunity to comment and request a hearing. The Commission also directed its Staff to file a report detailing its findings and recommendations on or before May 13, 1999.

On March 16, 1999, the Commission's Staff received a letter from approximately 13 of the Company's customers. The customers requested a hearing to determine the reasonableness of the Company's proposed rates.

On May 3, 1999, the Commission's Staff filed a "Motion for Extension of Time," requesting that the Commission extend the date for the filing of the Staff report by approximately 60 days, until July 13, 1999. That motion was granted on May 4, 1999.

Pursuant to the customers' requests and the Commission's order, Staff filed its report on July 13, 1999. In its report, Staff recommended that the Company be granted certificates of public convenience and necessity to provide water and sewer service. The Company's proposed rates are meter-based rates, but Red Hill does not currently have meters installed for the majority of its service connections. Staff, therefore, determined the average usage per customer, and based upon that usage, calculated an equivalent average flat rate for both water and sewer service. Accordingly, Staff recommended that a flat water rate of $10.00 per month and a flat sewer rate of $23.72 per month be approved. To bring the system into compliance with the Safe Drinking Water Act ("SDWA") and the Waterworks Regulations of the Virginia Department of Health ("VDH"), Staff recommended that the Commission require that the Company either begin using County water or develop a corrosion treatment control plan within 180 days of the date of this Order. Staff also recommended that Rule No. 8(A) of the Company's tariff should be modified, and the bad check charge should be reduced to $6.00, consistent with the Commission's final order in Case No. 19589.

Staff further recommended that the Company make several accounting changes. Specifically, Staff recommended that the Company establish and maintain a separate accounting system and books for both water and sewer systems; adopt the Uniform System of Accounts for Class C Water and Sewer Companies; prospectively depreciate at 3% all additions to plant in service unless a depreciation study indicates a shorter useful life; reclassify to plant accounts amounts expensed during the 1998 test year; maintain detailed time records tracking Henry Kidd's time working on both water and sewer systems; maintain a record of all future deposits received and returned to customers including interest for both water and sewer service; separate and maintain all invoices and keep detailed cash disbursements records to support expenses and capital improvement expenditures for each utility; establish written contracts with all outside professional parties and hired labor; file Annual Financial and Operating Reports with the Commission's Division of Public Utility Accounting; and include with the Annual Operating Report a cash flow statement and a summary of capital improvements made during the report year and improvements planned for the year following the report year.

In a letter dated August 27, 1999, the customers of Red Hill Mobile Estates, who had previously requested a hearing, agreed with Staff's proposed recommendations and withdrew their requests for a hearing.

In a letter dated September 8, 1999, the Company agreed to accept Staff's recommendations as stated in the above-referenced report.

Also, on September 8, 1999, the Commission received a letter signed by 14 of Red Hill's customers urging the Commission to shorten the amount of time the Company has to comply with the SDWA and the Waterworks Regulations of the VDH. The customers complained that there have been problems with lead and copper in the Company's water for over a year and that many of them now buy bottled water.

NOW THE COMMISSION, having considered the Company's application, Staff's report and the comments thereto, and § 56-265.3 of the Code of Virginia, finds that it is in the public interest to grant Red Hill certificates of public convenience and necessity to provide water and sewer service. The Commission will approve the Company's rates, as modified by the Staff, and the charges and rules and regulations of service. We will also adopt Staff's accounting and booking recommendations.

In addition, we find that Red Hill must either begin using County water or develop a corrosion treatment control plan by January 1, 2000. We believe this is ample time for the Company to bring its system into compliance with the applicable health and safety regulations. Accordingly,

IT IS ORDERED THAT:

(1) C. Ray Beard, d/b/a Red Hill Utility Company is hereby granted Certificate No. W-294 to provide water service to the Red Hill Mobile Estate mobile home community in Prince George, Virginia.

(2) C. Ray Beard, d/b/a Red Hill Utility Company is hereby granted Certificate No. S-84 to provide sewer service to the Red Hill Mobile Estate mobile home community in Prince George, Virginia.

(3) Red Hill's rates, as modified by Staff, are hereby approved. Specifically, the Commission authorizes the Company to charge $10.00 and $23.72 per month for water and sewer services, respectively.

(4) Red Hill's proposed charges, rules and regulations of service are hereby approved.

(5) On or before October 15, 1999, Red Hill shall file with the Commission's Division of Energy Regulation a revised tariff incorporating the changes in its rules and regulations of service as adopted herein.

(6) The Company shall implement Staff's accounting and booking recommendations as detailed herein.

(7) On or before January 1, 2000, Red Hill shall either begin using County water or develop a corrosion treatment control plan to ensure compliance with the SDWA and the Waterworks Regulations of the VDH.

(8) On or before January 15, 2000, Red Hill shall file with the Commission's Division of Energy Regulation a report detailing its corrosion treatment control plan.

(9) This case hereby is dismissed from the Commission's docket of active cases.

CASE NO. PUE990002
JANUARY 13, 1999

STEPHEN M. TURNER, et al.
v.
AUBON WATER COMPANY

PRELIMINARY ORDER

By notice dated November 4, 1998, Aubon Water Company ("Aubon" or "the Company") notified its customers and the Commission's Division of Energy Regulation pursuant to the Small Water or Public Utility Act (Va. Code § 56-265.13:1, et seq.) of its intent to increase its water rates effective for service rendered on and after January 16, 1999. As of December 30, 1998, the Commission's Division of Energy Regulation has received from the Company's affected customers ten (10) letters in opposition to the proposed rate increase, eighteen (18) individually signed letters, and three (3) petitions signed by sixty-five (65) customers, all opposing the rate increase and requesting a hearing.

The Commission takes judicial notice of the Order of Settlement issued December 16, 1998, in Case No. PUE980628 wherein Aubon Water Company is required to take certain remedial actions by installing water treatment facilities to serve its Long Island Estates customers. We noted in our Order of Settlement at page two that the Company's proposed rate increase filed November 6, 1998, reflects sixty thousand dollars ($60,000) to treat the water at the Long Island location and to cover additional expenses for wages and supplies to operate this new facility.

NOW THE COMMISSION, having considered the above-docketed matter, is of the opinion that a hearing should be scheduled pursuant to Va. Code § 56-265.13:6. The procedural order establishing, among other things, the date of the hearing will be by separate order of the Commission.

Pursuant to Va. Code § 56-265.13:6, we will suspend the Company's proposed rates through March 8, 1999. Thereafter, such rates will be declared interim and subject to refund, with interest, effective March 9, 1999. In addition, the Company should file certain financial information based on its proposed test year on or before January 22, 1999.

Accordingly, IT IS ORDERED THAT:

(1) This matter shall be docketed and assigned Case No. PUE990002.

(2) The proposed increase in the Company's rates are suspended through March 8, 1999.

(3) Following the suspension of the proposed rates, the proposed increase in the Company's rates shall be interim and subject to refund, with interest, effective for service rendered on or after March 9, 1999.

(4) The Company shall file with the Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, on or before January 22, 1999, certain financial data based on the Company's proposed test year. Such information shall include, at a minimum, an income statement, balance sheet, statement of cash flows, the Company's most recent tax return, and a rate of return statement, with workpapers, supporting all proposed adjustments, to book amounts, which support the Company's proposed increase as required by § 8 of the Commission's Rules Implementing the Small Water or Sewer Public Utility Act.

(5) This matter shall be continued subject to further order of the Commission.

CASE NO. PUE990002
DECEMBER 17, 1999

STEPHEN M. TURNER, et al.
v.
AUBON WATER COMPANY

FINAL ORDER

By notice dated November 4, 1998, Aubon Water Company ("Aubon" or "the Company") notified its customers and the Commission's Division of Energy Regulation, pursuant to the Small Water or Public Utility Act (Va. Code § 56-265.13:1, et seq.) of its intent to increase its water rates effective for service rendered on and after January 16, 1999.

On January 13, 1999, the Commission issued a Preliminary Order in this Case, in which judicial notice was taken of the Commission's Order of Settlement, dated December 16, 1998, in Case No. PUE980628, wherein Aubon is required to install water treatment facilities for its Long Island Estates

customers[1]. The Company's proposed rates were suspended through March 8, 1999, pending a hearing to be scheduled, pursuant to Va. Code § 56-265.13:6. Following the suspension of the proposed rates, the Company's new rates were made interim, subject to refund with interest, effective for service rendered on or after March 9, 1999. The Company was also ordered to file certain financial data in support of its proposed rates.

On February 12, 1999, we issued an Order of Notice and Hearing, which appointed a Hearing Examiner,[2] directed a Staff investigation, prescribed notice to ratepayers and others, established a prefiling schedule, and scheduled a public hearing to be convened on April 20, 1999. By letter dated March 17, 1999, the Company notified the Commission's Staff that it had failed to provide customer notice as required in the Commission's Order of February 12, 1999. The Hearing Examiner issued a Ruling on March 23, 1999, which extended the prefiling schedule to allow the Company another opportunity to prefile its case-in-chief and to provide its customers with the required notice of public hearing, which was rescheduled for June 22, 1999.

The public hearing was convened on June 22, 1999, at 10:00 a.m. in the Commission's 2nd Floor Courtroom, Tyler Building, 1300 East Main Street, Richmond, Virginia. The Company appeared *pro se* by its president, G. Ray Boone and the Commission's Divisions of Energy Regulation and Public Utility Accounting (the "Staff") participated through their Staff counsel. One member of the public, Mr. Carl W. Anderson, a resident ratepayer of the Long Island Estates subdivision, also appeared and testified. Mr. Anderson testified, based upon his conversations with a number of his neighbors, that they were not opposed to a rate increase as long as the water quality was improved. He would prefer that the cost of the water treatment facility be spread among all of the Company's customers.

The Company proposed the following rates to cover its current level of expenses and cover the cost of constructing a water treatment facility for its Long Island Estates water system:

		Current Rates	Proposed Rates
1.	Service Connections	$475.00	$950.00
2.	Water Rates:		
	a. first 3,000 gallons (per 1,000 gallons)	$2.50	$5.00
	b. over 3,000 gallons (per 1,000 gallons)	$3.50	$6.00
3.	Minimum Charge	$7.50	$15.00

Aubon's Water Systems

Aubon provides water utility service in Franklin County, with its office located in Rocky Mount, Virginia. Aubon serves approximately 255 customers through four separate water systems, each with independent water sources. The Hillcrest system comprises one well and two storage tanks serving 16 customers. The Franklin Heights system comprises four wells and two storage tanks, and serves 142 customers, although designed to serve 130. The Alton Park system consists of one well and two storage tanks, and serves 39 customers. Finally, the Long Island Estates system consists of three wells and two storage tanks, and it serves 58 customers, although designed to serve 46.

The Hearing Examiner found that although all of the systems suffer from lack of capacity or poor quality of water, the worst system in terms of water quality is the Long Island Estates system. The water in this system is extremely hard and contains excessive amounts of iron and manganese. The water meets current state and federal drinking water standards except for the high concentration of iron and manganese, which pose no health problems. A number of Aubon's customers on the Long Island Estates system have complained of the water's discoloration of plumbing fixtures and clothes. The Hearing Examiner noted that the Virginia Department of Health ("VDH") and the Commission's Staff, acting upon these customer complaints, initiated the action in Case No. PUE980628, which resulted in the Commission's Order of Settlement, entered on December 16, 1998.

Financing the Water Treatment Facility

Mr. Boone testified on behalf of the Company that the utility lacked the capital to finance the required water treatment facility for the Long Island Estates system.

The only financing commitment obtained by Aubon is from the First Virginia Bank in Rocky Mount, Virginia (the "Bank") in the amount of $80,000. The loan commitment, however, is conditioned upon the Company addressing the annexation of the Franklin Heights subdivision by the Town of Rocky Mount. To secure its loan, the Bank requires the Company to obtain Rocky Mount's agreement to allow Aubon to continue providing water utility service for ten years (the life of the loan) or to obtain, through condemnation proceeds of the utility's assets in the newly annexed area, sufficient monies to pay off the Bank's loan. The annexation issue has not been resolved as of the date of this Order.

Rate Design

Mr. Boone testified that he is concerned that if the cost of the water treatment facility is borne by the Long Island Estates customers alone, his rates will be too high and he would soon lose more customers to self-supply than the three he identified in rebuttal testimony.[3] Mr. Boone was also opposed to Staff's proposed recommended three-tiered rate schedule, which Staff recommended to promote water conservation.

---

[1] The specific measures required of Aubon involve installing a water treatment facility to remove iron and manganese from the subdivision's water system. The Order sets certain deadlines for the design and construction of the facility.

[2] By separate Order of February 17, 1999, entered in Case No. PUE980628, the same Hearing Examiner was assigned to monitor Aubon's compliance with the Order of Settlement.

[3] Staff adjusted their recommendations to reflect the loss of these customers.

Staff's Evidence

Staff calculated the Company's revenue requirement (exclusive of the required water treatment facility) for the test year ending August 31, 1998, to be $41,274, which produces adjusted operating income of $6,054, yielding a 17.30% return on a rate base of $35,001.

If the Commission approves a rate increase for the Company that includes the costs associated with the water treatment facility, the Staff calculated that an additional annual revenue increase of $27,858 would be necessary to fund construction and operation of the water treatment facility for Long Island Estates. The total annual revenue requirement would increase to $69,132.

Other Staff Recommendations

Staff recommended that the Company collect two $4,000 no-interest loans made to Mr. Boone and to a business owned by his daughter. Second, the Company should transfer a prepaid water main extension from its prepaid account to CIAC, thus reflecting that the prepaid account is now the Company's property after ten years on the Company's books. Third, the Company should maintain its books in accordance with the Uniform System of Accounts for Class "C" Water Utilities. The Staff also recommended that the Company should depreciate its plant and amortize contributions at a three percent composite rate.

Staff also presented testimony concerning the quality of the utility's water systems and alternative rate designs, with their corresponding rate impacts. Staff made the following recommendations: the Company's requested increase in its service connection charge should be denied as unsupported by the evidence; the Company should be required to change the rates in its tariff from monthly to bimonthly to coincide with the Company's bimonthly billing cycle; and the Company should clearly state in its tariff the rates that apply to multi-unit connections.

Hearing Examiner Findings

The Hearing Examiner concluded that the Company should authorized rates sufficient to fund construction of the water treatment facility under the terms of the bank's loan commitment for $80,000, with certain safeguards to refund the revenue if the bank loan is not obtained. The Hearing Examiner also concluded that a single, three-tiered rate design should be approved by the Commission.

The Hearing Examiner made the following findings and recommendations:

(1) The use of a test year ending August 31, 1998, to determine the Company's income and expenses is reasonable;

(2) An annual revenue requirement of $69,132 is reasonable to cover the Company's current operating expenses and the expenses related to the construction, operation, and maintenance of the water treatment facility;

(3) The Company's annual revenue increase should be made effective March 9, 1999;

(4) Based on annual revenues of $69,132, the Company's rate of return on rate base of 11.31% is reasonable;

(5) The Commission should require the Company to establish an escrow account to be used solely for the payment of expenses related to the construction, operation, and maintenance of a water treatment facility for the Long Island Estates subdivision in Franklin County, Virginia;

(6) The Commission should require the Company to deposit into the aforesaid escrow account the pro rated sum of $1,779.81 for the month of March 1999, and the sum of $2,321.50 for each month thereafter, up to and including the month the Commission enters its order in this case, to cover the expenses related to the water treatment facility;

(7) Beginning the month after the Commission enters its order in this case, and each month thereafter, the Company shall deposit the sum of $2,321.50 into the escrow account on or before the 10th day of the month;

(8) The Commission should allow the Company eight months from the date of its order to resolve the Bank's second loan condition;

(9) If the Company fails to satisfy the Bank's second loan condition, the Commission should:

  (a) order the Company to file an application for a rate decrease;

  (b) order the Company to place the Staff's recommended individual rates into effect on an interim basis;

  (c) permit the Company to pay all reasonably incurred construction expenses related to the water treatment facility out of the escrow account;

  (d) require the Staff to audit the escrow account; and

  (e) order a pro rata refund of all monies remaining in the escrow account.

(10) The Commission should require the Company to file annually with the VDH an application for a loan under the Drinking Water Revolving Fund Program;

(11) The Commission should require the Company to file a quarterly report, including supporting documentation, with the Staff showing all deposits into and all disbursement from the escrow account;

(12) The Commission should require the Staff to conduct an annual audit of the Company's escrow account;

(13) The Commission should approve the following three-tiered single-tariff rates and make them effective on the first day of the month immediately following the Commission's order in this case:

	Monthly Rate
First 3,000 gallons	$13.60
3,001-8,000 gallons, per 1,000 gallons	$ 6.50
Over 8,000 gallons, per 1,000 gallons	$ 9.00

(14) The Company should either collect the two $4,000 no-interest loans, or charge the borrowers a competitive market interest rate on the loans;

(15) The Company should transfer a prepaid water main extension from its prepaid account to CIAC;

(16) The Company should be required to maintain its books in accordance with the Uniform System of Accounts for Class "C" Water Utilities;

(17) The Company should depreciate plant and amortize contributions at a three percent composite rate in accordance with the Commission's decision in Case No. PUE870037;

(18) The Company's request for an increase in its service connection charge should be denied;

(19) The Company should change the rates in its tariff from monthly to bimonthly to coincide with its bimonthly billing cycle; and

(20) The Company should clearly state in its tariff the methodology used to calculate the rates for multi-unit connections.

No comments on the Hearing Examiner's Report were filed.

NOW THE COMMISSION, having considered the record, the Hearing Examiner's Report, and the applicable law is of the opinion and finds that the findings and recommendations of the Hearing Examiner's Report should be accepted and approved, subject to the following modifications. First, the Company shall establish within five business days of the effective date of this Order, the recommended escrow account to be used solely for the payment of expenses related to the construction, operation, and maintenance of the new water treatment facility to be constructed for the Long Island Estates subdivision. The Company shall deposit, monthly, to such account revenue amounts as stated in the Hearing Examiner's report, effective with the date of this Order. In addition, the Company shall determine the amount collected during the period March 9, 1999, through the date of this Order and deposit this amount, net of expenditures made relating to the water treatment facility, such as engineering fees. The Company shall pay no expenditures out of or make withdrawals from the escrow account containing revenues collected for the construction of the water treatment facility until after the bank loan is obtained. This additional safeguard is necessary to protect the interests of the ratepayers.

Secondly, the Commission recognizes that authorizing the revenues necessary to finance the water treatment facility may not be sufficient in and of itself to secure financing. The assistance of other state agencies in securing financing of the required water treatment facility may be required. To that end, the Commission finds that the Clerk should send a copy of this Order and the Hearing Examiner's Report approved herein to the local Health Department and to the Commission of Local Government. The Staff is further directed to offer its assistance to the Director of the Revolving State Fund in reviewing Aubon's loan application. Thirdly, Aubon is ordered to collect in full, both loans for $4,000 within eight months from the date of this Order, which shall be in lieu of the alternative recommendation of the Hearing Examiner to collect interest. Finally, the Commission finds that adoption of the recommended rate design shall be made effective March 9, 1999. This should result in refunds to some customers, and will avoid an apparent application of a second rate increase following the interim rates being placed in effect on March 9, 1999.

Accordingly, IT IS ORDERED THAT:

(1) The Hearing Examiner's Report is hereby approved and the recommendations therein are adopted, subject to the modifications found above.

(2) The Company is hereby ordered to establish within five business days from the effective date of this Order an escrow account to be used solely for the payment of expenses related to the construction, operation, and maintenance of the water treatment facility to be constructed for the Long Island Estates subdivision.

(3) The Company is hereby ordered to deposit monthly in the required escrow account the pro rated sum of $1,779.81 for the month of March, 1999, and the sum of $2,321.50 for each month thereafter, through the last day of the month following the date of this Order, net of expenditures made relating to the water treatment facility and any refunds required by this Order.

(4) Beginning the month after the effective date of this Order, the Company is hereby ordered to deposit the sum of $2,321.50 into the required escrow account on or before the tenth day of the month.

(5) The Company is hereby ordered to make no further expenditures or withdrawals from the required escrow account, except for service charges associated with such account, until the bank loan is made to the Company or until further order of the Commission.

(6) If the Company fails to obtain the bank loan or other suitable financing within eight months from the effective date of this Order, the Company is hereby ordered to file an application for a rate decrease that eliminates the revenues associated with the water treatment facility, and place into effect the individual rates recommended by Staff in this case, on an interim basis.

(7) In the event that the Company fails to obtain the bank loan or other suitable financing within eight months from the effective date of this Order, the Staff is hereby directed to audit the Company's escrow account and prepare a report recommending the pro rata refund of all monies held in escrow.

(8) The Company is hereby ordered to file annually an application with the VDH for a loan under the Drinking Water Revolving Fund Program.

(9) The Company is hereby ordered to file a quarterly report to the Commission's staff, with supporting documentation showing all escrow account activity for the preceding three months within 30 days of the end of each quarter. The first report is due January 31, 2000.

(10) The Staff is hereby directed to conduct an annual audit of the escrow account ordered herein.

(11) The Company is hereby authorized to apply the following three-tiered single-tariff rates, which shall become effective on the first day of the month immediately following the effective date of this Order:

	Monthly Rate
First 3,000 gallons	$13.60
3,001-8,000 gallons, per 1,00 gallons	$ 6.50
Over 8,000 gallons, per 1,000 gallons	$ 9.00

(12) The Company shall collect the two $4,000 no-interest loans within five months of the effective date of this Order.

(13) The Company shall transfer a prepaid water main extension from its prepaid account to CIAC.

(14) The Company shall be required to maintain its books in accordance with the Uniform System of Accounts for Class "C" Water Utilities.

(15) The Company shall depreciate plant and amortize contributions at a three percent composite rate in accordance with the Commission's decision in Case No. PUE870037.

(16) The Company's request for an increase in its service connection charge is hereby denied.

(17) The Company shall change the rates in its tariff from monthly to bimonthly to coincide with its bimonthly billing cycle.

(18) The Company shall clearly state in its tariff the methodology used to calculate the rates for multi-unit connections.

(19) This matter is continued generally.

CASE NO. PUE990005
MARCH 1, 1999

APPLICATION OF
THE POTOMAC EDISON COMPANY

To revise its fuel factor

ORDER ESTABLISHING 1999-2000 FUEL FACTOR

On January 19, 1999, The Potomac Edison Company ("Potomac Edison" or "the Company") d/b/a Allegheny Power filed with the Commission an application, testimony, and exhibits wherein the Company proposed to decrease its currently operative fuel factor from 1.278¢/kWh to 1.181¢/kWh with a corresponding decrease in annual fuel revenues of approximately $2.2 million. The Company requested that the proposed total fuel factor of 1.181¢/kWh become effective for all rate schedules with March 1999 cycle bills rendered on and after March 9, 1999.

By Order dated January 26, 1999, the Commission established a procedural schedule and set a hearing date. In that Order, the Commission directed its Staff to file testimony and provided an opportunity for any interested person to participate in the hearing as a Protestant. No notice of protest or protest was received in this proceeding. On February 18, 1999, Staff filed its testimony wherein it recommended that Potomac Edison's proposed estimates of energy sales and fuel prices used in the development of the proposed fuel factor be accepted as reasonable. Staff also recommended a total fuel factor of 1.181¢/kWh to become effective with March 1999 cycle bills rendered on and after March 9, 1999.

The hearing was held on February 25, 1999.

Upon consideration of the record in this case, the Commission is of the opinion that the proposed total fuel factor of 1.181¢/kWh is appropriate based in part on projected fuel expenses. Approval of this factor, however, is not construed as approval of the Company's actual fuel expenses. For each calendar year, the Commission's Staff conducts an audit and investigation that addresses, among other things, the appropriateness and reasonableness of the Company's booked fuel expenses. Staff's results are documented in an Annual Report ("Staff's Annual Report"). A copy of Staff's Annual Report is sent to the Company and to each party who participated in the Company's last fuel factor proceeding, all of whom are provided with an opportunity to comment and request a hearing on the report.

Based on Staff's Annual Report, and any comments or hearing thereon, the Commission enters an Order entitled "Final Audit for twelve-month period ending December 31, ____, 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 a decision resulting in unreasonable fuel costs, the Company's recovery position will be adjusted. This adjustment will be reflected in the recovery position at the time of the Company's next fuel factor proceeding. We reiterate that no finding in this order is final, as this matter is continued generally, pending Staff's audit of actual fuel expenses. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) A total fuel factor of 1.181¢/kWh be, and hereby is, approved and effective with Potomac Edison's March 1999 cycle bills rendered on and after March 9, 1999.

(2) This case shall be continued generally.

CASE NO. PUE990006
SEPTEMBER 23, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
WEST ROCKINGHAM WATER COMPANY, INC.

FINAL ORDER

On February 8, 1999, the Staff of the State Corporation Commission ("Staff") filed a Motion Requesting Issuance of a Rule to Show Cause requiring West Rockingham Water Company, Inc. ("West Rockingham" or "the Company"), to show cause why it should not be found in violation of § 56-265.13:4 of the Code of Virginia. The Staff requested that the Commission, pursuant to our authority under §§ 56-35 and -265.6 of the Code of Virginia, revoke, alter, or amend the Company's certificate to provide water service unless the Company agrees: (1) to bring the water system into compliance with state and federal environmental and waterworks regulations; and (2) to study the entire system and, within six months of the date of the Order herein, present a plan to solve the system's source and infrastructure problems.

On March 8, 1999, the Commission issued a Rule to Show Cause against the Company, directing it to appear on May 6, 1999, in the Commission's courtroom to show cause why it should not be found in violation of § 56-265.13:4 of the Code of Virginia. The Order also established a procedural schedule and appointed a Hearing Examiner to conduct further proceedings.[1]

On April 6, 1999, the Company filed its Response to the Rule to Show Cause, admitting and denying various allegations. The Response noted that recent monthly water tests had been satisfactory and that the two wells serving the system were adequate for daily household use. The Response emphasized that leaks in the distribution system could not be located despite numerous attempts. The Response also stated that updating the system's infrastructure, drilling a third well, and installing a filtration system would cost $270,000 to $330,000.

Pursuant to the Rule to Show Cause and subsequent Rulings, the hearing was convened on May 6, 1999, before Hearing Examiner Howard P. Anderson, Jr. Twenty-one (21) West Rockingham customers, appearing as public witnesses, testified about problems they have experienced with the water system. They testified that they have experienced difficulties for as long as 20 to 34 years, including low pressure, cloudy or dirty water, constant outages, and frequent breaks in water mains. They described sharing water between houses and complained about trouble in selling their homes once potential buyers learn of the water problems in the Lilly Gardens and Sunset Heights subdivisions. Customers also noted their willingness to pay more money for decent water.

After the public witness testimony, the Commission Staff presented the testimony of Marc A. Tufaro, Assistant Utilities Specialist in the Commission's Division of Energy Regulation, and John J. Aulbach, District Engineer in the Lexington Environmental Engineering Field Office, Virginia Department of Health, Office of Water Programs ("VDH"). The Company presented the testimony of William F. Wise, President and part owner of West Rockingham. R. Creigh Deeds, Esquire, also participated in the hearing, representing West Rockingham's customers.

Mr. Tufaro testified about the Staff's investigation of a September 30, 1998, complaint by numerous customers who alleged that they had access to water for only six hours a day for a ten-day period.[2] Mr. Tufaro described an October 1998 visit to the Company, at which time three major problems with the water system were discussed: filtration, the distribution system's infrastructure, and the possibility of adding a third well. Mr. Tufaro also discussed complaints Commission Staff had received since December 1998.

Mr. Aulbach testified that VDH has known of the Company's problems since the late 1980s. He stated that the Lilly Gardens subdivision water lines are too small, causing low pressure, that the galvanized pipe has pinhole leaks from corrosion and age, that the lines were never looped to enhance reliability, and that there are no blow-off valves to flush the lines.

Mr. Aulbach also testified that, though Sunset Heights has modern PVC pipe, it was not properly installed, causing low water pressure and outages. These problems are compounded by leaks, which are hard to detect because of interference with leak detection equipment. He also noted the need for a cross-connection program to ensure service connections do not negatively impact water system quality.

Concerning source problems, Mr. Aulbach stated that in September 1995 the Company's largest well was found to be under the direct influence of surface water, causing bacteriological problems that are being treated by chlorination. Mr. Aulbach also noted that the Company has been cited for violating

[1] On April 5, 1999, the Hearing Examiner granted a petition signed by 43 of the Company's customers requesting that the hearing be held in Rockingham County, Virginia. The Hearing Examiner ruled that the May 6, 1999, hearing would be held in the Board of Supervisors Meeting Room in the Rockingham County Administration Center in Harrisonburg, Virginia.

[2] The complaint also questioned the financial soundness of West Rockingham.

the National Primary Drinking Water Regulations[3] and the Commonwealth's Waterworks Regulations[4] due to its failure to take repeat samples to confirm whether a single positive coliform water sample presents a water quality problem or is only a laboratory testing error.

Mr. Aulbach also testified about a preliminary engineering report ("Report") for West Rockingham dated May 4, 1999, prepared by Mr. Wise and submitted to VDH. Mr. Aulbach stated that the Report adequately addressed the Company's problems and that estimates in the Report appeared to be accurate. The Report lists the system priorities and corresponding costs as:

(1) A filtration system, costing approximately $40,255, which would increase customer bills by about $8.07 per month;

(2) Replacement of distribution lines, costing $105,425, which would increase customer bills by $10.65 per month; and

(3) A third well, costing $111,000.

Mr. Aulbach agreed with the Company's priorities for installing a filtration system and replacing distribution lines. He noted that VDH had approved the Report.[5]

Mr. Aulbach also spoke about the State Drinking Water Revolving Fund, which provides low-interest improvement loans and grants to water systems. Mr. Aulbach opined that West Rockingham would be a good candidate for a loan based on the system's problems, complaint history, attention generated by this case, and the Company's willingness to proceed immediately with improvements. Mr. Aulbach further emphasized the necessity of a rate structure that could accommodate loan repayment.

Mr. Wise, on behalf of West Rockingham, testified that the Company is not meeting operating costs. He stated that he is willing to make improvements for which customers will pay but that the current financial situation could not continue. He noted that the Company plans to file for a rate increase when a proper amount can be determined. Mr. Wise further indicated that the Company has no employees and hires an independent plumber to make repairs. He explained that Frank Nadeau, a licensed water system operator employed by Wise & Associates, does not have the equipment to repair West Rockingham's system.

On July 8, 1999, the Hearing Examiner filed his report. Based on the evidence, the Examiner found that:

(1) West Rockingham should file for a rate increase sufficient to cover current operating costs and sufficient to recover costs of a filtration system and necessary repairs and replacement of the distribution system;

(2) West Rockingham should be directed, if it has not already done so, to file application for available grants and loans to cover the cost of making the necessary improvements discussed in the Hearing Examiner's Report;

(3) West Rockingham should file with the Commission progress reports indicating its compliance with the directives discussed above; and

(4) Staff should monitor the Company's progress in making the improvements to the water system deemed necessary for adequate service to be provided to the Company's customers.

The Hearing Examiner recommended that the Commission enters an order adopting these findings and continuing the case on the Commission's docket until such time as the Commission determines West Rockingham is providing adequate service to its customers.

The Commission Staff and Mr. Deeds filed comments to the Hearing Examiner's Report. The Staff concurred with the Hearing Examiner's findings and recommendations but requested that the Commission specifically find the Company has failed to furnish reasonably adequate services and facilities as required by § 56-265.13:4 of the Code of Virginia. The Staff also urged the Commission to provide the Company with a deadline to file for one or more rate increases to cover its current operating expenses, the cost of a filtration system, and necessary repairs and replacement of the Company's distribution system. The Staff asked that any rate increase be conditioned upon the actual performance of repair work to the system. The Staff requested that the Company be required to file any necessary applications for available grants and loans to cover improvement costs.

Additionally, the Staff requested that the Commission provide the Company with guidance concerning progress reports and the times at which reports should be filed. Specifically, the Staff asked the Commission to order the Company to include in its progress reports information concerning the Company's applications for grant and loan monies and the progress of work to accomplish system improvements. Finally, the Staff asked the Commission to specify that failure to comply with its order will cause the Company to be subject to further fines and penalties.

Mr. Deeds, on behalf of the homeowner customers of West Rockingham, also filed comments. He summarized the public witness testimony, highlighting the Company's failure and refusal to communicate adequately with residents of Lilly Gardens and Sunset Heights or to take action on the problems. Mr. Deeds also expressed dismay at Mr. Wise's testimony that the Company is financially bankrupt while not offering real explanations for his failure to request a rate increase in the past or his ability to allow the Company's financial situation to languish for 23 years. Mr. Deeds suggested the record was incomplete as to whether the Hearing Examiner's finding is accurate on the issue of the Company's financial losses since questions regarding the Company's financial workings were deemed by the Hearing Examiner to be better suited for a rate proceeding than the present show cause proceeding. Mr. Deeds requested the Commission to reject the Hearing Examiner's findings and to enter an order finding the Company in violation of the law, revoking the Company's water certificate, and assessing costs of this proceeding against the Company.

[3] 40 CFR § 141.21(b)(1).

[4] 12 VAC 5-590-380 D 1.

[5] Mr. Aulbach qualified his approval of the Report by noting, "Debt is outside of the technical engineering aspects that we're looking at. . . . We're focusing in on the technical aspects of the project." Tr. at 168. The Commission's Staff also had not reviewed the dollar figures in the Report at the time of the hearing. Tr. at 114.

On August 5, 1999, West Rockingham filed a document notifying the Commission that on June 15, 1999, the Company filed an application with the Virginia Revolving Loan Program for the lowest cost money available. The document also indicated that on August 12, 1999, Company officials would attend a meeting with other applicants of the Loan Fund who had passed the first screening. At this meeting, Loan Fund officials would seek additional information about West Rockingham. The document stated that, if the application were approved, funds likely would be available in July 2000. The document also indicated that an application is underway for a rate increase. Finally, the Information stated that the Company agrees with the Hearing Examiner's findings as to the water system's priorities.

NOW THE COMMISSION, having considered the record, the Hearing Examiner's Report, comments to the Hearing Examiner's Report, information from the Company, and the applicable law, is of the opinion and finds that West Rockingham Water Company has failed to meet its obligations under § 56-265.13:4 of the Code of Virginia by failing to furnish reasonably adequate water services and facilities and that these deficiencies must be corrected. We also find that the Company has failed to comply with all the National Primary Drinking Water Regulations and the Commonwealth's Waterworks Regulations. We will not adopt the Hearing Examiner's recommendations as such, but we have taken them into consideration in fashioning our Order. We note that, by requiring the Staff to review the Company's five-year improvement plan detailed below, we do not intend to decide any rate issues or implications. All rate requests must be handled in separate proceedings. We further emphasize the importance of complying with the requirements listed below and note that failure to do so shall be deemed a failure to comply with a Commission order to provide adequate service, which may subject the Company to fines up to $1000 per offense, with each day's continuance of such failure to be considered a separate offense. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) West Rockingham shall provide reasonably adequate water services and facilities to its customers and shall comply with all applicable federal and state waterworks regulations.

(2) Within ninety (90) days from the date of this Order, West Rockingham shall provide to the Staff a detailed plan including a statement of what system improvements the Company plans to accomplish each year for the next five (5) years, the estimated costs for the improvements including the basis for such estimates, and how the improvements will be financed each year. The plan shall clearly state the annual rate impact to customers for the proposed improvements. The plan also shall state when the Company will file for any rate increases. This report shall be prepared especially for the Commission, although the Company may utilize information in the May 4, 1999, preliminary engineering report when developing its plan.

(3) The Commission's Staff shall review the five-year plan and shall advise the Company if it is acceptable. The Company then shall begin implementation of the plan.

(4) The Company shall file progress reports with the Staff every sixty (60) days, beginning with notification of the Staff's approval of the five-year plan. These progress reports shall contain: (1) the status of any funding the Company expects to receive from the Virginia Revolving Loan Fund or other sources; (2) information concerning how this money and money obtained from rate increases is being allocated to pay for improvements specified in the five-year plan; (3) information regarding when the Company expects to receive any approved funding; and (4) whether funding is in the form of grants or loans or both and, if loans, the applicable interest rate(s).

(5) The Company shall respond to reasonable requests for information made by the Commission's Staff.

(6) This matter is continued generally.

CASE NO. PUE990007
JUNE 7, 1999

APPLICATION OF
MOUNTAINVIEW WATER COMPANY, INC.

For authority to amend its certificate of public convenience and necessity

FINAL ORDER

On January 25, 1999, Mountainview Water Company, Inc. ("Mountainview" or "the Company") filed an application, pursuant to Virginia Code § 56-265.3(D), to amend its certificate of public convenience and necessity, No. W-263(a). In its application, the Company requested authority to extend its service territory to provide water service in certain parts of Botetourt County. Mountainview seeks to serve a planned commercial development on a 13.25 acre tract fronting Alternate U.S. Route 220, and a planned residential development that will adjoin the Steeplechase subdivision.

The Company also requested to apply to customers in these planned developments the same rates, charges, and rules and regulations of service currently approved for its existing customers. The Company currently charges connection fees of $670 for 3/4-inch connections; and for connections over 3/4-inch the Company charges $670 plus the costs in excess of a 3/4-inch connection. There is a $16.50 monthly minimum charge for the first 3,500 gallons of water usage; a $3.00 per 1,000 gallon charge for all usage for the next 3,000 gallons; and a $3.75 per 1,000 gallon charge for all usage in excess of 6,500 gallons. Moreover, there is a customer deposit equal to a customer's estimated bill for two months' usage; a $45.00 meter test charge if the meter has no average error greater than two percent and has not been tested within the prior two years; and a $25 turn-on charge. The turn-on charge is to restore service that has been disconnected for non-payment of any bill or for violation of the Company's rules and regulations of service. Mountainview also has a bad check charge of $6.00 and a late payment fee of 1 1/2% per month on all past due balances.

On March 24, 1999, 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 that order, the Commission also directed its Staff to review the application and to file a report detailing its findings on or before May 13, 1999.

Mountainview filed proof of its notice on April 28, 1999. No comments or requests for hearings were filed.[1]

On May 13, 1999, Staff filed its report. The Staff notes in its report that the source of supply for the Company's system is groundwater from six drilled wells. The Company has drilled a seventh well, but it is not yet in service. The report indicates the seventh well will be required to provide the needed capacity to serve the approximately 50 connections in the planned residential development. The Company currently has sufficient capacity to serve the planned commercial development.

Staff recommended that the Commission grant Mountainview an amended certificate and approve the rates, charges and rules and regulations of service proposed for the planned commercial and residential developments, subject to the Company submitting a new Virginia Department of Health ("VDH") operating permit with a minimum capacity of 691 Equivalent Residential Connections ("ERCs"), reflecting increased capacity from the Company's seventh drilled well.

NOW THE COMMISSION, having considered the application, Staff's report, and § 56-265.3(D), is of the opinion that Mountainview's certificate should be amended to authorize the Company to provide water service in Botetourt County to the commercial development fronting Alternate U.S. Route 220, and the planned residential development adjoining the Steeplechase subdivision, subject to the condition that it file with the Commission a new VDH operating permit with a minimum capacity of 691 ERCs. We will approve the application of the requested schedule of rates, charges and rules and regulations of service for those subdivisions. Accordingly,

IT IS ORDERED THAT:

(1) Certificate No. W-263(a) shall be canceled, and Mountainview shall be granted an amended certificate of public convenience and necessity (Certificate No. W-263(b)) authorizing it to provide water service to those areas previously authorized in Certificate No. W-263(a), as well as to the commercial development on the 13.25 acre tract fronting Alternate U.S. Route 220 and the planned residential development adjoining the Steeplechase subdivision, both in Botetourt County.

(2) The amended certificate approved herein is granted subject to the Company submitting to the Division of Energy Regulation within six months of this order a new VDH operating permit with a minimum capacity of 691 ERCs.

(3) The rates, charges, rules and regulations of service proposed for the planned commercial and residential developments are hereby approved.

(4) There being nothing further to be done in this matter, it be, and hereby is, dismissed from the Commission's docket of active cases and the papers placed in the file for ended causes.

[1] Because of a problem in the mail delivery to the Company of the March 24, 1999, Order Inviting Written Comments and Requests for Hearing, the Commission, on April 12, 1999, issued an Amending Order that extended from April 8 to April 26 the time by which the Company shall furnish notice of its application; and from April 22 to May 10 the time by which any person shall file comments or request a hearing. On April 15, 1999, the Company mistakenly caused to be published the notice prescribed in the earlier March 24 order, directing that comments or requests for hearing be filed by April 22, 1999. Although the Company's notice was not published in strict compliance with our later Amending Order, we find that the notice given was reasonable as required by Code § 56-265.3(D) and in substantial compliance with our orders.

CASE NO. PUE990008
MAY 6, 1999

APPLICATION OF
LAKE MONTICELLO SERVICE COMPANY

For amendment to its certificate of public convenience and necessity

FINAL ORDER

On February 25, 1999, Lake Monticello Service Company ("Lake Monticello" or "the Company") filed an application requesting authority to amend its certificate of public convenience and necessity. In its application, the Company requested authority to provide water and sewer service to two additional customers located adjacent to the Company's service territory. The Company proposed to include these customers in the tariff that has been approved for its customers in the Lake Monticello subdivision located in Fluvanna County, Virginia.

On March 4, 1999, the Commission issued an Order Inviting Written Comments and Requests for Hearing. In that order, the Commission directed Lake Monticello to give its customers notice of its application and to provide interested persons with an opportunity to comment and/or request a hearing on or before April 12, 1999. The Commission also directed Staff to review the application and to file a report detailing its findings and recommendations on or before April 19, 1999. On March 10, 1999, the Commission issued an Amending Order stating that there was no need for the Company to include certain tariff provisions in its notice to its customers.

On April 16, 1999, Staff filed its report. In its report, Staff stated that there were no comments or requests for hearing.[1] Staff recommended that Lake Monticello's certificate be amended to include the two additional customers in Fluvanna County. Staff specifically recommended that this be accomplished by canceling the Company's existing certificate Nos. W-197 and S-64 and issuing amended certificates W-197(a) and S-64(a).

The Company filed its proof of customer notice with the Commission on April 12, 1999.

[1] There was, in fact, one comment filed in support of the application, but that comment was not filed by the date prescribed in the Order.

NOW THE COMMISSION, having considered the application and the record developed herein, is of the opinion that it is in the public interest for Lake Monticello to be granted amended certificates to provide water and sewer service to the two additional customers. The Commission is of the further opinion that such authority should be accomplished in the manner recommended by Staff. Accordingly,

IT IS ORDERED THAT:

(1) Certificate Nos. W-197 and S-64 be, and hereby are, canceled;

(2) Lake Monticello shall be granted amended certificates of public convenience and necessity (Certificate Nos. W-197(a) and S-64(a) to provide water and sewer service to those areas previously authorized in Certificate Nos. W-197 and S-64 as well as to the two additional customers in Fluvanna County, Virginia; and

(3) 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. PUE990009
OCTOBER 19, 1999

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For a certificate of public convenience and necessity authorizing construction and operation of transmission lines and facilities in Fairfax County: Dulles Junction to Reston Substation 230 kV Transmission Line

ORDER GRANTING CERTIFICATE

On January 29, 1999, Virginia Electric and Power Company ("Virginia Power" or "the Company") filed an application for a certificate of public convenience and necessity for construction and operation of 1.4 miles of double circuit 230 kV single pole structures, installation of new 230 kV conductor on 8.5 miles of existing structures, and re-energizing 3.8 miles of a currently de-energized 230 kV circuit. This proposed project, termed the "Dulles Junction-Reston Substation project" (hereinafter "the project"), is to be located entirely on existing Virginia Power transmission line right-of-way in Fairfax County. According to the Company's application, the project is to provide additional transmission capacity to meet load growth and maintain system reliability in Fairfax County, and is designed to make maximum efficient use of existing facilities and right-of-way by reconfiguration of existing facilities and minimal construction of new facilities.

By an Order for Notice of April 9, 1999, we directed Virginia Power to publish notice of its application in newspapers of general circulation in the area of the proposed transmission line, and to serve notice of the Order on certain federal, state, and local government agencies and officials, those agencies and officials having previously received a copy of the Company's application. The Commission also directed its staff to investigate the application and to prepare a report.

On May 21, 1999, Virginia Power filed proof of newspaper publication and service of the Order for Notice. Public notice, including a map showing the route of the proposed transmission line project, was published in a newspaper of general circulation in Fairfax County on April 29, 1999, and May 6, 1999. Upon review of this filing, it appears that proper notice of this application was given as required by § 56-46.1 of the Code of Virginia and our April 9 Order.

The Commission received one comment on the application filed by the Northern Virginia Regional Park Authority ("the Park Authority"), owner and operator of the Washington & Old Dominion Railroad Regional Park ("W&OD Trail"). The Park Authority states that it acquired (in fee) the 45-mile long, 100 foot wide W&OD Trail from Virginia Power, and that the Company retained an easement over this entire property reserving to itself the right to construct, operate, and maintain its electric transmission and distribution facilities and related utility uses.

The Park Authority did not request a hearing, and it recognized Virginia Power's right under its easement to construct and operate the proposed project on the W&OD Trail. However, the Park Authority detailed its concerns about the impact of the proposed construction on trail improvements and trail users. It stated that it is "absolutely imperative that Virginia Power develops a plan for its work that maintains the safety, continuity and convenience of the W&OD Trail." The Park Authority further states it must review and comment on the site specific plans, as they are developed, to provide input on how the project affects park facilities as well as sensitive environmental areas.

On June 23, 1999, the Commission's Staff filed its report on Virginia Power's application. The Staff concurred with Virginia Power's analysis and determined that the project's proposed facilities are required to provide reliable electric service to Northern Virginia, and are the best technical and economical option available.

The Staff further agreed with Virginia Power that the alternatives, building a new 500 kV line from Ox Substation to Idywood Substation, or a new 500-230 kV transformer and breakers at Pleasant View Substation and building two new 230 kV lines from that substation to the Dulles-Reston area, would be significantly more costly than the proposed project. Moreover, the alternatives would require either new rights-of-way through a heavily developed and congested area of Northern Virginia or through the existing trails of the Park Authority.

NOW THE COMMISSION, upon consideration of the application, Staff's report, and the comments of the Park Authority, is of the opinion that Virginia Power has established a need for the proposed project to meet demand and improve reliability in Fairfax County.

The Commission further finds that the project will have minimal adverse impact on the environment, particularly to the extent that the entire project will be on existing transmission line right-of-way. The project does not appear to have any adverse impact on any historical, cultural, or

environmental resources. We do find, however, that the Park Authority raises legitimate concerns about the project's impact on the W&OD Trail and the trail's users.

We expect Virginia Power to cooperate with the Park Authority in providing it with site specific plans so that the Park Authority may provide meaningful input on how the project will affect park facilities and sensitive environmental areas. Virginia Power should endeavor to plan and construct the project in a manner that maintains the safety, continuity, and convenience of the W&OD Trail and its users, and we encourage the Company to accommodate any reasonable requests of the Park Authority that would mitigate adverse impacts on the W&OD Trail. Virginia Power shall advise the Commission's Division of Energy Regulation of its consultations with the Park Authority, and shall submit to the Division for approval the final site specific plans for construction of the portion of the project that affects the W&OD Trail. Accordingly,

IT IS ORDERED THAT:

(1) Virginia Power's application for a certificate of public convenience and necessity is granted as conditioned herein.

(2) Virginia Power is authorized to construct and operate in Fairfax County the proposed project consisting of 1.4 miles of double circuit 230 kV single pole structures, installation of new 230 kV conductor for a second circuit on 8.5 miles of existing structures, and re-energizing 3.8 miles of a currently de-energized 230 kV circuit, all as described in its application.

(3) Virginia Power is to be issued an amended certificate of public convenience and necessity as follows:

> Certificate No. ET-79ii, for Fairfax County, authorizing Virginia Power to operate the presently certificated transmission lines and facilities in Fairfax County, and to construct and operate the proposed transmission line and facilities in Fairfax County, all as shown on map attached hereto and as authorized in Commission Case No. PUE990009; Certificate No. ET-79ii will supersede Certificate No. ET-79hh issued on August 29, 1996.

(4) This matter is dismissed from the docket of active cases and the papers herein shall be placed in the file for ended causes.

CASE NO. PUE990094
APRIL 13, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
WASHINGTON GAS LIGHT COMPANY,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about October 27, 1998, S and N Communications, Inc. damaged a two inch plastic gas main line operated by Washington Gas Light Company ("the Company") located at or near 2606 Glascow Drive, South Riding, Virginia, while excavating;

(2) On or about November 4, 1998, T C S Communications damaged a three-quarter inch plastic gas service line operated by the Company located at or near 11621 Charter Oak Court, Fairfax, Virginia, while excavating;

(3) On or about November 12, 1998, T C S Communications damaged a two inch plastic gas service line operated by the Company located at or near 12022 North shore Drive, Reston, Virginia, while excavating;

(4) On or about November 18, 1998, Rockingham Construction Company, Incorporated damaged a three-quarter inch plastic gas service line operated by the Company located at or near Lot 24 Luck Penny Court, Gainesville, Virginia, while excavating;

(5) On or about November 27, 1998, Dave Foote Plumbing, Inc. damaged a one-half inch plastic gas service line operated by the Company located at or near 407 Holloway Court, Vienna, Virginia, while excavating;

(6) On or about November 30, 1998, Triple H Contracting, Incorporated damaged a one and one-quarter inch plastic gas main line operated by the Company located at or near 6801 Industrial Road, Springfield, Virginia, while excavating;

(7) On or about December 4, 1998, John H. Lange Plumbing & Heating, Inc. damaged a one-half inch copper gas service line operated by the Company located at or near 206 East Monroe Avenue, Alexandria, Virginia, while excavating;

(8) On or about December 14, 1998, Woodlawn Construction Company damaged a three-quarter inch plastic gas service line operated by the Company located at or near 7100 Backlick Road, Springfield, Virginia, while excavating; and

(9) The Company caused such damages by failing to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, 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 before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $6,250 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

(2) Any fines paid in accordance with this order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $6,250 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE990103
DECEMBER 6, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UTILIQUEST, LLC,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about August 25, 1998, Arlington County damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 2454 North Jefferson Street, Arlington, Virginia, while excavating;

(2) On or about September 9, 1998, William A. Hazel, Inc., damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near Brookline Terrace and Laurel Ridge Drive, Loudoun, Virginia, while excavating;

(3) On or about October 12, 1998, Flippo Construction Company, Inc., damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 5311-5307 North 5th Street, Arlington, Virginia, while excavating;

(4) On or about November 3, 1998, Fairfax County Water Authority damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 9620 Tackroom Lane, Great Falls, Virginia, while excavating;

(5) On or about November 10, 1998, JHL Plumbing, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 10809 Tradewind Drive, Oakton, Virginia, while excavating;

(6) On or about November 19, 1998, WCS, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 12415 Fairfax Station Road, Clifton, Virginia, while excavating;

(7) On or about November 23, 1998, R. B. Hinkle Construction, Inc. damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 11307 Hearth Court, Great Falls, Virginia, while excavating;

(8) On or about December 2, 1998, Impact Augering, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 13127 Apple Grove Lane, Reston, Virginia, while excavating;

(9) On or about December 2, 1998, Capco Construction Corporation damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 13303 Virginia Willow Drive, Fairfax, Virginia, while excavating;

(10) For the incidents described in paragraphs (1) through (9) herein, Utiliquest, LLC, ("the Company") failed to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265-19 A of Code of Virginia;

(11) On or about September 25, 1998, Jones Communications, Inc., notified the notification center of plans to excavate at or near Durand Drive and Homer Terrace, Reston, Virginia;

(12) On or about October 19, 1998, Impact Augering, Inc., notified the notification center of plans to excavate at or near 4363 Silas Hutchinson Drive, Chantilly, Virginia;

(13) On or about October 19, 1998, Impact Augering, Inc., notified the notification center of plans to excavate at or near 15124 Philip Lee Road, Chantilly, Virginia;

(14) On or about October 19, 1998, Impact Augering, Inc., notified the notification center of plans to excavate at or near 4365 Cub Run Road, Chantilly, Virginia;

(15) On or about October 19, 1998, Impact Augering, Inc., notified the notification center of plans to excavate at or near 15216 Bicentenial Court, Chantilly, Virginia;

(16) On or about November 19, 1998, Thompson Cable Services, Inc., notified the notification center of plans to excavate at or near 6947 Sydensticker Road, Springfield, Virginia;

(17) On or about November 19, 1998, Thompson Cable Services, Inc.. notified the notification center of plans to excavate at or near Danford Lane, Springfield, Virginia;

(18) On or about November 19, 1998, Thompson Cable Services, Inc., notified the notification center of plans to excavate at or near 7100 Galgate Drive, Springfield, Virginia;

(19) On or about November 19, 1998, Thompson Cable Services, Inc., notified the notification center of plans to excavate at or near Brook Ford Road, Burke, Virginia;

(20) On or about November 19, 1998, Thompson Cable Services, Inc., notified the notification center of plans to excavate at or near Hadlow Drive, Springfield, Virginia; and

(21) For the incidents described in paragraphs (11) through (20) herein, the Company failed to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines no later than 48 hours after receiving notice from the notification center, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent, 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 before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $37,050 to be paid contemporaneously with the entry of this Order. This payment shall be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $37,050 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE990104
MARCH 31, 1999

APPLICATION OF
KENTUCKY UTILITIES COMPANY, t/a OLD DOMINION POWER COMPANY

To revise its fuel factor

ORDER ESTABLISHING 1999/2000 FUEL FACTOR

On February 18, 1999, Kentucky Utilities Company, ("KU") t/a Old Dominion Power Company ("ODP" or "Company") filed with the Commission an application, exhibits, and a proposed tariff intended to decrease its current fuel factor from 1.208¢ per kWh to 1.164¢ per kWh, effective for bills rendered on and after April 1, 1999.

By order dated March 5, 1999, the Commission established a procedural schedule and set a hearing date for March 30, 1999. In that regard, the Commission directed its Staff to file testimony and provided an opportunity for interested persons to participate in the proceeding. No notices of protest were received.

On March 23, 1999, the Staff filed its testimony. Staff recommended that the Company's proposed estimates of energy sales and fuel expenses be accepted as reasonable, and recommended that the Commission approve a total fuel factor of 1.160¢ per kWh, effective with usage on and after April 1, 1999. The Staff's proposed fuel factor of 1.160¢ per kWh is slightly less than the 1.164¢ per kWh proposed by the Company because it reflects an updated deferred fuel balance that became available after the Company filed its application.

The Staff also recommended that ODP be required to notify the Division of Public Utility Accounting if the Company changes the accounts or subaccounts where it currently books brokered power transactions. The Company did not file any rebuttal testimony.

The hearing was held on March 30, 1999. At the hearing, the Company tendered its proof of service and notice, the Company's application and exhibits, and the Staff's testimony were entered into the record without cross-examination.

UPON CONSIDERATION of the record in this case, the Commission is of the opinion that a decrease in the Company's fuel factor to 1.160¢ per kWh is appropriate based, in part, on projected fuel expenses. Further, the Company shall notify the Division of Public Utility Accounting if the Company decides to change the accounts or subaccounts where it currently books brokered transactions.

Approval of this factor, however, is not construed as approval of the Company's actual fuel expenses. For each calendar year, the Commission's Staff conducts an audit and investigation which addresses, among other things, the appropriateness and reasonableness of the Company's booked fuel expenses. Staff's results are documented in an Annual Report ("Staff's Annual Report"). A copy of Staff's Annual Report is sent to the Company and to each party who participated in the Company's last fuel factor proceeding, all of whom are provided with an opportunity to comment and request a hearing on the report.

Based on Staff's Annual Report, any comments or hearing thereon, the Commission enters an Order entitled "Final Audit for twelve-month period ending December 31, 19__, Fuel Cost Recovery Position," hereinafter referred to as "Final Audit Order." Notwithstanding any findings made by the Commission in an earlier order establishing the Company's fuel factor based on estimates of future expenses and unaudited booked expenses, the Final Audit Order will be the final determination of not only what are, in fact, allowable fuel expenses and credits, but also the Company's over or underrecovery position as of the end of the audit period. Should the Commission find in its Final Audit Order (1) that any component of the Company's actual fuel expenses or credits has been inappropriately included or excluded, or (2) that the Company has failed to make every reasonable effort to minimize fuel costs or has made decisions resulting in unreasonable fuel costs, the Company's recovery position will be adjusted. This adjustment will be reflected in the recovery position at the time of the Company's next fuel factor proceeding. We reiterate that no finding in this order is final, as this matter is continued generally, pending Staff's audit of actual fuel expenses. Accordingly,

IT IS ORDERED THAT:

(1) A total fuel factor of 1.160 per kWh is hereby approved effective for bills rendered on and after April 1, 1999.

(2) ODP shall notify the Division of Public Utility Accounting if the Company changes the accounts or subaccounts where it currently books brokered off-system power transactions.

(3) This case is continued generally.

CASE NO. PUE990162
SEPTEMBER 1, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BYERS LOCATE SERVICES, LLC,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about December 3, 1998, T C S Communications damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near North Village Drive and Chapel Cross Way, Reston, Virginia, while excavating;

(2) On or about December 8, 1998, S. W. Rodgers Company, Inc., damaged an eight inch plastic gas main line operated by Washington Gas Light Company located at or near 13001 Champlain Drive, Prince William, Virginia, while excavating;

(3) On or about December 8, 1998, D. A. Foster Company damaged a one-half inch copper gas service line operated by Washington Gas Light Company located at or near 5653 Rayburn Avenue, Alexandria, Virginia, while excavating;

(4) On or about December 11, 1998, S and N Communications, Inc., damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 12109 Parkshore Court, Prince William, Virginia, while excavating;

(5) On or about December 14, 1998, William A. Hazel, Inc., damaged a four inch plastic gas main line operated by Washington Gas Light Company located at or near Balmoral Greens Avenue, Centreville, Virginia, while excavating;

(6) On or about December 15, 1998, Virginia Electric and Power Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 3424 Lockheed Boulevard, Alexandria, Virginia, while excavating;

(7) On or about December 16, 1998, Virginia Electric and Power Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 10110 Oakton Drive, Fairfax, Virginia, while excavating;

(8) On or about December 17, 1998, Northern Pipeline Construction Co. damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 43836 Robindale Court, Ashburn, Virginia, while excavating;

(9) On or about December 18, 1998, Northern Virginia Electric Cooperative damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 43300 Dressmaker Lane, South Riding, Virginia, while excavating;

(10) On or about December 29, 1998, Collazo Contracting Company damaged a two inch plastic gas service line operated by Washington Gas Light Company located at or near 1414 North 24th Street, Arlington, Virginia, while excavating;

(11) On or about December 29, 1998, Leo Construction Company damaged an eight inch plastic gas main line operated by Washington Gas Light Company located at or near Truro Parrish Drive and Glebe View Drive, Ashburn, Virginia, while excavating;

(12) On or about December 29, 1998, Rockingham Construction Co., Inc., damaged a one inch plastic gas service line operated by Washington Gas Light Company located at or near 10525 Summer Wind Lane, Burke, Virginia, while excavating;

(13) On or about December 30, 1998, Thompson Cable Services, Inc., damaged a one inch plastic gas service line operated by Washington Gas Light Company located at or near 119-3 St. Helena Drive, Fairfax, Virginia, while excavating;

(14) On or about December 30, 1998, The Strong Companies, Inc., damaged a one-half inch copper gas service line operated by Washington Gas Light Company located at or near 810 South Wayne Street, Arlington, Virginia, while excavating;

(15) On or about January 4, 1999, D. A. Foster Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 13890 Lewis Mill Way, Chantilly, Virginia, while excavating;

(16) On or about January 13, 1999, The Strong Companies, Inc., damaged a primary power line operated by Virginia Electric and Power Company located at or near 910 Saddle Back Court, McLean, Virginia, while excavating;

(17) For the incidents described in paragraphs (1) through (16) herein, Byers Locate Services, LLC ("the Company"), failed to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265-19 A of Code of Virginia;

(18) On or about March 1, 1998, Easy Living Irigation notified the notification center of plans to excavate at or near 4705 Ferry Landing Road, Alexandria, Virginia;

(19) On or about July 13, 1998, Phoenix Development Corporation notified the notification center of plans to excavate at or near Burke Station Road, Fairfax, Virginia; and

(20) For the incidents described in paragraphs (18) and (19) herein, the Company failed to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines no later than 48 hours after receiving notice from the notification center, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, 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 before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $14,050 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $14,050 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE990165
APRIL 22, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
COLUMBIA GAS OF VIRGINIA, INC.,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about September 24, 1998, Tele Media Company damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc. ("the Company") located at or near 3 Ridge Road, Petersburg, Virginia, while excavating;

(2) On or about September 28, 1998, Wallace Fences, Inc. damaged a one-half inch plastic gas service line operated by the Company located at or near 151 Carroll Avenue, Colonial Heights, Virginia, while excavating;

(3) On or about September 29, 1998, M. C. Weaver Construction damaged a one-half inch plastic gas service line operated by the Company located at or near 7247 Beach Road, Chesterfield, Virginia, while excavating;

(4) On or about December 14, 1998, City of Lynchburg damaged a one inch plastic gas service line operated by the Company located at or near 703 Dinwiddie Street, Lynchburg, Virginia, while excavating;

(5) On or about December 17, 1998, Counts & Dobyns, Inc. damaged a one inch plastic gas service line operated by the Company located at or near 306 Madison Street, Lynchburg, Virginia, while excavating;

(6) On or about December 18, 1998, A. L. Meeks, Inc. damaged a two inch plastic gas main line operated by the Company located at or near 4000 Oaklawn Boulevard, Hopewell, Virginia, while excavating;

(7) On or about January 13, 1999, Southern Construction Company, Inc. damaged a one-half inch plastic gas service line operated by the Company located at or near 305 Wright Avenue, Colonial Heights, Virginia, while excavating;

(8) On or about January 14, 1999, Carolina Conduit Systems, Inc. damaged a one-half inch plastic gas service line operated by the Company located at or near 98 Carroll Avenue, Colonial Heights, Virginia, while excavating; and

(9) The Company caused such damages by failing to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, 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 before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $6,050 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

(2) Any fines paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $6,050 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE990167
DECEMBER 6, 1999

APPLICATION OF
VIRGINIA GAS PIPELINE COMPANY

For Certification of a Natural Gas Transmission Line under the Utility Facilities Act

FINAL ORDER

On March 19, 1999, Virginia Gas Pipeline Company ("VGPC" or "the Company") filed an application with the Virginia State Corporation Commission ("Commission") pursuant to the Utilities Facilities Act (§ 56-265.1 et seq.) of Title 56 of the Code of Virginia requesting a certificate of public convenience and necessity to construct, own, and operate a natural gas transmission pipeline system and related facilities to provide an additional throughput of 21,500 dekatherms of gas per day. The proposed pipeline is an expansion of VGPC's existing P-25 pipeline system from Chilhowie, Virginia, to Radford, Virginia.[1]

VGPC proposed to extend the line from Radford into Roanoke County, Virginia, and to construct laterals to Rocky Mount, Virginia, and into the City of Roanoke. The Company states that the project will total approximately 57.4 miles and will connect VGPC's facilities with markets further east. The Company proposed using the same tariff for firm transportation service agreements as that currently on file with the Commission for its P-25 transmission line. The proposed transmission line passes through the distribution territories of United Cities Gas Company and Roanoke Gas Company and will provide natural gas transportation service only.

In an order entered on April 15, 1999, the Commission directed the Company to give notice of its application and to provide the public with an opportunity to comment and request a hearing. The Commission also directed its Staff to file a report detailing its findings and recommendations on or before July 16, 1999.

On July 15, 1999, the Staff filed a "Motion for Extension of Time," requesting that the Commission extend the date for the filing of the Staff report until October 15, 1999, due to the Company's July 14, 1999, modification to its proposed route. That motion was granted on July 16, 1999.

Staff filed its report on September 30, 1999. In its report, Staff recommended that the application be approved. Staff noted that there was sufficient need to support the addition of gas transportation service in southwestern Virginia. Staff stated that it believed VGPC has the technical and managerial capability to construct and operate the proposed pipeline but that the operation of the proposed facility was dependent upon the expeditious completion of VGPC's P-25 pipeline into Radford. The Staff encouraged the Company to exercise all deliberate haste in completing that section of its intrastate pipeline. Staff also remained cautious about the Company's financial outlook. As such, Staff recommended that the Commission continue to monitor the financial condition of VGPC through the AIF process and future Chapter 3 and 4 filings related to the pipeline expansion.

Staff further stated that capitalization of interest was appropriate during the construction phase of the project. Staff stated that the capitalization rate should be the weighted cost of debt resulting from the Company's capital structure and that this rate should be computed annually and multiplied by the cumulative monthly average balance of Construction Work in Progress. Staff also stated that gross capitalized interest should be reduced by earnings on funds held in reserve and that the inclusion of capitalized interest in rate base should be subject to an annual earnings test. According to Staff, interest deemed recovered need not be capitalized for future recovery.

In a letter dated November 15, 1999, the Company provided updates to data and statements presented in the Staff's Report. The Company stated that it expects to issue debt with detachable warrants at a rate of approximately 11% rather than at a rate between 8.5% and 9.5%, as listed on page 13 of the Staff's Report. With this and the other minor revisions, the Company agreed to accept Staff's recommendations as stated in the above-referenced report.

NOW THE COMMISSION, having considered the Company's application, Staff's report, the Company's revisions, and § 56-265.1 et seq. of the Code of Virginia, finds that it is in the public interest to grant VGPC a certificate of public convenience and necessity to construct, own, and operate a natural gas transmission pipeline system and related facilities to provide an additional throughput of 21,500 dekatherms of gas per day. The Commission will approve the Company's application, and will adopt Staff's recommendations, with the modifications submitted by the Company. The Commission is aware of the potential impact of the higher interest rates now available to the Company. Our Staff will continue to monitor the Company's cost of debt as well as its overall financial condition. Accordingly,

IT IS ORDERED THAT:

(1) Virginia Gas Pipeline Company is hereby granted Certificate No. GT-69 to own and operate a natural gas transmission pipeline system and related facilities, expanding upon VGPC's existing P-25 pipeline system from Chilhowie, Virginia, to Radford, Virginia.

(2) The Commission adopts and the Company shall implement Staff's recommendations as detailed herein.

(3) This case is hereby dismissed from the Commission's docket of active cases.

---

[1] The existing P-25 pipeline from Chilhowie to Radford, Virginia, was approved by the Commission in Case No. PUE970024.

CASE NO. PUE990244
JUNE 17, 1999

APPLICATION OF
G. W. CORPORATION

For a change in rates pursuant to the Small Water or Sewer Public Utility Act

ORDER AUTHORIZING WITHDRAWAL OF RATES AND DISMISSING PROCEEDING

On April 1, 1999, changes in rates and charges for water service provided by G.W. Corporation took effect as provided by § 56-265.13:5 of the Code of Virginia and Rules 4 and 5 of the Commission's Rules Implementing the Small Water or Sewer Public Utility Act, 20 VAC 5-200-40. The Commission Staff moved on April 16, 1999, for a hearing as provided by § 56-265.13:6 A of the Code of Virginia and Rule 7 of the Commission's Small Water Utility Rules on G. W.'s change in rates. In a response filed May 28, G. W. stated that it had deferred the increase in rates and charges, and it requested authority to withdraw the changes.

A public utility subject to the Commission's jurisdiction, including a company subject to the Small Water or Sewer Public Utility Act, §§ 56-265.13:1 through 56-265.13:7 of the Code of Virginia, may voluntarily defer the effective date of any change in rates and charges, unless otherwise directed by the Commission. Further, the Commission has interpreted § 56-40 of the Code of Virginia to authorize public utilities subject to its jurisdiction to reduce rates without notice. Accordingly, the Commission will grant G. W. Corporation's request to withdraw the changes in its rates and charges. The Commission will deny the Staff's motion as moot. In these circumstances, there is no obligation on G. W.'s part to make any refund since rates and charges have remained at the levels in effect before April 1. Accordingly,

IT IS ORDERED THAT:

(1) The Commission Staff Motion for Hearing filed April 16, 1999, is denied as moot.

(2) As of the date of this Order, G. W. Corporation is authorized to withdraw its change in rates and charges.

(3) This case is dismissed from the Commission's docket.

CASE NO. PUE990245
AUGUST 24, 1999

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.

Application to Extend Customer Choice

ORDER GRANTING APPLICATION

On March 31, 1999, Columbia Gas of Virginia ("Columbia" or "Company") filed an application to extend the end date for its pilot program entitled "Customer CHOICE" from October 1, 1999, either to the date the Commission approves the Customer CHOICE program on a permanent basis or to October 1, 2000, whichever is earlier.

By Order issued May 7, 1999, the Commission docketed this matter, provided an opportunity for interested persons to comment on the application, and directed Commission Staff to file a report addressing any comments received and making recommendations concerning Columbia's application. The Commission also provided an opportunity for interested persons to file, on or before August 11, 1999, comments on the Staff report. The Commission stated that Columbia proposes to continue the pilot under the same terms and conditions, in the same area, as previously approved by the Commission in Case No. PUE970455; and that the only change in the pilot was in name (from "Commonwealth Choice" to Customer CHOICE").

No comments were received on the application.

On July 26, 1999, Staff filed its Report in this matter. In its Report, Staff noted that Columbia's voluntary pilot program offers residential, commercial, and industrial customers in the Gainesville area an opportunity to purchase gas from independent marketers. Initially, Columbia's pilot program was approved for a two-year period, to commence October 1, 1997, and to terminate on October 1, 1999. Staff recommended that the Commission grant the Company's request to continue the Customer CHOICE program for another year. Staff stated that the data received from Columbia's biannual reports show that participants in the program have saved money over the past eighteen months, even though the past two winters have been mild and a significant portion of the savings represents avoided taxes.

Staff noted that, pursuant to prior Commission directives, the Company will be subjected to the generic code of conduct that will be adopted in an ongoing proceeding (in Case No. PUE980812). Staff observed that until the final order adopting a generic code of conduct is issued, the Company should be required to continue to adhere to the code of conduct set forth in its present terms and conditions. Further, according to Staff, when the generic code of conduct is finalized, Columbia should file tariff revisions reflecting the changes made to its current code to conform to the generic code and should notify all participating customers and suppliers of any such modifications of its tariff.

Staff also observed that the Commission Order originally approving the pilot program required the Company to collect daily load samples. Staff stated that while this data was to be collected and used to gather information about customer gas consumption in comparison to load profiles used by marketers, the Company has not provided a balancing study to Staff. Staff recommended that Columbia be directed to complete its data collection and

present its balancing study to Staff prior to its requesting any further expansion of the pilot program. Staff proposed that, if the Company does not request a further expansion of the pilot, it should be required to complete and file its balancing study at the time the pilot program is terminated.

On August 9, 1999, Columbia filed comments on the Staff Report. In its comments, the Company did not oppose any of Staff's suggestions and recommendations, although it sought a modification of Staff's recommendation that the Company be required to provide a balancing study. The Company stated that it is preparing an "Interim Balancing Study," based on data accumulated through May, 1999, to be submitted to Staff by the end of August, 1999. The Company reported that it plans to continue to collect, analyze, and compare data concerning load profiles and would submit a "Final Balancing Study" following the completion of the pilot. Columbia states that, in view of its commitment to continue its analysis through the pilot phase, it should not be precluded from filing an application to expand the Customer CHOICE Program.

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that Columbia's request to continue its Customer CHOICE program, given its commitment to incorporate Staff's recommendations, is reasonable and should be granted. We therefore will grant Columbia's application, on the condition that the Company fulfill its commitment to file an Interim Balancing Study by the end of August, 1999, and a Final Balancing Study at the termination of the Customer CHOICE program. The Interim Balancing Study will enable Staff to continue its analysis of the pilot until the ongoing pilot program ends, at which time Columbia shall submit a Final Balancing Study to Staff. Accordingly,

IT IS ORDERED THAT:

(1) Columbia's application to continue its Customer CHOICE program until October 1, 2000, is hereby granted, subject to the filing requirements set out above.

(2) There being nothing further to be done herein, this matter shall be dismissed from the Commission's docket of active proceedings.

CASE NO. PUE990246
AUGUST 13, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
COLUMBIA GAS OF VIRGINIA, INC.,
Defendant

ORDER OF SETTLEMENT

The Pipeline Safety Act, 49 U.S.C. § 60101 et seq. ("Act"), requires the Secretary of Transportation ("Secretary") to establish minimum federal safety standards for the transportation of gas and pipeline facilities. The Secretary is further authorized to delegate that authority to prescribe safety standards and enforce compliance with such standards over gas pipeline facilities used for intrastate transportation to an appropriate state agency.

The Virginia State Corporation Commission ("Commission") has been designated as the appropriate state agency for the Commonwealth of Virginia. In Case No. PUE890052, the Commission adopted Parts 191, 192, 193, and 199 of Title 49 of the Code of Federal Regulations to serve as minimum gas pipeline safety standards ("Safety Standards") in Virginia. The Commission is authorized to enforce the Safety Standards under § 56-5.1 of the Code of Virginia, which allows the Commission to impose fines and penalties not in excess of those specified by § 11(a)(1) of the Natural Gas Pipeline Safety Act of 1968, as amended, 49 U.S.C. § 60122(a)(1), formerly 49 U.S.C. App. § 1679a (a)(1).

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 the November 30, 1998, incident in Mallard Cove Apartments, Chesterfield County, Virginia, and a construction inspection of the Regional Jail Expansion Project, Stafford County, Virginia, involving Columbia Gas of Virginia, Inc.("CGV" or "Company"), the Defendant, and alleges:

(1) That CGV is a public service corporation as that term is defined in § 56-1 of the Code of Virginia and, specifically, a natural gas company within the meaning of § 56-5.1 of the Code of Virginia; and

(2) That the Company violated the Commission's Safety Standards by the following conduct:

a) 49 C.F.R. § 192.605(a) – Failure to follow Company Procedure 652-2, Valve Records, Inspection, Operation and Maintenance Requirements;

b) 49 C.F.R. § 192.605(a) – Failure to follow Company Procedure 511-2, Communication with Fire, Police, and Other Public Officials;

c) 49 C.F.R. § 192.461(a)(1) – Failure to properly prepare pipe surface for coating bond; and

d) 49 C.F.R. § 192.605(a) – Failure to follow Company Procedure 640-9, Installation of Corrosion Control Materials.

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, CGV represents and undertakes that:

(1) The Company will pay a fine to the Commonwealth of Virginia in the amount of $21,000.00 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 § 12.1-15 of the Code of Virginia, the Company will also pay contemporaneously with the entry of this Order the sum of $1,114.45 to defray the cost of undertaking this investigation. This payment will also be made by check, payable to the Treasurer of the Commonwealth of Virginia, and directed to the attention of the Director of the Division of Energy Regulation;

(3) Any fines and costs of the investigation paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines and costs shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Commission's Division of Public Utility Accounting.

The Commission, being fully advised in the premises and finding sufficient basis herein for the entry of this Order, and in reliance on the Defendant's representations and undertakings set forth above, is of the opinion and finds that CGV 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 THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer to compromise and settle made by CGV be, and it hereby is, accepted;

(2) Pursuant to § 56-5.1 of the Code of Virginia, CGV be, and it hereby is, fined in the amount of $21,000.00;

(3) The sum of $21,000.00 tendered contemporaneously with the entry of this Order is accepted;

(4) Pursuant to § 12.1-15 of the Code of Virginia, CGV's payment of the sum of $1,114.45 to defray the costs of this investigation is hereby accepted; and

(5) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE990247
SEPTEMBER 1, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BYERS LOCATE SERVICES, LLC,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about October 30, 1998, Phoenix Development Corporation damaged a fiber telephone line operated by Bell Atlantic - Virginia, Inc., located at or near Canberry Drive, Cascades, Virginia, while excavating;

(2) On or about November 17, 1998, Virginia Electric and Power Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near Lot 42, William Edgar Drive, Franconia, Virginia, while excavating;

(3) On or about November 25, 1998, Arlington County Public Works damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 4710 South 6th Street, Arlington, Virginia, while excavating;

(4) On or about December 28, 1998, Capco Construction Company damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 11189 Tattersall Trail, Fairfax, Virginia, while excavating;

(5) On or about January 4, 1999, D. A. Foster Company damaged a one and one-quarter inch plastic gas main line operated by Washington Gas Light Company located at or near 4412 Flinstone Road, Fairfax, Virginia, while excavating;

(6) On or about January 19, 1999, Leo Construction Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near Lot 358, Katelyn Court, Manassas Park, Virginia, while excavating;

(7) On or about January 21, 1999, United Builders damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 6052 Sugarstone Court, McLean, Virginia, while excavating;

(8) On or about February 8, 1999, Leo Construction Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 7772 Roseberry Farm Drive, Manassas, Virginia, while excavating;

(9) On or about February 16, 1999, OSP Consultants, Inc., damaged a power cable operated by Virginia Electric and Power Company located at or near Route 50 and Centerville Road, Fairfax, Virginia, while excavating;

(10) For the incidents described in paragraphs (1) through (9) herein, Byers Locate Services, LLC, ("the Company") failed to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265-19 A of Code of Virginia;

(11) On or about August 18, 1998, Leo Construction Company notified the notification center of plans to excavate at or near Balmoral Forest Road, Clifton, Virginia;

(12) On or about February 9, 1999, D & L Excavating, Inc., notified the notification center of plans to excavate at or near Tryton Way, Reston, Virginia;

(13) On or about November 16, 1998, Leo Construction Company notified the notification center of plans to excavate at or near 13174 Rettew Drive, Dale City, Virginia; and

(14) For the incidents described in paragraphs (11) through (13) herein, the Company failed to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines no later than 48 hours after receiving notice from the notification center, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, 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 before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $11,400 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $11,400 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE990285
DECEMBER 29, 1999

APPLICATION OF
VIRGINIA GAS PIPELINE COMPANY

For an Annual Informational Filing

ORDER ADOPTING RECOMMENDATIONS AND DISMISSING PROCEEDING

On June 30, 1999, Virginia Gas Pipeline Company ("VGPC" or "the Company") filed its Annual Informational Filing ("AIF") for the twelve months ending December 31, 1998, with the State Corporation Commission ("Commission"). The Commission's May 26, 1999, "Order Authorizing Extension of Time", entered in the captioned docket, directed the Company to file its next AIF by no later than June 30, 1999.

On November 12, 1999, the Commission Staff filed its report on the captioned application, which included a financial and accounting analysis. Staff noted in its report that it used a 13.5% return on equity to evaluate VGPC's financial condition for illustrative purposes only. It explained that in VGPC's applications for certificates of public convenience and necessity for the Company's storage and pipeline facilities, the Company's estimates of revenues and costs assumed a ratio of 25% equity with a cost of equity of 13.5%. The Staff used the consolidated capital structure of Virginia Gas Company ("VGC"), VGPC's parent, in its financial analysis because VGC is the primary entity that has raised capital on behalf of VGPC. This consolidated capital structure, together with a 13.50% cost of equity, produced an overall weighted cost of capital of 11.916%.

After conducting its accounting analysis, the Staff recommended that: (i) the Company perform a comprehensive jurisdictional study, that employs more than one factor for its different accounts, rather than a single factor for all of its allocations; (ii) the Company file an updated, comprehensive jurisdictional study with the Commission's Division of Public Utility Accounting no later than thirty (30) days prior to the filing of the Company's next AIF or rate application; (iii) VGPC should reflect capitalized interest at a level consistent with the methodology adopted by the Commission in Case No. PUE980627; (iv) the Company should comply with the Staff's booking recommendations for the acquisition adjustment, adopted by the Commission in Case No. PUE980627, whereby plant in service is credited $ 825,364, and Acquisition Adjustment, Account 114, is debited by the same amount; (v) the Company should record the disallowance of its acquisition adjustment to properly restate plant in service and accumulated depreciation; and (vi) the Company should reclassify any costs relating to the Tidewater Expansion Project to Preliminary Survey and Investigation Charges, Account 183. The Staff noted that it did not object to VGPC filing its AIF for the twelve months ending December 31, 1999, by no later than May 31, 2000. The Staff explained that this would permit the Company to provide the Staff with audited financial information and permit the Staff to monitor VGPC's financial and operating results more accurately.

In a letter filed on December 6, 1999, the Company, by counsel, indicated that it did not have any comments regarding the Staff's recommendations. However, VGPC reserved its right to reconsider some of the Staff's proposed adjustments in future filings. VGPC noted a correction to

footnote 1, appearing on page 2 of the Staff report, and requested leave to file its next AIF, using as its test period the twelve months ending December 31, 1999, on or before May 31, 2000.

NOW, UPON CONSIDERATION of the Company's application, the Staff's report, the Company's response thereto, and the applicable statutes, the Commission finds that the Staff's recommendations found in its November 12, 1999 report are reasonable and should be adopted.

In addition, we find that the Company should perform a comprehensive jurisdictional study to be filed with the Division of Public Utility Accounting no later than thirty (30) days prior to the filing of the Company's next AIF or rate application; that the Company should continue to employ the methodology accepted by the Commission in Case No. PUE980627, for capitalized interest until further order of the Commission; and that the Company should within thirty (30) days of the entry of this Order, comply with the Staff's booking recommendations for its acquisition adjustment, which we adopted in Case No. PUE980627, and file documentation demonstrating that it has complied with this directive with our Division of Public Utility Accounting. We further find that the Company should reclassify any costs relating to the Tidewater Expansion Project to Preliminary Survey and Investigation Charges, Account 183 of the Uniform System of Accounts for Gas Companies, and we will grant VGPC's request to file its next AIF for the twelve months ending December 31, 1999, by no later than May 31, 2000.

Accordingly, IT IS ORDERED THAT:

(1) Consistent with the findings made herein, the booking, accounting and other recommendations set out in the Staff's November 12, 1999 report are hereby adopted and shall be implemented by the Company.

(2) Consistent with the findings made herein, VGPC shall incorporate the Staff's accounting and financial recommendations in its next AIF or rate application.

(3) Within thirty (30) days of the entry of this Order, VGPC shall make the booking change adopted in Case No. PUE980627, regarding VGPC's acquisition adjustment and shall file documentation demonstrating that it has implemented this booking change with our Division of Public Utility Accounting.

(4) Consistent with the recommendations set out in the Staff report, the Company shall perform a comprehensive jurisdictional study to be filed with the Division of Public Utility Accounting no later than 30 days prior to the filing of the Company's next AIF or rate application.

(5) The Company shall continue to employ the methodology accepted in Case No. PUE980627 for capitalized interest until further Commission order.

(6) The Company shall reclassify any costs relating to the Tidewater Expansion Project to Preliminary Survey and Investigation Charges, Account 183 of the Uniform System of Accounts for Gas Companies.

(7) VGPC's request for an extension of time to file its next AIF is granted, and if VGPC does not seek rate relief, the Company shall file its next AIF, utilizing audited financial and operating results for the twelve months ending December 31, 1999, by no later than May 31, 2000.

(8) 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. PUE990286
JUNE 11, 1999

PETITION OF
VIRGINIA GAS DISTRIBUTION COMPANY

For an Extension of Time to File its Annual Informational Filing

ORDER GRANTING REQUEST TO WITHDRAW A PETITION

On May 17, 1999, Virginia Gas Distribution Company ("VGDC" or "the Company"), by counsel, filed a Petition with the State Corporation Commission ("Commission") requesting permission to delay the filing of VGDC's Annual Informational Filing ("AIF") for the twelve months ended December 31, 1998. On May 18, 1999, the Company filed a notice of intent to file an application for a general rate increase, using financial and operating data for the twelve months ended December 31, 1998, as its test period.

On June 4, 1999, the Company filed a motion whereby it seeks to withdraw its Petition for an extension of time to file its AIF since the Company seeks to file an application for a general rate increase. The Company advises that it will file its rate application on or before August 15, 1999.

NOW UPON consideration of VGDC's Petition and Motion, the Commission is of the opinion and finds that VGDC's Motion to withdraw its Petition is hereby granted, and that VGDC may file its application for a general rate increase, using the twelve months ending December 31, 1998, as its test period, by no later than August 16, 1999.

Accordingly, IT IS ORDERED THAT:

(1) VGDC's June 4, 1999, Motion is hereby granted.

(2) VGDC shall file its application for a general rate increase using the twelve months ending December 31, 1998, as its test period, by no later than August 16, 1999.

(3) 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. PUE990343
AUGUST 16, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BYERS LOCATE SERVICES, LLC,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about July 7, 1998, New Century Design-Build, Inc., damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 3909 Belle Rive Terrace, Mount Vernon, Virginia, while excavating;

(2) On or about February 4, 1999, R. B. Hinkle Construction, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near Lot 151, Wembley Center Terrace, Sterling, Virginia, while excavating;

(3) On or about February 6, 1999, Joseph E. Kent Excavating Company, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 9073 Slate Stone Loop, Gainesville, Virginia, while excavating;

(4) On or about February 9, 1999, Leo Construction Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near Lot 33, Roseberry Farm Drive, Manassas, Virginia, while excavating;

(5) On or about February 12, 1999, R. B. Construction damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 1208 North Nelson Street, Arlington, Virginia, while excavating;

(6) On or about February 16, 1999, Granja Contracting, Inc., damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 1624 Patrick Henry Drive, Arlington, Virginia, while excavating;

(7) On or about November 17, 1998, National Cable Construction, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 5809 Summer Lake Way, Fairfax, Virginia, while excavating;

(8) On or about February 19, 1999, Hilton Cable Enterprises, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 4814 Bentonbrooke Drive, Fairfax, Virginia, while excavating;

(9) On or about February 22, 1999, TCS Communications damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 1615 Becontree Lane, McLean, Virginia, while excavating;

(10) On or about February 23, 1999, Rockingham Construction Company, Incorporated, damaged an eight inch plastic gas main line operated by Washington Gas Light Company located at or near Manassas Drive and East Carondolet Drive, Manassas, Virginia, while excavating;

(11) On or about March 13, 1999, Cesario's, Inc., damaged a two inch steel gas main line operated by Washington Gas Light Company located at or near 4209 Four Mile Run Drive, Arlington, Virginia, while excavating;

(12) On or about March 17, 1999, Lisbon Concrete Corporation, Inc., damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 5384 Chieftain Circle, Alexandria, Virginia, while excavating;

(13) On or about March 22, 1999, Spiniello Construction Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 128 Woodview Circle, Vienna, Virginia, while excavating;

(14) On or about March 23, 1999, S. Stephens Cable Construction, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 9042 Falcon Glen Court, Gainesville, Virginia, while excavating;

(15) On or about March 24, 1999, Cherry Hill Construction, Inc., damaged a one and one-half inch steel gas service line operated by Washington Gas Light Company located at or near 409 Braddock Road, Alexandria, Virginia, while excavating;

(16) On or about March 24, 1999, D. A. Foster Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 6086 Madison Pointe Circle, Baileys Cross Road, Virginia, while excavating;

(17) On or about March 24, 1999, Urban Irrigation damaged a one-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 1925 Freedom Lane, Falls Church, Virginia, while excavating;

(18) On or about March 25, 1999, Hilton Cable Enterprises, Inc., damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 6130 Sandstone Court, Clifton, Virginia, while excavating;

(19) On or about March 29, 1999, Battlefield Utility Contractors, Incorporated, damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 12369 Cold Stream Guard Court, Gainesville, Virginia, while excavating;

(20) On or about March 30, 1999, Martin and Gass, Incorporated, damaged a three-quarter inch steel gas service line operated by Washington Gas Light Company located at or near 2915 Marshall Street, Falls Church, Virginia, while excavating;

(21) For the incidents described in paragraphs (1) through (20) herein, Byers Locate Services, LLC ("the Company") failed to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A of the Code of Virginia;

(22) On or about February 18, 1999, Leo Construction Company notified the notification center of plans to excavate at or near Lots 27-32, Mossy Glen Terrace, Ashburn, Virginia;

(23) On or about February 24, 1999, Leo Construction Company notified the notification center of plans to excavate at or near Lots 46 and 49, Park Gate Drive, Leesburg, Virginia;

(24) On or about February 28, 1999, Leo Construction Company notified the notification center of plans to excavate at or near Lots 17 and 19 Middleton Lane, Sterling, Virginia;

(25) On or about March 22, 1999, Jennifer Jones, homeowner, notified the notification center of plans to excavate at or near 8 Rheims Court, Sterling, Virginia;

(26) On or about March 23, 1999, Hix & Sons Drainage & Landscaping, Inc., notified the notification center of plans to excavate at or near 531 Jackson Tavern Way, Great Falls, Virginia;

(27) On or about March 23, 1999, Interstate Irrigation and Light notified the notification center of plans to excavate at or near 4607 Herend Place, Fairfax, Virginia; and

(28) For the incidents described in paragraphs (22) through (27) herein, the Company failed to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines no later than 48 hours after receiving notice from the notification center, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, 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 before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $24,550 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $24,550 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE990344
JUNE 25, 1999

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

For an increase in its electric Fuel Rate pursuant to § 56-249.6 of the Code of Virginia

ORDER ESTABLISHING 1999-2000 FUEL FACTOR

On May 18, 1999, Delmarva Power and Light Company ("Delmarva" or "the Company") filed an application, testimony, and exhibits in support of an increase in its currently operative fuel factor from 1.783¢/kWh to 1.987¢/kWh.

By Order dated May 27, 1999, the Commission established a schedule for hearing and for the filing of testimonies and provided an opportunity for any interested person to participate in the hearing as a Protestant. No notices of protest were received. Subsequently, on June 16, 1999, the Commission granted a joint motion filed by Staff and the Company to extend the time for the filing of Staff's testimony to June 21, 1999, the Company's rebuttal testimony to June 22, 1999, and the Company's filing of its fuel monitoring projection data to July 23, 1999.

On June 21, 1999, Staff filed testimony wherein it recommended that a total fuel factor of 1.917¢/kWh be placed into effect with the billing month of July 1999, without proration. The Staff also recommended that the Commission not accept the Company's proposed 1999-2000 fuel factor period nuclear fuel cost and its proposed price for off-system sales to PJM, and accept instead the Staff's alternative cost of $5.4/MWh for nuclear fuel and alternative price for off-system sales of $35.8/MWh. The Staff found that the assumptions underlying the Company's forecast of Virginia fuel expenses, as modified by the Staff's adjustments, to be generally reasonable and in compliance with the Commission's fuel cost projection standards.

The Company accepted Staff's recommendations, and the Staff and Company stipulated all issues in this matter.

The hearing was held on June 24, 1999. At the commencement of the hearing, the Company tendered its proof of notice and service.

Upon consideration of the record in this case, the Commission is of the opinion that Staff's proposed fuel factor of 1.917¢/kWh be placed into effect with the billing month of July 1999, without proration. Approval of this factor, however, is not construed as approval of the Company's actual fuel expenses. For each calendar year, the Commission's Staff conducts an audit and investigation which addresses, among other things, the appropriateness and reasonableness of the Company's booked fuel expenses. Staff's results are documented in an Annual Report ("Staff's Annual Report"). A copy of Staff's Annual Report is sent to the Company and to each party who participated in the Company's last fuel factor proceeding, all of whom are provided with an opportunity to comment and request a hearing on the report.

Based on the Staff's Annual Report, and any comments or hearing thereon, the Commission enters an Order entitled "Final Audit for Twelve-Month Period Ending December 31, _____, 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 in appropriately included or excluded, or (2) that the Company has failed to make every reasonable effort to minimize fuel costs or has made decision resulting in unreasonable fuel costs, the Company's recovery position will be adjusted. This adjustment will be reflected in the recovery position at the time of the Company's next fuel factor proceeding. We reiterate that no finding in this order is final, as this matter is continued generally, pending Staff's audit of actual fuel expenses. Accordingly,

IT IS ORDERED THAT:

(1) A total fuel factor of 1.917¢/kWh to be placed into effect with the billing month of July 1999, without proration.

(2) This case shall be continued generally.

CASE NO. PUE990347
JUNE 22, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
WASHINGTON GAS LIGHT COMPANY,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about February 24, 1999, Ronco Lawn Sprinkler System, Inc. damaged a one-quarter inch plastic gas other line operated by Washington Gas Light Company located at or near 10404 Hunt Country Lane, Fairfax, Virginia, while excavating;

(2) On or about March 3, 1999, Owens & Dove, Inc. damaged a three-quarter inch steel gas service line operated by Washington Gas Light Company located at or near 2315 Custis Road, Arlington, Virginia, while excavating;

(3) On or about March 17, 1999, The Underground Development Group, Inc. damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 7809 Lewinsville Road, McLean, Virginia, while excavating;

(4) On or about April 2, 1999, Rich Speight, homeowner, damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 14413 Fontaine Court, Dale City, Virginia, while excavating;

(5) On or about April 6, 1999, Gator Construction, Inc. damaged a one and one-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near Route 123 and Pinnacle Drive, Tysons, Virginia, while excavating;

(6) On or about April 7, 1999, Can-Do Enterprise, Inc. damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near Lot 23, Horsely Court, Prince William, Virginia, while excavating;

(7) On or about April 7, 1999, National Cable Construction, Inc. damaged a one-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 9712 Counsellor Drive, Vienna, Virginia, while excavating; and

(8) The Company failed to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, 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 before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $5,450 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

(2) Any fines paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $5,450 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE990348
SEPTEMBER 14, 1999

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For approval of modification of facilities

FINAL ORDER

Before the Commission is the application of Virginia Natural Gas, Inc. ("VNG") for approval of modification of its facilities in Hanover County covered by Certificate No. GT-60. VNG must relocate a segment of its pipeline to accommodate reconstruction of the Atlee/Elmont Interchange on US I-95 and realignment of State Routes 637 and 1261. For the reasons set out in this order, the Commission will grant VNG's application and authorize the modification of facilities.

By Order for Notice and Investigation of June 23, 1999, the Commission directed VNG to give notice of this application to the Hanover County Board of Supervisors and to publish notice in a newspaper of general circulation in the affected area. On July 23, 1999, VNG filed proof of the required service and publication. The Commission finds that appropriate notice was given.

The notice provided to Hanover County and to the public invited comments on the application and requests for a public hearing. No comments or requests for a hearing were received.

Our Order for Notice and Investigation also directed the Commission Staff to file a report on the application and authorized VNG to file any comments on the report. The Staff filed its report recommending approval of the relocation on July 29, 1999. The Staff concluded that the abandonment of a segment of the original pipeline because of road construction and relocation of a new segment would not alter the capacity or operation of the facility. Because of the scale of the map attached to, and made a part of, Certificate No. GT-60, the relocation of the segmental pipeline would not result in any discernible change in the route depicted on that map. Substantially all the costs of this relocation were being paid or reimbursed by the Virginia Department of Transportation in conjunction with the relocation of the Atlee/Elmont Interchange. VNG had, according to the application, obtained all necessary rights of way and permits to construct the relocated pipeline.

While the Staff recommended that the application be granted, it noted that VNG had completed construction before filing its application with the Commission. The Staff recommended that the Commission caution VNG to comply with all legal certification requirements prior to commencing any future construction. VNG filed no comments on the Staff Report.

Upon consideration of the application and the Staff Report, the Commission finds that the relocation will have negligible impact on customers and on rate payers since the Virginia Department of Transportation will bear substantially all of the costs. The relocation of this segment of pipeline is required by events that are neither extraordinary nor subject to VNG's control. Obviously, the pipeline must be moved. For these reasons, the application should be granted.

The Commission shares the Staff's concern over VNG's completion of construction before securing our approval. The Commission appreciates VNG's desire to minimize the interruption to gas transmission service and to schedule construction outside of the heating season. However, there is nothing in the record that even suggests that this application could not have been filed so as to permit that scheduling. We caution VNG to secure the approval of the Commission in advance of any future construction.

Accordingly, IT IS ORDERED THAT:

(1) VNG's application for modification of the location of its facilities pursuant to the Utility Facilities Act, §§ 56-265.1 through 56-265.9 of the Code of Virginia be granted.

(2) VNG be authorized to modify its facilities as follows:

> The segment of pipeline now running in a southwesterly direction parallel to and adjoining State Route 656 (Sliding Hill Road) from its intersection with State Route 1261 (Leadbetter Road) for approximately 2,300 feet to a point where the line passes beneath State Route 656 shall be relocated to pass beneath State Route 656 at another point and generally parallel State Route 656 to a point east of State Route 1261 where it reconnects to the original routing.

(3) The Commission's Division of Energy Regulation shall maintain a copy of VNG's application and this order in its file associated with Certificate No. GT-60.

(4) This case be dismissed from the Commission's docket.

CASE NO. PUE990349
MAY 26, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter concerning the participation of incumbent electric utilities in regional transmission entities

ORDER ESTABLISHING INVESTIGATION AND INVITING COMMENTS

Introduction

The Virginia Electric Utility Restructuring Act, 56-576 et seq., (hereinafter, "the Act") will fundamentally alter the electric industry in Virginia by providing for retail choice in the purchase of electric energy. The Act directs the Commission to begin retail choice on or before January 1, 2002 for some customers, and to make such choice available to all customers by January 1, 2004.[1]

The Act recognizes that a prerequisite to retail choice and competition is nondiscriminatory access to a reliable transmission grid that is planned and operated on an efficient, neutral basis. To that end, the Act contains important obligations and authorities for the utilities and the Commission, relating to the planning, operation and pricing of transmission facilities. The major provisions are as follows:

Section 56-577 A.1 provides:

> On or before January 1, 2001, each incumbent electric utility owning, operating, controlling, or having an entitlement to transmission capacity shall join or establish a regional transmission entity, which entity may be an independent system operator, to which such utility shall transfer the management and control of its transmission system, subject to the provisions of § 56-579.

Section 56-576, in turn, defines an "independent system operator" to be "a person that may receive or has received, by transfer pursuant to this chapter, any ownership or control of, or any responsibility to operate, all or part of the transmission systems in the Commonwealth."

Section 56-579 furnishes the standards with which the incumbent electric utility must comply in carrying out its obligation to join or establish an RTE. It also vests in the Commission the obligation and authority to ensure that compliance. Specifically, § 56-579 A.1 provides that the incumbent electric utility shall not "transfer to any person any ownership or control of, or any responsibility to operate, any portion of any transmission system located in the Commonwealth without obtaining the prior approval of the Commission."

Section 56-579 A.2 directs the Commission to develop rules and regulations under which any incumbent utility may transfer all or part of any control, ownership or responsibility to an RTE. These rules and regulations must ensure that the transfer will:

> a. Promote:
>
> (1) Practices for the reliable planning, operating, maintaining, and upgrading of the transmission systems and any necessary additions thereto; and

[1] The Commission may accelerate or delay this implementation, up to January 1, 2005, based on considerations of reliability, safety, communications or market power.

> (2) Policies for the pricing and access for service over such systems, which are safe, reliable, efficient, not unduly discriminatory and consistent with the orderly development of competition in the Commonwealth;
>
> b. Be consistent with lawful requirements of the Federal Energy Regulatory Commission;
>
> c. Be effectuated on terms that fairly compensate the transferor; [and]
>
> d. Generally promote the public interest, and are consistent with (i) ensuring the successful development of interstate regional transmission entities and (ii) meeting the transmission needs of electric generation suppliers both within and without this Commonwealth.

Section 56-579 B further directs the Commission to:

> [A]dopt rules and regulations, with appropriate public input, establishing elements of regional transmission entity structures essential to the public interest, which elements shall be applied by the Commission in determining whether to authorize transfer of ownership or control from an incumbent electric utility to a regional transmission entity.

Section 56-578 F grants the Commission direct authority to require additional transmission facilities and to carry out other obligations. Specifically, this provision states that:

> If the Commission determines that increases in the capacity of the transmission systems in the Commonwealth, or modifications in how such systems are planned, operated, maintained, used, financed or priced, will promote the efficient development of competition in the sale of electric energy, the Commission may, to the extent not preempted by federal law, require one or more persons having any ownership or control of, or responsibility to operate, all or part of such transmission systems to:
>
> 1. Expand the capacity of transmission systems;
>
> 2. File applications and tariffs with the Federal Energy Regulatory Commission (FERC) which (i) make transmission systems capacity available to retail sellers or buyers of electric energy under terms and conditions described by the Commission and (ii) require owners of generation capacity located in the Commonwealth to bear an appropriate share of the cost of transmission facilities, to the extent such cost is attributable to such generation capacity;
>
> 3. Enter into a contract with, or provide information to, a regional transmission entity; or
>
> 4. Take such other actions as the Commission determines to be necessary to carry out the purposes of this chapter.

Section 56-579 C directs the Commission to participate before FERC in any and all proceedings concerning regional transmission entities furnishing transmission services within the Commonwealth, to the fullest extent permitted by federal law. Such participation may include such intervention as is permitted state utility regulators under FERC rules and procedures.

Also, § 56-579 F directs the Commission to report to the Legislative Transition Task Force[2] its assessment of RTE practices and policies as they relate to the orderly development of competition within the Commonwealth. This report is due on or after January 1, 2002.

Given the regional nature of the transmission grid and the institutions being formed to manage it, this Commission is not the only forum addressing these issues. Other states, acting under new statutes or under pre-existing authorities, are examining their jurisdictional utilities' use of transmission and their plans (or lack thereof) to join a particular regional transmission group. Moreover, FERC, in Order No. 888,[3] issued eleven general principles applicable to proposals for independent system operators. FERC also issued a Notice of Proposed Rulemaking (hereinafter, "NOPR")[4] this month which, among other things, asks whether the eleven principles need further definition. The Commission will participate actively in FERC's deliberations as envisioned by the Act. Similarly, our jurisdictional utilities participate in discussions with other utilities and other states, and in FERC proceedings. However, this Commission and Virginia's utilities have obligations under the Act which must be carried out as well. These obligations must also be integrated with discussions and proceedings in other jurisdictions. Wherever appropriate in the context of a particular question, we invite comments on what actions the Commission and the utilities can take to achieve this integration.

For example, in specifying the criteria by which we will evaluate our utilities' compliance with their state law obligations, we will need to address the intersection between those criteria and FERC's eleven ISO principles. Given the many industry developments in the three years since FERC issued those

---

[2] This is a task force to be established pursuant to § 56-595 to work collaboratively with the Commission in conjunction with the phase-in of retail choice in the Commonwealth.

[3] See Promoting Wholesale Competition Through Open Access Non-discriminatory Transmission Services by Public Utilities and Recovery of Stranded Costs by Public Utilities and Transmitting Utilities, 61 Fed. Reg. 21,540 (1996), FERC Stats. & Regs. ¶ 31,036 (1996) (Order No. 888), order on reh'g, Order No. 888-A, 62 Fed. Reg. 12,274 (1997), FERC Stats. & Regs. ¶ 31,048 (1997), order on reh'g, Order No. 888-B, 62 Fed. Reg. 64,688, 81 FERC ¶ 61,248 (1997), order on reh'g, Order No. 888-C, 82 FERC ¶ 61,046 (1998), appeal docketed, Transmission Access Policy Study Group, et al. v. FERC, Nos. 97-1715 et al. (D.C. Cir.).

[4] Regional Transmission Organizations, Notice of Proposed Rulemaking, Docket No. RM99-2-000, 87 FERC ¶ 61,173 (issued May 13, 1999).

principles, some have questioned whether they provide sufficient guidance and incentive to facilitate the formation of effective RTEs, including RTEs involving Virginia utilities, as industry change evolves. FERC itself has called for a reevaluation of the principles in its recent NOPR proposing minimum characteristics and functions that transmission entities must satisfy to be deemed regional transmission organizations ("RTOs"). Consequently, in responding to each question below, we seek comment on how the Commission might best integrate its own rules and regulations on RTEs with those issued by FERC.

In accordance with these various mandates, the Commission is initiating this proceeding to assist in developing appropriate policies, rules and regulations applicable to the utilities' obligations to join or establish RTEs, to the transfers of facilities or control thereof to RTEs, and to the Commission's powers to require expansions in transmission facilities, and to carry out its other responsibilities under Section 56-578 F.[5]

The order also discusses potential policies and criteria, and seeks public comment on, a variety of issues. These issues fall roughly into the following categories:

I. Governance

II. RTE Activities

III. Geographic Scope and Access to Markets

IV. Pricing

V. Relationship Between RTE Service and Bundled Retail Service

VI. Legal Issues

VII. Other Issues

VIII. Measuring Success

Comments should be specific, detailing the roles to be played by the Commission, the utilities and other participants in the formation of RTEs. To the extent possible and practicable, interested parties should include with their responses to this order proposed rules and regulations corresponding to comments on the issues set forth in this order. Such concrete proposals will assist the Commission in accomplishing the goals of this proceeding.[6]

Following a thorough review of the responses to this order, including suggested rules and regulations, we will propose specific rules and regulations under the Act, seek further public comment, and conduct further proceedings.

I.
Governance

A. Independence

To assure independent, neutral operation, an appropriate RTE structure should, at a minimum, reflect the paramount requirements of the Act: full functional separation of the transmission and generation functions of incumbent utilities, and nondiscriminatory access for all market participants. The extent of independence is a function of the RTE's governance and structure.

Independence can be sought through various means including standards of conduct, RTE structures, advisory boards, etc. **[1] Generally, we seek comment on how RTE independence can best be achieved. [2] We also seek comment on a number of specific issues including what codes of ethics and/or conflict of interest rules should be applied to RTEs, their governing bodies, members and market participants.**

One structural option is a stakeholder board whose design limits the ability of any market segment to control transmission-related decisions. An alternative option is a nonstakeholder board, whose members have no interest in the competitive provision of electricity. Although greater independence of the board should have a positive effect on competition, we recognize that prescriptiveness may discourage voluntary participation in an RTE by utilities not subject to the Virginia statutory mandate. **[3] Consequently, we ask parties to comment on the appropriateness of requiring stakeholder boards (where no single market segment can inappropriately influence transmission access), or disinterested boards, as an essential element of an appropriately structured RTE. If such boards are considered appropriate, we ask interested parties to describe recommended governance requirements and to discuss how such requirements can be put in place.**

Potential alternatives or supplements to stakeholder or disinterested boards could include requirements for advisory boards which provide for representation from various market segments, state regulators, and consumer advocacy groups. **[4] We seek comment on the optimum structure of boards and a discussion of appropriate applications and structures of RTE advisory boards.**

The Midwest ISO has developed certain rights for transmission owners that allow the transmission owners to, in effect, veto or override decisions made by the ISO. The Alliance Regional Transmission Organization (hereinafter, "the Alliance"), a potential transmission entity that is being considered by Virginia Power, American Electric Power and other utilities, is considering similar "must haves" for transmission owners.[7] These requirements could afford

[5] These comments will also aid the Commission in fulfilling its obligations under the Act to participate in all Virginia-related RTE proceedings before FERC.

[6] To aid the Commission as well as responding parties, each request for comments is numbered and set forth in bolded text. The parties are requested to correlate their responses to the numbering system set forth in this order.

[7] See the Alliance Steering Committee Minutes from March 8, 1999 Meeting, which may be accessed at the Alliance website, http://isoalliance.com.

transmission owners control or influence, to an extent not available to other stakeholders, over key facets of regional transmission policy, including the addition of new transmission systems to an RTE, changes in rate design, tariff changes, asset sales, declarations of bankruptcy, and even the very decision to continue or terminate the arrangement. The Alliance proposal, which appears to require transmission owners' approval for changes to the transmission tariff, would be inconsistent with FERC's NOPR requirement that the RTO have the exclusive authority to file changes to its transmission tariff.[8] Some transmission owners defend these measures as necessary to protect their financial interests. The assurance of an opportunity to receive a transmission revenue stream sufficient to cover expenses and a reasonable return is, of course, a legitimate owner expectation. The methods for creating such assurance, however, can and must be consistent with the neutral planning and operation of the transmission grid. **[5] Therefore, we ask parties to comment on the appropriate extent of transmission owner rights and to what degree certain such features may be inappropriate.**

B. Alternative RTE Structures

[6] We are also interested in whether certain RTE structures are inherently more effective than others and, if so, whether we should encourage or specify certain structures. In this regard, interested parties submitting comments should address the following issues:

[7] Does an RTE that owns transmission facilities (hereinafter, "a transco") and that has a profit-driven motivation have a greater incentive to control costs and operate efficiently than a nonprofit entity that simply controls transmission facilities owned by others, or does a transco have an incentive to construct excess facilities or otherwise act inefficiently?

[8] Would a stand-alone transco stimulate more innovation or present more opportunities for improving transmission delivery services in a competitive market?

[9] Does a stand-alone transmission entity such as an unaffiliated transco provide for greater independence than other entities?

If there are preferences for specific RTE structures, participants filing comments should address our legal authority to require or provide incentives for such structures, taking into account the Act and its interaction with the Federal Power Act.

As detailed in the Alliance's October 30, 1998 Proposal for Phase III, this RTE would potentially incorporate a hybrid organization that would both own transmission facilities and control transmission facilities owned by others. Such an entity could complicate issues associated with governance and independence, since it would have to recognize its fiduciary responsibilities to its shareholders, while also protecting the interests of entities owning transmission facilities under the RTE's control and users of transmission services. **[10] We ask interested parties to comment on whether an entity of this type requires special consideration or restrictions in connection with transferring transmission assets to such an entity, and, if so, to suggest appropriate measures to protect the public interest.**

Sections 56-577 A.1 and 56-579 of the Code of Virginia obligate an incumbent electric utility to "join" or "establish" an RTE. Under Sections 56-576 and 56-577 A.1, an RTE can be "a person that may receive or has received, by transfer pursuant to this chapter, any ownership or control of, or any responsibility to operate, all or part of the transmission systems in the Commonwealth." This phrasing indicates that a utility might seek to establish, or might be required by the Commission to establish, a single-utility RTE. **[11] Commenters should address the circumstances under which the Commission should require or allow an incumbent utility to form a single utility RTE, as well as the circumstances under which the public interest would be served by a utility's membership in an RTE consisting of multiple utilities.**

C. Miscellaneous Issues

[12] What incentives for efficient management and administration of an RTE can and should be incorporated in an RTE structure?

[13] What specific complaint or dispute resolution systems should be employed by an RTE?

II.
RTE Activities

A. Reliability

The Act emphasizes the continuation of adequate and reliable service in Virginia. The responsibility for ensuring adequate and reliable service has traditionally been performed by vertically integrated utilities with state oversight. The Act did not alter the utilities' reliability obligations, yet many view RTEs as having a role in ensuring reliability. **[14] We invite comment regarding the role RTEs should play in ensuring reliability, both short-term and long-term, how that role interacts with the utilities' continuing legal obligation to ensure reliability, and what role the Commission should play in this area.**

[15] More generally, commenters should address whether the goals of reliability and effective competition are mutually supportive, or whether there are tradeoffs between these two oft-stated goals. If compromises are necessary, how can they be identified and how can adverse effects be minimized and mitigated?

It would appear that there are several ways in which RTEs may assist in ensuring that overall reliability of the bulk power system is maintained. RTEs could potentially play a key role in the dissemination of information concerning the adequacy of generating resources. Although RTEs may not have a direct responsibility in requiring sufficient generating reserves, they should be uniquely situated to recognize deficiencies in the bulk power system. Knowledge gained through the day-to-day operation of transmission facilities can serve as an early warning of future problems. This knowledge, in conjunction with the long-term planning activity of RTEs, which necessitates consideration of future electrical loads and generation resources, may provide an overall view of the adequacy of bulk power systems that may not be readily available to retail consumers, distribution utilities and competing power suppliers. Accordingly, one essential element of an RTE could be the provision of reliability information through periodic public reports detailing projections of future loads, generating reserves and expected areas of transmission congestion. Such information could enable consumers and potential

[8] NOPR, at 120, 126-28.

suppliers to make informed decisions with respect to expansion of production facilities, location of new generating resources, and other issues. **[16] We therefore seek comment as to whether the collection and dissemination of reliability-related information should be required as an essential element of an RTE serving Virginia and, if so, how such an element could be incorporated into our rules and regulations.**

RTEs may also play a more direct role in assuring adequate generating reserves. For example, the PJM Interconnection, L.L.C. (hereinafter, "PJM ISO") administers a reserve sharing agreement that assigns each load serving entity an installed capacity obligation and assesses a capacity deficiency charge to any entity that fails to meet this obligation. Such a mechanism, providing regional oversight with respect to the adequacy of generating reserves, helps assure that the needs of a region are recognized and met. **[17] Commenters should address whether the Commission should require a reserve sharing agreement similar to that required by the PJM ISO as an essential element of our utilities' RTE obligations. We further request that the parties identify any other mechanisms that would provide effective regional oversight with respect to the adequacy of generating reserves.**

Another key responsibility of an RTE is the procurement and provision of certain ancillary services. Such services must, in most cases, ultimately be provided from generating units. Consequently, RTEs must either contract for such services or require that transmission users arrange for such services. Redispatch of generating units for transmission congestion relief requires similar arrangements. Such ancillary and redispatch services may be required from specific generating units at certain times in order to maintain reliable service.

The generation market is undergoing rapid change, including voluntary and mandatory divestiture, and the growing use of market pricing as a substitute for traditional cost-based pricing. The source and price of essential generation services is therefore becoming less predictable. The potential for market power abuse, through excessive charges for such services, or outright refusal to provide them, exists. Generation owners may have an incentive to withhold the provision of ancillary and congestion relief services from key generating facilities in order to manipulate the market.

[18] Commenters should address whether membership in the RTE or transmission service to the owners of generating units located within the geographic boundaries of the RTE should be conditioned on interconnection agreements that obligate the owners of generating units to provide ancillary and redispatch services. If so, should the provision of ancillary and redispatch services be conditioned on rates that are fairly compensatory to the providers of such services?

B. Access to Information

[19] What principles should apply to the exchange of RTE information among RTE members, RTE users, regulators and the public? Additionally, what kinds of information should be made available for exchange, and what limits, if any, should be imposed on such exchanges?

C. Construction of Transmission Facilities

The introduction of RTEs creates a need to clarify responsibility for construction of transmission facilities. The incumbent utility historically has had responsibility for planning and implementing reinforcements of the transmission grid. The Act did not change this responsibility. However, the goal of neutral, efficient transmission planning might require the RTE to assume some or all of these responsibilities. Thus, FERC has proposed that RTOs "should have ultimate responsibility for both transmission planning and expansion within its region."[9]

The possible desirability of the RTE having responsibility for construction raises practical concerns in a context in which state law traditionally has applied. For example, as a legal matter, an RTE might be dependent on one or more incumbent utilities to seek state permission to construct the facilities and to undertake actual construction. It may not always be in a particular utility's financial interests, however, to carry out the RTE's construction priorities; for example, where the construction of a new transmission facility would result in reduced utilization of the incumbent utility's generating facilities.

Given these concerns, parties should respond to the following questions:

[20] Should RTEs have direct authority, upon obtaining appropriate regulatory approvals, to construct needed facilities?

[21] Alternatively, or in addition, should RTEs have authority to require assurances from the utility transmission owner that the utility will, in good faith, undertake a diligent effort to secure all necessary approvals for the needed facilities? What would be the enforceable legal mechanism by which such assurances would be sought and obtained? Should an RTE have enforcement authority -- and what type -- if the utility did not make a good faith effort to obtain such approvals? If interested parties believe that such requirements are appropriate, we request comments suggesting proposals for specific provisions and how such provisions can be implemented and enforced by RTEs.

D. Planning of Transmission Facilities

The planning activities of an RTE could potentially influence competitive developments. For example, a new transmission facility, that may not be needed to maintain reliability or system security, could facilitate greater access to competitive generation markets. Such a facility could be cost effective if the economics of generation and transmission are both considered. However, such joint consideration might not be within the responsibility of an RTE if the RTE's responsibilities were limited to reliability only.

More generally, the advantages of jointly considering generation and transmission economies should not be lost as certain transmission functions migrate from the utility to the RTE. **[22] Consequently, we are interested in whether the planning activities of an RTE can be conducted in a manner that will retain these vertical economies, and we ask parties to comment on appropriate planning considerations of an RTE. Specifically, interested parties should address whether the impact of proposed transmission facilities on access to competitive generation markets should be considered in the planning process and, if so, how.**

---

[9] NOPR at 189.

E. Operation of Transmission Facilities

[23] We also seek comment regarding whether our rules and regulations should detail the specific operating characteristics of an ISO as elements of an RTE. Consider the following examples, among others:

The Midwest ISO Agreement, which has received conditional authorization from FERC, specifies that the transmission owners who are currently control area operators will continue to operate their control areas for local generation control and economic dispatch purposes. This approach raises a potential concern that transmission owners will have a competitive advantage relative to those participants that do not operate control areas. Critics of the Midwest ISO have cited the following four problems: (1) control area operators will have knowledge of all schedules and transactions involving participants in their control areas; (2) control area operators' authority over other participants will allow them to take actions, purportedly for system reliability, that could put other participants at a competitive disadvantage; (3) control area operators will not pay load imbalance penalties because they will have access to inadvertent energy accounts that would allow them to pay back positive and negative imbalances in kind, while noncontrol area participants would have to pay these penalties; and (4) control area operators will be able to obtain the economic benefits of the imbalance diversity of individual customers within that geographic area.

[24] Given the prospect that differing RTEs may have varying levels of operational control, we ask interested parties to comment on whether it would be appropriate to promulgate minimum requirements with respect to the operational responsibilities of an appropriately structured RTE, such as directing that the RTE serve as a single control area or requiring that each utility's control area functions be transferred to a separate independent entity, or that all of a utility's control area activities be subject to the control of an independent RTE. If such minimum requirements are appropriate, interested parties should describe in detail appropriate requirements and discuss how such requirements may be implemented.

F. Market Power Monitoring

We discussed above an RTE's unique ability to gather and disseminate reliability-related information. Similarly, RTEs may be a valuable resource with respect to identifying market power abuses. **[25] Accordingly, we will consider the advisability of requiring the submittal of information regarding proposed RTE market monitoring activities in related filings before this Commission, and we invite comments on this possibility. Such information should describe in detail (i) the type and frequency of information to be collected, (ii) the confidentiality and public availability of such information, and (iii) how such information could be provided to the Commission. We also ask for comment on the role RTEs should play, if any, in preventing or penalizing market power abuse.**

G. Environmental Issues

While we believe that existing requirements for the construction of new transmission systems clearly require the consideration of the environmental impact of such facilities, we ask interested parties to comment on the advisability of other environmental considerations.

For example, an RTE could help facilitate clean air considerations by assuming responsibility for collecting information on power plant emissions associated with system dispatch and making such information available to the public. Such a function is being performed by ISO New England, which collects information associated with the system and provides historical emissions data concerning the New England region, relative to the percentage of coal, gas, and oil-fired generation, to the Massachusetts Department of Telecommunications and Energy. The Department of Telecommunications and Energy then coordinates that data with data from the Environmental Protection Agency and the Massachusetts Department of Environmental Protection on emissions levels. The ISO also provides the percentage generation data to load serving entities for presentation on "labels" that must accompany power bills in that state. **[26] We ask interested parties to comment on the appropriateness of requiring similar measures for RTEs operating in Virginia. If such measures are believed to be proper, we ask that commenters fully describe recommended requirements and their statutory basis.**

III.
Geographic Scope and Access to Markets

The geographic scope of an RTE has implications for transmission efficiency, reliability, operational practices, and other issues. More broadly, the geographic scope of an RTE and its pricing of transmission services may define or influence generation markets. **[27] We ask parties to comment on whether our RTE considerations should seek to balance the benefits associated with greater access to functioning generation markets and transmission efficiencies? If so, commenters should detail specific approaches for balancing these objectives.**

In this context, comments should address the subject of what might be the appropriate geographical scope and coverage of an RTE. Specifically:

[28] What should be the characteristics of the RTE's authority over control area operations within the RTE area? How will geographic size and coverage affect system constraints within the RTE and among the RTE and neighboring transmission owners or RTEs? How should an RTE coordinate with neighboring RTEs, control areas and utilities? What specific authority will be needed to accomplish these objectives?

[29] We also seek comments concerning the desirability and utility of RTEs which consist of, or include, noncontiguous transmission systems or systems with limited interchange capability among functioning power markets.

[30] Additionally, we invite comment on whether the Commission should favor RTEs which increase or improve interchange capability among functioning power markets.

IV.
Pricing

The development of effective competition may also be dependent on the pricing policies of an RTE. FERC's third ISO principle provides that an ISO should provide open access to the transmission system and all services under its control at nonpancaked rates pursuant to a single, unbundled, grid-wide tariff that applies to all eligible users in a nondiscriminatory manner. FERC, however, has departed from this principle. For example, in its conditional

authorization of the Midwest ISO, FERC has allowed for multiple zonal rates. While the Midwest ISO effectively eliminates rate pancaking, customers in different zones may pay different transmission rates.

Other proposals, such as one from Alliance, may suggest further departure from FERC's pricing principles. It appears that the Alliance proposal would not eliminate transmission rate pancaking, since it provides for regional access charges in addition to zonal transmission charges. It should be noted that this proposal is designed to assure that no single transaction will be subject to higher costs than would be incurred under existing open access tariffs. We understand that the RTO envisioned by the Alliance proposal would switch to a single, grid-wide transmission rate at the end of a transition period. We are concerned that, while eliminating pancaked rates can enhance competition, the change may entail transmission cost shifts. The acceptability of such cost shifts may depend on whether there are countervailing benefits, such as increased reliability or enhanced access to lower cost power supplies.

In light of the foregoing discussion, we believe that it is appropriate to examine closely whether RTE pricing policies result in the elimination of pancaked rates and whether proposals for implementing a single grid-wide rate are appropriate. These considerations could play an important role in any evaluation of a particular RTE. **[31] Accordingly, we ask interested parties whether it would be appropriate to require incumbent utilities seeking to transfer ownership or control of transmission facilities to an RTE to file detailed information showing how RTE pricing proposals will impact Virginia consumers. If so, parties should comment on the specific information that should be required.**

In addition to pancaking and "single rate" issues, other pricing questions arise, particularly concerning the collection of congestion and variable costs. FERC's eighth ISO principle requires that transmission and ancillary service policies should promote efficient consumption and efficient investment in generation and transmission facilities. FERC notes similar objectives for RTOs in its recent NOPR. We also wish to mitigate any loss in present planning efficiencies that may occur as a result of the functional separation of generation and transmission. **[32] Consequently, we seek comment regarding whether there are specific pricing elements that are essential to an appropriately structured RTE, and if so, ask that commenters identify these elements. For example, should our rules require, as an essential RTE element under the provisions of Section 56-579, locational marginal pricing for congestion relief, provisions for tradable transmission rights, or other such measures?**

V.
Relationship Between RTE Service and Bundled Retail Service

[33] We also seek comment regarding the impact of participation by Virginia jurisdictional utilities in any regional RTE operating in the Commonwealth on the service to customers receiving bundled retail services during the transition to retail choice and customers receiving default service after choice is available to all customers. Customers who do not have choice during the transition period or who, at any time subsequent to the commencement of retail choice, elect not to take service from alternative suppliers may continue to receive service, which, under certain circumstances, may be bundled service. FERC has acknowledged that it has jurisdiction only over the rates, terms and conditions of unbundled transmission service provided by public utilities engaged in interstate commerce, not over bundled retail sales. Given that utilities participating in an RTE will be regulated concurrently by the federal and state governments, we are interested in comments addressing how RTE participation may impact our jurisdictional responsibilities and authority with respect to bundled retail services.

[34] In particular, we invite comments regarding whether RTE participation may alter the priorities of service to bundled retail customers and the rates for such services. In a recent decision, the United States Court of Appeals for the Eighth Circuit held that FERC, in its application of Order No. 888, acted beyond its jurisdiction when it required a transmission owner, in its provision of transmission service to unbundled transmission customers, to use curtailment procedures which are comparable to those which the transmission owner uses for its customers of bundled retail service.[10] **[35] We ask interested parties to comment on how the Court's ruling, if it were to apply in Virginia, might affect the permissible curtailment practices of an RTE, and what, if any, guidance this Commission should provide, particularly as that guidance might affect service to bundled retail load in Virginia. [36] In addition, should the curtailment provisions of RTEs recognize a higher priority of service to bundled retail loads? If so, identify considerations or propose appropriate curtailment provisions that should be incorporated into our rules.**

We are also concerned that FERC's ratemaking practices with respect to unbundled transmission service may differ from ours as applied to bundled transmission service, and that application of FERC approved rates for transmission services could result in differing revenue requirements for bundled retail services. **[37] Therefore, we ask interested parties to comment on whether our RTE related rules should establish specific considerations for reconciling state and federal ratemaking practices for bundled retail services. If such conditions are appropriate, we ask parties to propose specific provisions or rules for our consideration.**

VI.
Legal Issues

A. Treatment of an RTE Under State Law

[38] Contemplating the broader relationship between RTEs and the statutory and constitutional requirements of this Commonwealth,[11] we solicit comment on the following issues: (i) whether RTEs will perform a public service function in Virginia; and (ii) if so, whether an RTE should be considered a public service company or public utility under Virginia law. Commenters should address whether RTEs may be subject to Virginia corporate statutes and should be required to incorporate as a Virginia public service corporation. If commenters assert that Virginia statutes are inapplicable to RTEs, such comments should explain in detail, citing applicable law, the reasons why.

---

[10] Northern States Power Co. v. FERC, __ F.3d __ (8th Cir. Mar. 8, 1999), 1999 WL 301458 at 4-5 (finding that the indirect effect of Order No. 888's curtailment procedures, as interpreted by FERC, constituted an attempt to regulate the curtailment of transmission service to retail customers, thus transgressing its Congressional authority which limits its jurisdiction to interstate transactions).

[11] See, Va. Const. art. IX, § 5, prohibiting foreign corporations from carrying on the business of, or performing the functions of, a public service enterprise within the Commonwealth.

B. Carrying Out the State Legislature's Mandate In the Context of the Federal Power Act

As indicated in the introduction to this order, the Commission and its jurisdictional utilities must carry out the Act's RTE mandates in a legal context that includes activities of other states, and of FERC acting under the Federal Power Act. This multijurisdictional context raises both legal and practical issues.

Courts have interpreted the Federal Power Act to preempt state activities under certain circumstances. Commenters should point out, throughout their comments, areas where they believe the Commission's responsibilities concerning RTEs under the Virginia Act may be limited by federal law. Comments should be specific and make reference to judicial and statutory authorities.

From a practical perspective, there will be a need to coordinate our actions with FERC's, and those of other states, so as to recognize the multi-utility and regional nature of these issues while also carrying out the requirements imposed by our General Assembly. Again, commenters should point out, throughout their comments, areas in which coordination will be especially necessary, and identify means by which this coordination can occur.

VII.
Other Issues

A. Transmission-Distribution Distinction

[39] How should the distinction between transmission and distribution facilities be delineated, as a tool in identifying those facilities eligible for transfer to an RTE, or in defining facilities for inclusion in the investment bases of various companies? Are FERC's seven indicators concerning this subject appropriate for use in establishing essential RTE elements?

B. Ratemaking Implications of Transfers of Assets or Control

[40] Should the costs and proceeds associated with asset transfers be reflected in rates? Should we develop filing requirements for schedules detailing the Virginia-jurisdictional ratemaking implications of RTE proposals? Commenters should describe fully the information that should be collected through such filing requirements.

C. Additional RTE functions or responsibilities

RTEs may also have functions or responsibilities that are intended to facilitate considerations that are not directly related to maintaining reliability or to providing nondiscriminatory access. **[41] Therefore, we are interested in whether there are additional elements that should be required for an appropriately structured RTE.**

VIII.
Measuring Success

[42] With particular regard to the Commission's duty to report to the Legislative Task Force on the success of RTE development, what are some possible benchmarks by which success of an RTE can be measured in the future? Comments on this topic should set forth proposed rules related to the development and justification for such benchmarks.

[43] Finally, we urge all interested parties to address in their comments, any other issue or sets of issues concerning or affecting the Commission's responsibilities with respect to RTEs.

As we begin this critical chapter in Virginia's restructuring process, we ask and expect all participants to cooperate fully with Commission staff and the Commission in this proceeding.

NOW, upon consideration of the foregoing, the Commission is of the opinion and finds that this proceeding should be docketed and that interested parties should be permitted to file initial comments on the issues raised herein, as well as comments responsive to those initially filed. Accordingly,

IT IS ORDERED THAT:

(1) This matter shall be docketed and assigned Case No. PUE990349.

(2) On or before June 10, 1999, any party intending to file comments in conjunction with this order shall file notice of their intent to do so, filing an original and twenty (20) copies of such notice with the Clerk of the State Corporation Commission. Such notice shall be addressed to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, and shall refer to Case No. PUE990349. On or before June 18, 1999, the Clerk shall prepare and make available for purposes of service required under paragraphs (3) and (4) hereafter, a list of all parties indicating their intent to file comments concerning this order.

(3) On or before June 29, 1999, any interested party may file an original and twenty (20) copies of initial comments with the Clerk on the issues and policies posed in this Order. To aid the Commission as well as responding parties, each request for comments is numbered and set forth in bolded text. The parties are requested to correlate their responses to the numbering system set forth in this order. Comments shall be addressed to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, and shall refer to Case No. PUE990349. Interested parties shall also serve one (1) copy of their comments upon the Staff and other parties to this proceeding. The parties are also requested to furnish the Commission electronic copies of their initial comments, if practicable, via e-mail attachment addressed to nlowery@scc.state.va.us.

(4) On or before July 15, 1999, interested parties desiring to respond to the initial comments filed herein pursuant to Ordering Paragraph (2) shall file with the Clerk of the Commission at the address set forth below, an original and twenty (20) copies of their responses to the initial comments. To aid the Commission as well as responding parties, the parties are requested to correlate their responses, to the extent practicable, to the numbering system set forth

in the requests for comments contained in this order. Service upon the Clerk of the Commission shall be directed to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, and shall refer to Case No. PUE990349. Interested parties filing responses shall serve one (1) copy of said comments upon the Staff and other parties to this proceeding. The parties are also requested to furnish the Commission electronic copies of their response comments, if practicable, via e-mail attachment addressed to nlowery@scc.state.va.us.

(5) Copies of the initial and response comments shall be made available for public inspection from 8:15 a.m. to 5:00 p.m., Monday through Friday, at the State Corporation Commission, Document Control Center, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia 23219. Persons desiring to obtain copies of the comments filed herein may order a copy of such comments from the Clerk of the Commission at the address set forth in Ordering Paragraph (3). Copies of such comments are available at a charge of $1.00 per page for the first two pages of the document, and a charge of $0.50 for each additional page.

CASE NO. PUE990350 (CASE NO. PUE880091)
AUGUST 25, 1999

APPLICATION OF
APPALACHIAN POWER COMPANY

For approval to implement residential experimental rate

FINAL ORDER

On December 27, 1997, the Commission entered an order in Case No. PUE880091 closing the rate experiment approved in that case, the residential variable spot pricing rate ("RVSP"), to new participants. The Order recites that "[the] case is closed. Any request for a permanent RVSP rate shall be made in a separate docket."

On May 28, 1999, Appalachian Power Company ("Appalachian" or "Company") filed its Motion to Conclude Rate Experiment, using docket number PUE880091. The Commission treated the Company's motion to conclude the rate experiment in the manner it indicated it would treat any request to make the rate permanent and docketed the request as Case No. PUE990350. An Order for Notice was issued on June 11, 1999, which directed Appalachian to provide notice to its customers taking service under the RSVP experiment of its intention to terminate the program. Interested persons were given an opportunity to comment or request hearing on the Company's motion. No comments or requests for hearing were filed.

NOW THE COMMISSION, having considered the pleadings herein, is of the opinion and finds that the Motion to Conclude Rate Experiment should be granted. Accordingly,

IT IS ORDERED THAT:

(1) The Motion to Conclude Rate Experiment shall be, and is, GRANTED.

(2) There being nothing further to come before the Commission, this matter is DISMISSED.

CASE NO. PUE990351
SEPTEMBER 29, 1999

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For a certificate of public convenience and necessity authorizing the construction of transmission facilities in Fauquier County

FINAL ORDER

On August 11, 1998, Virginia Electric and Power Company ("Virginia Power" or "Company") filed an application requesting regulatory approval for the construction of new gas-fired turbine generator units ("CTs"). Initially, the Company sought to install the units either at a site in Caroline County or a site in Fauquier County. The Company subsequently amended its application to seek authority to construct four 150 MW CTs at its Fauquier County site. The Company also requested regulatory approval for construction of transmission facilities necessary to connect these generators to the electric transmission grid.

In an order issued on May 14, 1999, in Case No. PUE980462, the Commission authorized Virginia Power to construct the four combustion turbine generating units at its location in Fauquier County, Virginia; authorized Virginia Power to make financial expenditures for such construction; directed the Company to account separately for the fixed costs of the units; and dismissed the case from its docket of active cases. The related transmission facilities request was not approved in that proceeding, and the Commission subsequently determined that it should be considered in this docket.[1]

Virginia Power proposes to build a new double-circuit 230 kV line of approximately 2000 feet from the combustion turbine site to the existing Remington substation. This new line would be entirely on the right-of-way of the existing 115 kV Remington-Possum Point line. Virginia Power also proposes to build a double-circuit 230 kV line of approximately 2,500 feet in length on Company property. The proposed line will connect the combustion

[1] June 14, 1998, Order for Notice and Hearing.

turbine site with the existing 230 kV line between the Remington Substation and Warrenton. That existing line will be cut and the new lines will be connected to create a new single circuit 230 kV line from the Remington Substation to the combustion turbine site and a new single circuit 230 kV line from the combustion turbine site to Warrenton. The new 230 kV circuit from the CT site to Remington would be operated at 115 kV to create a single circuit 115 kV from Possum Point to the Remington Substation.

By order dated June 14, 1999, the Commission directed the Company to provide notice of its application, scheduled the matter for hearing on September 23, 1999, and established a procedural schedule for the filing of pleadings, testimony, and exhibits.

At the appointed date, a hearing was held before Chief Hearing Examiner Deborah V. Ellenberg. Counsel appearing were Guy T. Tripp, III, Esquire, for the Company and Marta Curtis, Esquire, and Don Mueller, Esquire, for the Commission's Staff.

No public witnesses appeared at the hearing. There were no Protestants participating in the proceeding, and there were no issues in controversy between the Company and Staff.

At the commencement of the hearing, the Company offered the required proofs of notice. Testimony supporting the application was marked and received into the record. A Staff Report dated September 1, 1999, was also received and admitted into the record.

At that hearing the Chief Hearing Examiner gave a Report detailing her findings and recommendations. The Examiner found that:

> 1. There is a need for the 230 kV Remington transmission lines to connect the four 150 megawatt CTs in Fauquier County to the Company's transmission system as outlined in the October 21st, 1998, supplemental application and the May 27th, 1999, additional supplemental testimony;
>
> 2. The public convenience and necessity require construction of the proposed transmission facilities;
>
> 3. The Company and Staff considered alternatives to satisfy the need, but the proposed facilities are the best technical and economical option available;
>
> 4. The proposed route uses existing right-of-way to the maximum extent reasonably possible and is located completely on the Company's property or existing right-of-way, and thus reasonably minimizes any adverse impact on the scenic and environmental assets of the concerned area.

The Examiner recommended that the Commission enter an order that adopts her findings; grants the Company's application to construct and operate the proposed transmission lines pursuant to §§ 56-46.1, 56-265.2, and related provisions of Title 56 of the Code of Virginia; and amends the Company's current certificate of public convenience and necessity for Fauquier County to authorize the construction and operation of the proposed facilities. The Examiner also recommended that upon issuance of the amended certificate the Commission dismiss this case from its docket of active cases.

The Company supported the Examiner's recommendations and waived its right to file further comments in this proceeding.

NOW THE COMMISSION, having considered the Examiner's Report, applicable law, and the record of this proceeding, is of the opinion that the Examiner's findings and recommendations should be adopted. Accordingly,

IT IS ORDERED THAT:

(1) The findings and recommendations of the Chief Hearing Examiner as detailed herein are adopted.

(2) Pursuant to § 56-46.1, § 56-265.2, and related provisions of Title 56 of the Code of Virginia, this application shall be granted.

(3) Virginia Power shall be issued an amended certificate of public convenience and necessity for Fauquier County as follows:

> Certificate No. ET-80k for Fauquier County authorizing Virginia Electric and Power Company to construct and operate a new double-circuit 230 kV transmission line from its combustion turbine site to the existing Remington substation on the right-of-way of the existing 115 kV Remington-Possum Point line and to construct and operate a double-circuit 230 kV transmission line to connect its combustion turbine site with the existing 230 kV line between the Remington substation and Warrenton, as shown on the map attached hereto. Certificate No. ET-80k shall supersede Certificate No. ET-80j issued on June 23, 1978.

(4) This case shall be dismissed from the Commission's docket of active cases.

CASE NO. PUE990352
JUNE 24, 1999

APPLICATION OF
APPALACHIAN POWER COMPANY

For approval of tariff riders

ORDER APPROVING TARIFF

Appalachian Power Company, d/b/a/ American Electric Power ("AEP" or "the Company") filed an amended application on June 9, 1999, for approval of two riders to its tariff: Schedule ECS (Emergency Curtailable Service Rider) and Schedule PCS (Price Curtailable Service Rider).

Last summer, the Company filed, and the Commission approved, an application for immediate implementation of a Temporary Emergency Curtailable Service Rider. That rider expired under it terms on September 30, 1998. According to AEP, that temporary rider was a way to "address a unique and temporary capacity situation which has arisen in the Midwestern United States."[1]

AEP proposes to offer Schedule ECS and Schedule PCS as permanent riders. Schedule ECS would be available during both summer and winter seasons. Schedule PCS would be available during all four seasons.

As justification for its proposed riders, AEP cites "[c]hanges in electric load and use patterns, combined with uncertainties created by industry restructuring" which "present ongoing risks relating to system load requirements." The Company states that "these risks warrant the implementation of permanent riders to Schedule LPS-TOD which will provide an added measure of reliability . . . ." The Schedule ECS rider, according to AEP, "will be offered as a means of mitigating generation-related emergency operating conditions in order to minimize service interruptions to the Company's firm service customers." AEP's application requests authority to implement both riders immediately "[i]n order for the riders to provide an additional measure of system reliability during the summer of 1999 . . . ."

AEP proposes that compensation to customers for curtailed kWh under the provisions of Schedules ECS and PCS will be treated as purchased power for accounting and fuel factor purposes.

NOW THE COMMISSION, upon consideration of the Company's amended application, is of the opinion that the proposed curtailable service riders shall be approved, as herein modified and subject to the conditions stated.

We find that AEP's proposed treatment of compensation and credits to customers for curtailment under the riders as purchased power for accounting and fuel factor purposes presents an issue as to whether such costs represent costs within the Company's definitional framework of fuel expenses. Accordingly, this matter warrants further consideration in a proceeding with participation from the Staff and interested parties, and we will therefore not permit the proposed accounting and fuel factor treatment for curtailment compensation and credits to be implemented at this time. We will not, however, delay implementation of the riders.

The Company's application seeks immediate implementation of the riders on a permanent basis. We will allow the riders to be implemented, as modified herein, but on a temporary basis only. The riders shall terminate on June 1, 2000, unless extended by the Commission. By subsequent order, we will create a proceeding to determine whether the curtailment riders should be made permanent, and the appropriate accounting and fuel factor treatment for curtailment compensation and credits. The application indicates that the proposed riders are now necessary to ensure system reliability. AEP also points to "uncertainties created by industry restructuring." Because of the apparent urgencies cited in the Company's application that may inhibit the utility's statutory duty to provide adequate service, we cannot find it in the public interest to delay implementation of the tariffs.

Finally, we note that the prospect of generation-related seasonal emergencies and electric industry restructuring are not sudden phenomena. We approved an emergency rider for the Company last summer, and the Virginia Electric Utility Restructuring Act was enacted in March of this year. Thus, the Company has had ample time to articulate any legal and factual bases to support its application filed this month. We expect utilities to plan ahead in presenting tariff proposals of this nature so that we may consider such filings thoroughly and with notice to and participation from affected parties prior to implementation of the tariff changes. It appears, however, the urgencies presented by AEP do not permit any delay in the tariff's implementation. Accordingly,

IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUE990352;

(2) Schedule ECS shall be implemented as modified herein;

(3) Schedule PCS shall be implemented as modified herein;

(4) The Company shall forthwith file revised tariffs for Schedules ECS and PCS that eliminate the last sentence of the "Monthly Credit" section on Sheet Nos. 22-3 (ECS) and 23-3 (PCS), and that are otherwise consistent with the terms of this order; and

(5) This matter is continued generally.

---

[1] Application of Appalachian Power Company, For approval of tariff rider, Case No. PUE980335, Final Order (July 20, 1998).

CASE NO. PUE990352
JULY 15, 1999

APPLICATION OF
APPALACHIAN POWER COMPANY

For approval of tariff riders

ORDER ON RECONSIDERATION

On June 14, 1999, Appalachian Power Company, d/b/a/ American Electric Power ("AEP" or "the Company") filed a Petition for Reconsideration of the Commission's Order Approving Tariff of June 24, 1999.[1] In that order, we approved, on a temporary basis through June 1, 2000, two riders to the Company's tariff: Schedule ECS (Emergency Curtailable Service Rider) and Schedule PCS (Price Curtailable Service Rider).

AEP proposed that compensation to customers for curtailed kWh under the provisions of Schedules ECS and PCS be treated as purchased power for accounting and fuel factor purposes. We determined that AEP's proposed treatment of compensation to customers for curtailment under the riders as purchased power for accounting and fuel factor purposes presented an issue as to whether such costs represent costs within the Company's definitional framework of fuel expenses. However, because of the apparent urgencies cited in the Company's application that may inhibit the utility's statutory duty to provide adequate service, we approved immediate implementation of the riders, but did not permit the proposed accounting treatment for curtailment credits to be implemented at that time. We stated in our order we would, in a subsequent proceeding with participation from the Staff and interested parties, determine whether the curtailment riders should be made permanent, and the appropriate accounting and fuel factor treatment for curtailment compensation credits.

AEP requests in its petition that we either delay implementation of the riders until the issue of cost recovery can be considered and resolved, or, alternatively, give temporary approval to the Company's requested accounting and fuel factor treatment for schedules ECS and PCS while those schedules are in effect on a temporary basis.

NOW THE COMMISSION, upon consideration of the Company's petition, is of the opinion and finds that AEP's request should be denied. As we determined in our June 24, 1999, order, we cannot find it in the public interest to delay implementation of the riders. With regard to schedule ECS, we want the Company to have the ability to respond to system emergencies by implementing voluntary load curtailments. We further note that, pursuant to the terms and conditions of service of Schedules ECS and PCS, the Company has the sole discretion to activate either or both tariffs. Accordingly,

IT IS ORDERED THAT:

(1) The relief requested in AEP's Petition for Reconsideration is denied.

(2) The Company's shall file forthwith revised tariffs for Schedules ECS and PCS that eliminate the last sentence of the "Monthly Credit" section on Sheet Nos. 22-3 (ECS) and 23-3(PCS), and that are otherwise consistent with the terms of our June 24, 1999, order.

(3) This matter is continued generally.

---

[1] AEP's petition was filed one day before the Commission becomes powerless to modify, vacate, suspend, or otherwise revisit its June 24, 1999, order. See Rule 8:9 of the Commission's Rules of Practice and Procedure; Rule 1:1 of the Rules of Supreme Court of Virginia.

CASE NO. PUE990365
OCTOBER 12, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BYERS LOCATE SERVICES, LLC,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about February 1, 1999, Breeden Mechanical, Inc., damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near Lot 20, Holstein Pony Court, Gainesville, Virginia, while excavating;

(2) On or about March 31, 1999, OSP Consultants, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 11343 Lee Highway, Fairfax, Virginia, while excavating;

(3) On or about April 7, 1999, The Anderson Company damaged a two inch plastic gas service line operated by Washington Gas Light Company located at or near 8304 Old Keene Mill Road, Springfield, Virginia, while excavating;

(4) On or about April 7, 1999, Mountaineer Pipe Corporation damaged an eight inch steel gas main line operated by Washington Gas Light Company located at or near 10800 Zion Drive, Vienna, Virginia, while excavating;

(5) On or about April 8, 1999, Northern Virginia Electric Cooperative damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near Lot 173, Osprey Court, Dale City, Virginia, while excavating;

(6) On or about April 14, 1999, Marumsco Equipment Corporation damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 13868 Rehnquest Court, Dale City, Virginia, while excavating;

(7) On or about April 27, 1999, Diamond's Utility Construction, Inc., damaged a two inch plastic gas service line operated by Washington Gas Light Company located at or near 10111-A Residency Road, Manassas, Virginia, while excavating;

(8) On or about April 30, 1999, Martin and Gass, Incorporated damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 6900 Chestnut Avenue, Falls Church, Virginia, while excavating;

(9) For the incidents described in paragraphs (1) through (8), Byers Locate Services, LLC ("the Company"), failed to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A of the Code of Virginia;

(10) On or about March 31, 1999, Carol McGarry, homeowner, notified the notification center of plans to excavate at or near 501 Saint Ives Road, Great Falls, Virginia;

(11) On or about April 2, 1999, Anne Mulrooney, homeowner, notified the notification center of plans to excavate at or near 11587 Red Leaf Court, Reston, Virginia; and

(12) For the incidents described in paragraphs (10) and (11), the Company failed to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines no later than 48 hours after receiving notice from the notification center, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, 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 before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $8,750 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $8,750 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE990366
AUGUST 9, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
COLUMBIA GAS OF VIRGINIA, INC.,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about February 3, 1999, Debose & Sons Construction Company, Inc., damaged a one-inch plastic gas service line operated by Columbia Gas of Virginia, Inc. ("the Company"), located at or near 1217 Boulevard, Colonial Heights, Virginia, while excavating;

(2) On or about February 22, 1999, Nathaniel Greene Corp. damaged a one-inch plastic gas service line operated by the Company located at or near 433 East Main Street, Stanardsville, Virginia, while excavating;

(3) On or about March 24, 1999, Four Seasons Irrigation damaged a five-eighths inch plastic gas service line operated by the Company located at or near 5321 Meadow Chase Road, Midlothian, Virginia, while excavating;

(4) On or about March 25, 1999, F. L. Showalter, Inc., damaged a one-inch plastic gas service line operated by the Company located at or near 407 North Main Street, Gordonsville, Virginia, while excavating;

(5) On or about March 31, 1999, Southern Construction Company, Inc., damaged a five-eighths inch plastic gas service line operated by the Company located at or near 132 Carrol Avenue, Colonial Heights, Virginia, while excavating;

(6) On or about March 31, 1999, J. D. Bessellieu, Inc., damaged a one-half inch plastic gas service line operated by the Company located at or near 2603 West City Point Road, Hopewell, Virginia, while excavating;

(7) On or about April 12, 1999, Southern Construction Company, Inc., damaged a one-half inch plastic gas service line operated by the Company located at or near 333 South 12th Street, Hopewell, Virginia, while excavating;

(8) On or about April 12, 1999, City of Hopewell damaged a two-inch plastic gas service line operated by the Company located at or near the intersection of 16th Avenue and Buren Drive, Hopewell, Virginia, while excavating;

(9) On or about April 14, 1999, Triple K Fence Company damaged a one-half inch plastic gas service line operated by the Company located at or near 34 Varone Drive, Stafford, Virginia, while excavating; and

(10) The Company failed to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, 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 before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $5,750 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

(2) Any fines paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $5,750 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE990375
SEPTEMBER 8, 1999

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

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about September 1, 1998, Leo Construction Corporation damaged a one hundred pair telephone main line operated by GTE South Incorporated located at or near 8196 Keara Court, Manassas, Virginia (Report No. 98-1530), while excavating;

(2) On or about September 4, 1998, Northern Pipeline Construction Co. damaged a fifty pair telephone line operated by GTE South Incorporated located at or near the intersection of Moon Way and Christi Drive, Woodbridge, Virginia (Report No. 98-1700), while excavating;

(3) On or about September 9, 1998, Northern Virginia Electric Cooperative damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 8326 Highland Street, Manassas, Virginia (Report No. 98-2657), while excavating;

(4) On or about September 9, 1998, Mid-Atlantic Pipeliners, Inc. damaged a twenty-five pair telephone line operated by GTE South Incorporated located at or near 1168 Sandalwood Lane, Woodbridge, Virginia (Report No. 98-1774), while excavating;

(5) On or about September 22, 1998, the City of Waynesboro damaged a two inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near 855 Woodrow Avenue, Waynesboro, Virginia (Report No. 98-2590), while excavating;

(6) On or about September 22, 1998, Atlantic Cable & Trench, Inc., damaged a two inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near 3004 Betram Street, Chesapeake, Virginia (Report No. 98-2703), while excavating;

(7) On or about September 23, 1998, Mastec, Inc. damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 196 Archer, Colonial Heights, Virginia (Report No. 99-0162), while excavating;

(8) On or about September 24, 1998, General Excavating damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 250 West Shirley, Warrenton, Virginia (Report No. 99-0203), while excavating;

(9) On or about September 30, 1998, Capco Construction Corporation damaged a twenty-five pair telephone line operated by GTE South Incorporated located at or near Lot #5, Criggers Lane, Manassas, Virginia (Report No. 98-2037), while excavating;

(10) On or about October 2, 1998, Jones Utility Construction Co. damaged a five pair telephone service line operated by GTE South Incorporated located at or near 16 Scotland Circle, Stafford, Virginia (Report No. 98-2031), while excavating;

(11) On or about October 12, 1998, Rockingham Construction Co., Inc., damaged a one hundred pair telephone service line operated by GTE South Incorporated located at or near the corner of Colby Drive and Paxton Street, Woodbridge, Virginia (Report No. 98-2177), while excavating;

(12) On or about October 14, 1998, S and N Communications, Inc., damaged a twenty-eight strand fiber telephone line operated by GTE South Incorporated located at or near 13114 Dumfries Road, Manassas, Virginia (Report No. 98-2402), while excavating;

(13) On or about October 20, 1998, H. Beard Plumbing and Heating, Inc., damaged a fifty pair telephone service line operated by GTE South Incorporated located at or near 127 Washington Street, Woodbridge, Virginia (Report No. 98-2423), while excavating;

(14) On or about October 20, 1998, Capco Construction Corporation damaged a twenty-five pair telephone service line operated by GTE South Incorporated located at or near Lot 58, Pixie Way, Woodbridge, Virginia (Report No. 98-2424), while excavating;

(15) On or about October 21, 1998, J. L. Minter Electrical Contractor, Inc., damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 8301 Midlothian Turnpike, Midlothian, Virginia (Report No. 99-0200), while excavating;

(16) On or about October 22, 1998, the City of Manassas damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 8905 Tudor Lane, Manassas, Virginia (Report No. 99-0275), while excavating;

(17) On or about October 29, 1998, The Brothers Signal Company, Inc., damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 8390 Centreville Road, Manassas, Virginia (Report No. 99-0304), while excavating;

(18) On or about November 10, 1998, Steve Mitchell, homeowner, damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 1371 Dominion Ridge Lane, Herndon, Virginia (Report No. 98-2721), while excavating;

(19) On or about November 24, 1998, Littleton & Associates, Inc., damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 821 Oneida Trail, Covington, Virginia (Report No. 99-0076), while excavating;

(20) On or about December 2, 1998, Central Builders, Inc., damaged a twenty-five pair main telephone line operated by GTE South Incorporated located at or near 253 Grigg Avenue, Jarratt, Virginia (Report No. 98-2664), while excavating;

(21) On or about December 7, 1998, Fowler Construction Co., Inc., damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 13910 Hunting Run Drive, Fredericksburg, Virginia (Report No. 99-0169), while excavating;

(22) On or about December 7, 1998, Henry S. Branscome, Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 3220 Cedar Lane, Portsmouth, Virginia (Report No. 99-0316), while excavating;

(23) On or about December 16, 1998, Myers Cable, Inc., damaged a main telephone line operated by GTE South Incorporated located at or near 13800 Perimeter Drive, Fredericksburg, Virginia (Report No. 99-0064), while excavating;

(24) On or about December 17, 1998, Atlas Plumbing & Mechanical, Inc., damaged a one-hundred pair telephone service line operated by GTE South Incorporated located at or near 14928 Grassy Knoll, Woodbridge, Virginia (Report No. 99-0512), while excavating;

(25) On or about December 29, 1998, Myers Cable, Inc., damaged a twenty-five pair main telephone line operated by GTE South Incorporated located at or near Perimeter Drive and Federal Forest Drive, Fredericksburg, Virginia (Report No. 99-0065), while excavating;

(26) On or about January 19, 1999, Suburban Grading and Utilities, Inc., damaged a three-quarter inch steel gas service line operated by Virginia Natural Gas, Inc., located at or near 1576 Kerry Avenue, Norfolk, Virginia (Report No. 99-0357), while excavating;

(27) On or about January 19, 1999, T. A. Sheets Mechanical Contractor, Inc., damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 1527 Shelton Avenue, Norfolk, Virginia (Report No. 99-0368), while excavating;

(28) On or about January 19, 1999, Virginia Electric and Power Company damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 2003 Meade Parkway, Suffolk, Virginia (Report No. 99-0375), while excavating;

(29) On or about January 22, 1999, William B. Hopke Co. Inc. damaged a nine-hundred pair telephone service line operated by GTE South Incorporated located at or near 14935 Jefferson Davis Highway, Woodbridge, Virginia (Report No. 99-0507), while excavating;

(30) On or about January 25, 1999, Mastec, Inc., damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 1512 East Pembroke Avenue, Hampton, Virginia (Report No. 99-0404), while excavating;

(31) On or about January 28, 1999, the Town of Pulaski damaged a one-half inch plastic gas service line operated by United Cities Gas Company located at or near 821 Peppers Ferry Road, Pulaski, Virginia (Report No. 99-0356), while excavating;

(32) On or about January 28, 1999, Virginia Electric and Power Company damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 201 Royal Dornoch, Smithfield, Virginia (Report No. 99-0377), while excavating;

(33) On or about February 1, 1999, Suburban Grading & Utilities, Inc., damaged a five-eighths inch steel gas service line operated by Virginia Natural Gas, Inc., located at or near 1536 Kerrey Avenue, Norfolk, Virginia (Report No. 99-0822), while excavating;

(34) On or about February 2, 1999, W. E. Curling, Inc., damaged a one hundred pair telephone service line operated by GTE South Incorporated located at or near 403 Muirfield Drive, Smithfield, Virginia (Report No. 99-0257), while excavating;

(35) On or about February 4, 1999, Atlantic Cable Service, Inc., damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 87 Tupelo Circle, Hampton, Virginia (Report No. 99-421), while excavating;

(36) On or about February 5, 1999, Rockingham Construction Co., Inc., damaged a one-hundred pair telephone line operated by GTE South Incorporated located at or near Grandview Court, Lorton, Virginia (Report No. 99-0501), while excavating;

(37) On or about February 8, 1999, Stone Ridge Builders damaged a fifty pair telephone line operated by GTE South Incorporated located at or near Lots 87-90, Seaford Court, Woodbridge, Virginia (Report No. 99-0502), while excavating;

(38) On or about February 9, 1999, T. A. Sheets Mechanical Contractor, Inc., damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 1543 Shelton Avenue, Norfolk, Virginia (Report No. 99-0478), while excavating;

(39) On or about February 10, 1999, the City of Norfolk damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 2212 Lafayette Boulevard, Norfolk, Virginia (Report No. 99-0471), while excavating;

(40) On or about February 10, 1999, Stafford County damaged a two hundred pair main telephone line operated by GTE South Incorporated located at or near 77 Barretts Heights Road, Stafford, Virginia (Report No. 99-0586), while excavating;

(41) On or about February 11, 1999, Northern Virginia Electric Cooperative damaged a twenty-five pair telephone line operated by GTE South Incorporated located at or near 11211 Lake Jackson Drive, Manassas, Virginia (Report No. 99-0384), while excavating;

(42) On or about February 11, 1999, Battlefield Utility Contractors, Incorporated damaged a one-hundred pair telephone line operated by GTE South Incorporated located at or near Corner of Hastings and Racquet Circle, Manassas, Virginia (Report No. 99-0386), while excavating;

(43) On or about February 15, 1999, RTWC, Inc., damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 800 Southlake Boulevard, Richmond, Virginia (Report No. 99-0581), while excavating;

(44) On or about February 16, 1999, Cascade Contracting, Inc., damaged a one and one-quarter inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near 642 Tappanzee Court, Virginia Beach, Virginia (Report No. 99-0525), while excavating;

(45) On or about February 17, 1999, Suburban Grading and Utilities, Inc., damaged a one inch steel gas service line operated by Virginia Natural Gas, Inc., located at or near 5153 South Cape Henry Avenue, Norfolk, Virginia (Report No. 99-0523), while excavating;

(46) On or about February 17, 1999, Cascade Contracting, Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 948 Canal Drive, Chesapeake, Virginia (Report No. 99-0631), while excavating;

(47) On or about February 19, 1999, WCC Cable, Inc., damaged a twenty-five pair telephone service line operated by GTE South Incorporated located at or near 8101 Lee Jackson Circle, Fredericksburg, Virginia (Report No. 99-0513), while excavating;

(48) On or about February 19, 1999, Augusta County damaged a one and one-quarter inch steel gas main line operated by Columbia Gas of Virginia, Inc. located at or near Antrim Road, State Route 1313, Fishersville, Virginia (Report No. 99-0582), while excavating;

(49) On or about February 22, 1999, Vico Construction Corporation damaged a two inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near Orcutt Avenue and 22nd Street, Newport News, Virginia (Report No. 99-0540), while excavating;

(50) On or about February 24, 1999, T. A. Sheets Mechanical Contractor, Inc., damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 5153 South Cape Henry Avenue, Norfolk, Virginia (Report No. 99-0532), while excavating;

(51) On or about February 25, 1999, Peters & White damaged a three-quarter inch steel gas service line operated by Virginia Natural Gas, Inc., located at or near 1101 Majestic Avenue, Norfolk, Virginia (Report No. 99-0535), while excavating;

(52) On or about February 26, 1999, Mastec, Inc., damaged a one-half inch plastic gas service line operated by Roanoke Gas Company located at or near 4385 Jonathan Road, Roanoke, Virginia (Report No. 99-0619), while excavating;

(53) On or about February 26, 1999, C & S Cable Company damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 2549 Woodshire Circle, Chesapeake, Virginia (Report No. 99-0658), while excavating;

(54) On or about March 1, 1999, William A. Hazel, Inc., damaged a twenty pair main telephone line operated by GTE South Incorporated located at or near 35 Perchwood Drive, Fredericksburg, Virginia (Report No. 99-0584), while excavating;

(55) On or about March 3, 1999, McGuire Plumbing & Heating, Inc., damaged a one inch plastic gas service line operated by Roanoke Gas Company located at or near 4910 Hubert Road, N.W., Roanoke, Virginia (Report No. 99-0623), while excavating;

(56) On or about March 4, 1999, Basic Construction Company damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 8 Hunts Neck Road, Poquoson, Virginia (Report No. 99-0607), while excavating;

(57) On or about March 4, 1999, Henry S. Branscome, Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 3612 Cedar Lane, Portsmouth, Virginia (Report No. 99-0618), while excavating;

(58) On or about March 5, 1999, Shenandoah Tele-Services, Inc., damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 38 Dirby Wayne, Fishersville, Virginia (Report No. 99-0630), while excavating;

(59) On or about March 5, 1999, R & P Lucas Underground Utilities, Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 204 Woodstock Street, Portsmouth, Virginia (Report No. 99-0645), while excavating;

(60) On or about March 8, 1999, Northern Virginia Electric Cooperative damaged a main telephone line operated by GTE South Incorporated located at or near 26046 Glascow Drive, South Riding, Virginia (Report No. 99-0516), while excavating;

(61) On or about March 8, 1999, Garrity Plumbing Company damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 9251 Alpha Court, Manassas, Virginia (Report No. 99-0629), while excavating;

(62) On or about March 8, 1999, Manning Plumbing damaged a fifty pair telephone service line operated by GTE South Incorporated located at or near 712 Poplar Forest Court, Chesapeake, Virginia (Report No. 99-0660), while excavating;

(63) On or about March 11, 1999, GTE South Incorporated damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near Plantation Woods Way, Chesapeake, Virginia (Report No. 99-0679), while excavating;

(64) On or about March 12, 1999, Hubbard Telephone Contractors, Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 211 Moonfield Drive, Smithfield, Virginia (Report No. 99-0834), while excavating;

(65) On or about March 16, 1999, Special Plumbing damaged a two inch plastic gas main line operated by Roanoke Gas Company located at or near 739 Townside Road, S.W., Roanoke, Virginia (Report No. 99-0724), while excavating;

(66) On or about March 16, 1999, the City of Lynchburg damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 2208 Fairview Avenue, Lynchburg, Virginia (Report No. 99-0739), while excavating;

(67) On or about March 16, 1999, Virginia Electric and Power Company damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 5805 Castle Court, Fredericksburg, Virginia (Report No. 99-0792), while excavating;

(68) On or about March 17, 1999, Special Plumbing damaged a one-half inch plastic gas service line operated by Roanoke Gas Company located at or near 2621 Lee Highway, South, Daleville, Virginia (Report No. 99-0726), while excavating;

(69) On or about March 18, 1999, Virginia Electric and Power Company damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 1709 Buckley Arch, Virginia Beach, Virginia (Report No. 99-0767), while excavating;

(70) On or about March 19, 1999, Baker Installations damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 5391 Weblin Farm Road, Virginia Beach, Virginia (Report No. 99-0709), while excavating;

(71) On or about March 19, 1999, Vico Construction Corporation damaged a one and one-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 2511 Orcutt Avenue, Newport News, Virginia (Report No. 99-0759), while excavating;

(72) On or about March 19, 1999, Hubbard Brothers, Inc., damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 316 Marshall Street, Hampton, Virginia (Report No. 99-0769), while excavating;

(73) On or about March 19, 1999, Fowler Construction Co., Inc., damaged a two inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near 49 Lovett Drive, Fredericksburg, Virginia (Report No. 99-0775), while excavating;

(74) On or about March 20, 1999, G. H. Sullivan Excavating damaged a fifty pair main telephone line operated by GTE South Incorporated located at or near 50 Live Oak Lane, Stafford, Virginia (Report No. 99-0720), while excavating;

(75) On or about March 22, 1999, Precon Construction Company damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 322 66th Street, Newport News, Virginia (Report No. 99-0754), while excavating;

(76) On or about March 23, 1999, the City of Radford damaged a one-half inch plastic gas service line operated by United Cities Gas Company located at or near 1020 Stockton Street, Radford, Virginia (Report No. 99-0723), while excavating;

(77) On or about March 23, 1999, the City of Newport News damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 301 Buxton Avenue, Newport News, Virginia (Report No. 99-0755), while excavating;

(78) On or about March 24, 1999, the City of Virginia Beach damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near 580 Kempsville Road, Virginia Beach, Virginia (Report No. 99-0762), while excavating;

(79) On or about March 24, 1999, Baker Installations of Virginia, Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 2616 Pitchback Lane, Chesapeake, Virginia (Report No. 99-0776), while excavating;

(80) On or about March 24, 1999, Rockingham Construction Co., Inc., damaged a six inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near 13341 Woodland Park Drive, Herndon, Virginia (Report No. 99-0830), while excavating;

(81) On or about March 25, 1999, M. C. Inc. damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 11211 Surry Woods Court, Fredericksburg, Virginia (Report No. 99-0788), while excavating;

(82) On or about March 26, 1999, Fowler Construction Co., Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 10714 Wellington Street, Fredericksburg, Virginia (Report No. 99-0781), while excavating;

(83) On or about March 29, 1999, Mike Rob Cable Contractors damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 1800 Mountainside Avenue, Suffolk, Virginia (Report No. 99-0752), while excavating;

(84) On or about March 30, 1999, Roanoke County damaged a one-half inch steel gas service line operated by Roanoke Gas Company located at or near 2930 Penn Forest Boulevard, S.W., Roanoke, Virginia (Report No. 99-0870), while excavating;

(85) On or about March 31, 1999, Battlefield Utility Contractors, Incorporated damaged a one-hundred pair telephone service line operated by GTE South Incorporated located at or near Hastings Drive and Shannon Lane, Manassas, Virginia (Report No. 99-0671), while excavating;

(86) On or about March 31, 1999, Atlantic Cable & Trench, Inc., damaged a three-quarter inch steel gas service line operated by Virginia Natural Gas, Inc., located at or near 1901 Atlantic Avenue, Virginia Beach, Virginia (Report No. 99-0846), while excavating;

(87) On or about April 2, 1999, B & H Sales Corporation damaged a two inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 1326 Johnstons Road, Norfolk, Virginia (Report No. 99-0844), while excavating;

(88) On or about April 6, 1999, Hubbard Telephone Contractors, Inc., damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 833 Quesnel Road, Virginia Beach, Virginia (Report No. 99-0847), while excavating;

(89) On or about April 6, 1999, Atlantic Cable & Trench, Inc., damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 908 Poquoson Circle, Chesapeake, Virginia (Report No. 99-0852), while excavating;

(90) On or about April 7, 1999, Roanoke County damaged a two inch plastic gas service line operated by Roanoke Gas Company located at or near Route 630, Fincastle, Virginia (Report No. 99-0867), while excavating;

(91) On or about April 7, 1999, Kennedy Electric damaged a one inch telephone service line operated by Sprint Communications of Virginia, Inc., located at or near 1857 Clay Hill Road, Crozet, Virginia (Report No. 99-0871), while excavating;

(92) On or about April 7, 1999, Baker Installations of Virginia, Inc., damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 1981 Winterhaven Drive, Virginia Beach, Virginia (Report No. 99-0908), while excavating;

(93) On or about April 11, 1999, McGuire Plumbing & Heating, Inc., damaged a one and one-quarter inch plastic gas service line operated by Roanoke Gas Company located at or near 2520 Avenel Road, S.W., Roanoke, Virginia (Report No. 99-0869), while excavating;

(94) On or about April 13, 1999, C. J. Hughes Construction Company, Inc., damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 551 Borden Road, Lexington, Virginia (Report No. 99-0957), while excavating;

(95) On or about April 14, 1999, the City of Virginia Beach damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 112 Indian Avenue, Virginia Beach, Virginia (Report No. 99-0928), while excavating;

(96) On or about April 16, 1999, the City of Portsmouth damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 97 Cushing Street, Portsmouth, Virginia (Report No. 99-0953), while excavating;

(97) On or about April 19, 1999, Cooper & Claiborne Construction, Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 2609 Oaklawn Boulevard, Hopewell, Virginia (Report No. 99-0995), while excavating;

(98) On or about April 20, 1999, C. J. Hughes Construction Company, Inc., damaged a one and one-quarter inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 1003 North Alleghany Avenue, Covington, Virginia (Report No. 99-0992), while excavating;

(99) On or about April 21, 1999, Kevcor Contracting Corp. damaged a one and one-quarter inch steel gas service line operated by Virginia Natural Gas, Inc., located at or near 3229 MacDonald Road, Virginia Beach, Virginia (Report No. 99-0937), while excavating;

(100) On or about April 22, 1999, Dolan Enterprises, Inc., damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 113 Swanson Court, Yorktown, Virginia (Report No. 99-0926), while excavating;

(101) On or about April 22, 1999, Kevcor Contracting Corp. damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 817 Neptune Avenue, Virginia Beach, Virginia (Report No. 99-0940), while excavating;

(102) On or about April 27, 1999, Maughan Construction, Inc., damaged a two inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near 12738 Oak Lake Court, Chesterfield, Virginia (Report No. 99-0873), while excavating;

(103) For the incidents described in paragraphs (1) through (102) herein, NOCUTS, Inc. ("the Company"), failed to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A of the Code of Virginia;

(104) On or about December 18, 1998, McHale & McHale Landscape Design, Inc., notified the notification center of plans to excavate at or near 21309 Arrowhead Court, Ashburn, Virginia (Report No. 99-0743);

(105) On or about March 10, 1999, KBR Corporation notified the notification center of plans to excavate at or near 14510 Jefferson Davis Highway, Woodbridge, Virginia (Report No. 99-0495);

(106) On or about March 31, 1999, Julia Doll, homeowner, notified the notification center of plans to excavate at or near 1848 New Market Depot Road, New Market, Virginia (Report No. 99-0670);

(107) On or about April 2, 1999, Priscilla Savchuc, homeowner, notified the notification center of plans to excavate at or near 298 Greenbank Road, Fredericksburg, Virginia (Report No. 99-0677);

(108) On or about May 14, 1999, Darlene Dill, homeowner, notified the notification center of plans to excavate at or near 1654 Buckmountain Road, Bentonville, Virginia (Report No. 99-0990);

(109) For the incidents described in paragraphs (104) through (108) herein, the Company failed to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines no later than 48 hours after receiving notice from the notification center, in violation of § 56-265.19 A of the Code of Virginia;

(110) On or about April 7, 1999, Blue Ridge Landscape and Design, Inc., notified the notification center of plans to excavate at or near 112 West King Street, Strasburg, Virginia (Report No. 99-0678);

(111) The Company failed to report that the line was not in conflict, in violation of § 56-265.19 B of the Code of Virginia;

(112) On or about September 9, 1998, Mid-Atlantic Pipeliners, Inc., damaged a twenty-five pair telephone line operated by GTE South Incorporated located at or near 5306 Jessup Lane, Lot 49, Woodbridge, Virginia (Report No. 98-1773), while excavating;

(113) On or about April 15, 1999, Ideal Cable Construction notified the notification center of plans to excavate at or near Atlas Place, Manassas, Virginia (Report No. 99-0746); and

(114) The Company failed to mark with proper color coding, in violation of § 56-265.21 of the Code of Virginia.

As evidenced in the attached Admission and Consent document, 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 before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $87,800 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $87,800 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE990434
DECEMBER 6, 1999

NOTIFICATION OF
EVAN ENERGY COMPANY, L.C.

To provide transmission and delivery service ancillary to an exempt sale of gas in Wise County pursuant to § 56-265.4:5 of the Code of Virginia

DISMISSAL ORDER

Evan Energy Company, L.C. ("Evan" or "the Company"), has notified the State Corporation Commission, pursuant to § 56-265.4:5 of the Code of Virginia, of its plan to provide transmission facilities and delivery service ancillary to an exempt sale of natural gas to Red Onion State Prison, Wise County. To provide this service, Evan proposes to construct approximately 50,222 feet of line from its Mount Olive pipeline to a connection valve at the Red Onion State Prison. All proposed construction would be in Wise County. Equitable Production Company has notified the Commission of its plan to make exempt sales of natural gas to Red Onion State Prison using the facilities and delivery service proposed by Evan. Equitable Production Company's notification has been docketed as Case No. PUE990435.

In its Order Docketing Proceeding and Providing for Notice on October 1, 1999, the Commission found that Red Onion State Prison was not located within a territory for which a certificate of convenience and necessity had been granted, nor was it located within any area or territory providing gas distribution service by a municipal corporation as of January 1, 1992. The Commission also directed that notice of Evans' plan be provided to public utilities providing gas service in the Commonwealth.

The Commission finds that sixty (60) days have passed and that no public utility has applied to provide the service proposed by Evan in this notification, as provided by § 56-265.4:5.

Accordingly, IT IS ORDERED THAT this proceeding be dismissed.

CASE NO. PUE990435
DECEMBER 6, 1999

NOTIFICATION OF
EQUITABLE PRODUCTION COMPANY

To make an exempt sale of gas and to provide related facilities in Wise County pursuant to § 56-265.4:5 of the Code of Virginia

DISMISSAL ORDER

Equitable Production Company ("Equitable" or "the Company") has notified the State Corporation Commission, pursuant to § 56-265.4:5 of the Code of Virginia, of its plan to make exempt sales of natural gas to Red Onion State Prison, Wise County. Equitable also plans to construct, own, and operate a meter facility at the prison. Evan Energy Company, L.C. has notified the Commission of its plan to construct a pipeline which would serve Red Onion State Prison and allow delivery of the gas supplied by Equitable. Evan Energy Company's notification has been docketed as Case No. PUE990434.

In its Order Docketing Proceeding and Providing for Notice on October 1, 1999, the Commission found that Red Onion State Prison was not located within a territory for which a certificate of convenience and necessity had been granted, nor was it located within any area or territory providing gas distribution service by a municipal corporation as of January 1, 1992. The Commission also directed that notice of Equitable's plan be provided to public utilities providing gas service in the Commonwealth.

The Commission finds that sixty (60) days have passed and that no public utility has applied to provide the service proposed by Equitable in this notification, as provided by § 56-265.4:5.

Accordingly, IT IS ORDERED THAT this proceeding be dismissed.

CASE NO. PUE990438
DECEMBER 21, 1999

APPLICATION OF
COMMONWEALTH PUBLIC SERVICE CORPORATION

For a general increase in rates and revision in tariffs

FINAL ORDER

On June 29, 1999, Commonwealth Public Service Corporation ("Commonwealth" or "the Company") filed an application for a general increase in rates and to revise its tariffs. In its application, Commonwealth proposed to increase its gross annual revenues by an additional $36,547, which it proposed to make effective, subject to refund, for services rendered on and after July 29, 1999. The Company proposed to put its rates in effect using MCF

billing with a BTU normalization adjustment and to start therm billing after its rates became final[1]. Commonwealth filed financial and operating data, using a test period consisting of the twelve months ending March 31, 1999.

In its July 16, 1999, Preliminary Order, the Commission docketed the application and suspended the Company's proposed rates and tariff revisions to and through November 26, 1999. On July 23, 1999, the Commission entered its procedural order appointing a Hearing Examiner, setting the matter for hearing on November 22, 1999, and establishing a procedural schedule for the filing of comments, pleadings, testimony and exhibits by the Company, Protestants, Staff, and other interested persons.

On November 18, 1999, the Staff, on behalf of itself, the Company, and the Division of Consumer Counsel, Office of the Attorney General ("AG"), filed a Motion for Leave to File Stipulation, together with a written Stipulation ("Stipulation"). This Stipulation resolved all of the issues in the case.

On November 22, 1999, the matter was heard by Michael D. Thomas, Hearing Examiner. No public witnesses appeared at the hearing.

During the hearing, by agreement of all counsel, the testimony prefiled by the Company and Staff was received into the record without benefit of cross-examination. At the hearing, the Company requested that it be permitted to place its revised rates set out in the Stipulation in effect, under bond, and subject to refund, with interest. The Company, by counsel, tendered the Company's bond for filing.

On November 22, 1999, the Hearing Examiner entered a Ruling that accepted the Company's bond for filing, and directed the Company to keep accurate accounts of all amounts received under the increased rates, effective for service rendered on and after November 27, 1999. The Examiner also granted the Company's Motion to implement the rates set out in the Stipulation, adjusted by the appropriate purchased gas adjustment ("PGA") filing, effective for service rendered on and after November 27, 1999.

On December 1, 1999, the Hearing Examiner issued his Report in this matter. In his Report, the Hearing Examiner found that the proposed $36,547 increase in additional gross annual revenue as well as the rates set out in the Stipulation and Exhibits 1 and 2 thereto were reasonable and should be approved by the Commission. He also found that the tariff revisions set forth in the Stipulation were reasonable, noting that the proposed Distribution System Renewal ("DSR") Surcharge, as modified by the Stipulation, contained the same safeguards approved by the Commission's September 15, 1999, Final Order in Application of Roanoke Gas Company, For general increase in rates and to revise its tariff, Case No. PUE980626, Document Control Center No. 990920139.

The Hearing Examiner observed that the rate design set out in the Stipulation followed the Staff's proposed rate design which decreased the impact of the rate increase on the Company's minimum use customers and that the tariff revisions in the Stipulation satisfied the Company's desire to conform its tariff with that of Roanoke Gas Company's tariff. The Hearing Examiner recommended that the Commission enter an order adopting the findings of his Report, and approving the proposed revenue increase, rates, and tariff revisions set forth in the Stipulation and Exhibits 1 and 2 thereto. He invited the parties to file comments in response to his Report within fifteen (15) days from the date of the Report.

By letters dated December 13, 14, and 15, 1999, respectively, the Staff, by counsel, the Company, and the Division of Consumer Counsel, Office of the Attorney General advised the Commission that they would not be filing comments in response to the Hearing Examiner's Report. No comments to the December 1, 1999, Hearing Examiner's Report were filed by any other interested person.

NOW, UPON consideration of the Company's application, the record herein, the December 1, 1999, Hearing Examiner's Report, and the applicable law, the Commission is of the opinion and finds that the findings and recommendations of the Hearing Examiner's December 1, 1999, Report, together with the proposals and recommendations of the parties, as set out in the Stipulation (Attachment A hereto) are supported by the record and should be adopted. We further find that the Company should implement the rates and apportion its revenues in accordance with the proposals set out in the Stipulation. We commend the parties on their diligence in resolving the myriad issues presented in this case.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations set out in the Hearing Examiner's December 1, 1999, Report are adopted.

(2) The proposals and recommendations set out in the Stipulation (Attachment A hereto) are adopted and incorporated in this Order by attachment of said Stipulation hereto.

(3) The Company shall be granted an increase in gross annual revenues of $36,547, effective for service rendered on and after November 27, 1999.

(4) The Company shall forthwith file revised permanent schedules of rates and charges designed to produce the additional revenues found reasonable herein. The final increase in revenues shall be recovered through the rates filed as part of the Stipulation, attached as Attachment A hereto, and reflecting the therm billed rates, shown on Exhibit 2, as adjusted for the appropriate PGA costs.

(5) The Company shall implement the accounting, booking, cost of capital, revenue apportionment, and rate design recommendations set out in Exhibits 1 and 2 to Attachment A and shall conform to all other recommendations found in the Stipulation, including those relating to the Company's funding of post-retirement benefits other than pensions ("OPEB") costs recovered through rates since the Company's implementation of SFAS 106 on October 1, 1993.

---

[1] The prefiled testimony of Company witness Dale P. Moore explained:

> The Final Order rates using therm billing determinants will only be implemented on a prospective basis. However, if the parties in this proceeding are able to agree on the issue of movement to therm billing prior to the end of the 150-day suspension period and the risk of implementing rates on a therm basis and then refunding on an MCF basis is relatively small, then the Company would like to implement therm billing at the end of the suspension period.

(6) The DSR Surcharge shall be implemented as described in Attachment A hereto.

(7) The Company's PGA filing shall be calculated on the same calendar basis as Roanoke Gas Company's PGA filing. However, Commonwealth's PGA calculation shall be based solely on Commonwealth's data.

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

CASE NO. PUE990492
SEPTEMBER 14, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ATMOS ENERGY CORPORATION (Formerly United Cities Gas Company),
Defendant

ORDER OF SETTLEMENT

The Pipeline Safety Act, 49 U.S.C. § 60101 et seq. ("Act"), requires the Secretary of Transportation ("Secretary") to establish minimum federal safety standards for the transportation of gas and pipeline facilities. The Secretary is further authorized to delegate that authority to prescribe safety standards and enforce compliance with such standards over gas pipeline facilities used for intrastate transportation to an appropriate state agency.

The Virginia State Corporation Commission ("Commission") has been designated as the appropriate state agency for the Commonwealth of Virginia. In Case No. PUE890052, the Commission adopted Parts 191, 192, 193, and 199 of Title 49 of the Code of Federal Regulations to serve as minimum gas pipeline safety standards ("Safety Standards") in Virginia. The Commission is authorized to enforce the Safety Standards under § 56-5.1 of the Code of Virginia, which allows the Commission to impose fines and penalties not in excess of those specified by § 11(a)(1) of the Natural Gas Pipeline Safety Act of 1968, as amended, 49 U.S.C. § 60122(a)(1), formerly 49 U.S.C. App. § 1679a (a)(1).

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 the January 3, 1999, incident at the Town Border Station serving Wytheville, Virginia, involving Atmos Energy Corporation (hereinafter "United Cities Gas", "UCG", or "Company"), the Defendant, and alleges:

(1) That UCG is a public service corporation as that term is defined in § 56-1 of the Code of Virginia and, specifically a natural gas company within the meaning of § 56-5.1 of the Code of Virginia; and

(2) That the Company violated the Commission's Safety Standards by the following conduct:

a) 49 C.F.R. § 191.9(a) - Failure to submit incident report as soon as practicable but not more that 30 days after detection of an incident.

b) 49 C.F.R. § 192.605(a) - Failure to follow written procedure (UCG # 2.2.10) concerning the investigation of an incident.

c) 49 C.F.R. § 192.13(c) - Failure to begin action under 49 C.F.R. § 192.615(a)(10) as soon after the end of an emergency as possible.

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, UCG represents and undertakes that:

(1) The Company will pay a fine to the Commonwealth of Virginia in the amount of $13,000 to be paid contemporaneously with the entry of this Order. This payment will be made by check, payable to the Treasurer of Virginia, and directed to the attention of the Director of the Division of Energy Regulation;

(2) Pursuant to § 12.1-15 of the Code of Virginia, the Company will also pay contemporaneously with the entry of this Order the sum of $1,853.89 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; and

(3) Any fines and costs of the investigation paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines and costs shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Commission's Division of Public Utility Accounting.

The Commission being fully advised in the premises and finding sufficient basis herein for the entry of this Order, and in reliance on the Defendant's representations and undertakings set forth above, is of the opinion and finds that UCG 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 § 12.1-15 of the Code of Virginia, the offer to compromise and settle made by UCG be, and it hereby is, accepted;

(2) That, pursuant to § 56-5.1 of the Code of Virginia, UCG be and it hereby is, fined in the amount of $13,000;

(3) That the sum of $13,000 tendered contemporaneously with the entry of this Order is accepted;

(4) That, pursuant to § 12.1-15 of the Code of Virginia, UCG's payment of the sum of $1,853.89 to defray the costs of this investigation is hereby accepted; and

(5) That this case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE990513
SEPTEMBER 29, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
WASHINGTON GAS LIGHT COMPANY,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about March 25, 1999, JHL Plumbing, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company ("the Company") located at or near 897 Chinquapin Road, Fairfax, Virginia, while excavating;

(2) On or about May 17, 1999, Battlefield Utility Contractors, Incorporated, damaged a three-eighths inch plastic gas service line operated by the Company located at or near 4119 Glendale Road, Dale City, Virginia, while excavating;

(3) On or about May 20, 1999, Morgan & Brannan damaged a one-half inch copper gas service line operated by the Company located at or near 1025 Irving Street, Arlington, Virginia, while excavating;

(4) On or about May 21, 1999, Lawrence Melton, homeowner, damaged a three-quarter inch plastic gas service line operated by the Company located at or near 10995 Pope Street, Manassas, Virginia, while excavating;

(5) On or about May 21, 1999, H. Beard Plumbing and Heating, Inc., damaged a one and one-quarter inch plastic gas service line operated by the Company located at or near 1307 North Pierce Street, Arlington, Virginia, while excavating;

(6) On or about May 21, 1999, Fred W. Borden, Incorporated, damaged a two inch plastic gas main line operated by the Company located at or near 9631 Nuthatch Drive, Fairfax, Virginia, while excavating;

(7) On or about June 4, 1999, D. A. Foster Company damaged a three-quarter inch plastic gas service line operated by the Company located at or near 1125 Saville Lane, McLean, Virginia, while excavating;

(8) On or about June 9, 1999, Arlington County Public Works damaged a three-quarter inch plastic gas service line operated by the Company located at or near 1612 South Taylor Street, Arlington, Virginia, while excavating;

(9) On or about June 11, 1999, Thrasher Construction Co., Inc., damaged a three-eighths inch plastic gas service line operated by the Company located at or near 8305 Guinevere Drive, Annandale, Virginia, while excavating;

(10) On or about June 15, 1999, Cherry Hill Construction, Inc., damaged a one-half inch copper gas service line operated by the Company located at or near 5113 Thackery Court, Fairfax, Virginia, while excavating;

(11) On or about June 16, 1999, Mastec-Milestec damaged a one-half inch plastic gas service line operated by the Company located at or near 6702 Haycock Road, Falls Church, Virginia, while excavating;

(12) On or about June 19, 1999, Irrigation Design Services, Inc., damaged a one-quarter inch plastic gas other line operated by the Company located at or near 10302 Hunt Country Lane, Fairfax, Virginia, while excavating;

(13) On or about June 19, 1999, Irrigation Design Services, Inc., damaged a one-quarter inch plastic gas other line operated by the Company located at or near 10300 Hunt Country Lane, Fairfax, Virginia, while excavating; and

(14) The Company failed to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, 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 before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the amount of $8,600 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

(2) Any fines paid in accordance with this Order shall not be recovered in the Company's rates as part of the cost of service. Any such fines shall be booked in Uniform System of Account No. 426.3. The Company shall verify its booking by filing a copy of the trial balance showing this entry with the Division of Public Utility Accounting.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $8,600 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE990527
OCTOBER 12, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ATLANTIC CABLE & TRENCH, INC.,
Defendant

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about September 23, 1998, Atlantic Cable & Trench, Inc. ("the Company"), damaged a two inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near 3004 Bertram Street, Chesapeake, Virginia, while excavating;

(2) The Company failed to wait forty-eight hours following notification of the notification center before commencing work, in violation of § 56-265.17 B of the Code of Virginia;

(3) On or about December 29, 1998, the Company damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near 681 Oak Grove Road, Chesapeake, Virginia, while excavating;

(4) The Company failed to request the remarking of lines upon observing clear evidence of unmarked facilities, in violation of § 56-265.17 B of the Code of Virginia;

(5) On or about January 11, 1999, the Company damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near 1853 South Woodside Lane, Virginia Beach, Virginia, while excavating;

(6) On or about April 7, 1999, the Company damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near 1312 Clearwater Lane, Chesapeake, Virginia, while excavating; and

(7) For the incidents described in Paragraphs (5) and (6) above, the Company failed to take all reasonable steps to protect the underground utility lines, in violation of § 56-265.24 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, 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 before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $6,000 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $6,000 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE990530
OCTOBER 12, 1999

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

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about November 11, 1998, Curtis W. Key Plumbing Contractors, Inc., damaged a fifty pair main telephone line operated by GTE South Incorporated located at or near 2481 Windy Pines Bend, Virginia Beach, Virginia, while excavating;

(2) On or about January 12, 1999, Spotsylvania County damaged a sixty pair main telephone line operated by GTE South Incorporated located at or near 7948 Chancellor Road, Fredericksburg, Virginia, while excavating;

(3) On or about February 2, 1999, W. E. Curling, Inc,. damaged a two pair telephone service line operated by GTE South Incorporated located at or near 15236 Ashley Way East, Suffolk, Virginia, while excavating;

(4) On or about February 4, 1999, J. P. Tucker Excavating, Inc., damaged a twenty-five pair main telephone line operated by GTE South Incorporated located at or near 169 Wyche Road, Stafford, Virginia, while excavating;

(5) On or about February 11, 1999, Riggs Enterprises, Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 6211 Pelican View Court, Suffolk, Virginia, while excavating;

(6) On or about February 15, 1999, Checkmate Communications, Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 8001 Hampton Arbor Circle, Chesterfield, Virginia, while excavating;

(7) On or about February 16, 1999, Henry S. Branscome, Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 3604 Cedar Lane, Portsmouth, Virginia, while excavating;

(8) On or about February 17, 1999, Mechanicsville Backhoe, Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 2409 Hartlepool Lane, Midlothian, Virginia, while excavating;

(9) On or about March 1, 1999, Suburban Grading & Utilities, Inc., damaged a three-quarter inch steel gas service line operated by Virginia Natural Gas, Inc., located at or near 4674 Kincaid Avenue, Norfolk, Virginia, while excavating;

(10) On or about March 2, 1999, Rockingham Construction Co., Inc., damaged a twenty five pair telephone line operated by GTE South Incorporated located at or near Manassas Drive, Manassas, Virginia, while excavating;

(11) On or about March 16, 1999, Virginia Electric Power Company damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 15071 General Lee Avenue, Culpeper, Virginia, while excavating;

(12) On or about March 29, 1999, G. L. Howard, Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 2303 Boston Street, Hopewell, Virginia, while excavating;

(13) On or about March 31, 1999, C. L. Draughn Ditching Contractor, Inc., damaged a two inch plastic gas main line operated by United Cities Gas Company located at or near Lot 6, Providence Street, Leesburg, Virginia, while excavating;

(14) On or about April 8, 1999, Curtis W. Key Plumbing Contractors, Inc., damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 1857 Woodside Lane, Virginia Beach, Virginia, while excavating;

(15) On or about April 13, 1999, Battlefield Utility Contractors, Incorporated damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 9620 Grant Avenue, Manassas, Virginia, while excavating;

(16) On or about April 16, 1999, Meadowbrook Gardens damaged a one inch plastic gas service line operated by Roanoke Gas Company located at or near 645 Day Avenue, S.E., Roanoke, Virginia, while excavating;

(17) On or about April 19, 1999, Vaughn Excavating damaged a one-half inch gas service line operated by United Cities Gas Company located at or near 120 Lithia Road, Wytheville, Virginia, while excavating;

(18) On or about April 20, 1999, the County of Stafford damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 817 Jeff Street, Stafford, Virginia, while excavating;

(19) On or about April 27, 1999, Myers Cable, Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 278 Cambridge Street, Fredericksburg, Virginia, while excavating;

(20) On or about April 30, 1999, Raco, Inc., damaged a one and one-quarter inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near Graves Mill Center, Suite 4E, Forest, Virginia, while excavating;

(21) On or about May 3, 1999, Contracting Enterprises, Inc., damaged a one-half inch plastic gas service line operated by Roanoke Gas Company located at or near 313 White Oak Street, Salem, Virginia, while excavating;

(22) On or about May 3, 1999, Kevcor Contracting Corp. damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 3329 McDonald Road, Chesapeake, Virginia, while excavating;

(23) On or about May 4, 1999, the City of Roanoke damaged a one-half inch plastic gas service line operated by Roanoke Gas Company located at or near 1621 Fairhope Road, N.W., Roanoke, Virginia, while excavating;

(24) On or about May 5, 1999, Schnabel Engineering Associates, Incorporated damaged a two inch plastic gas service line operated by United Cities Gas Company located at or near Oak Lane Fraternity House, Blacksburg, Virginia, while excavating;

(25) On or about May 5, 1999, Watertown Lawn & Irrigation damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 19 Early Drive, Portsmouth, Virginia, while excavating;

(26) On or about May 5, 1999, Guy C. Eavers Excavating Corp. damaged a two inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near 1220 Devon Lane, Harrisonburg, Virginia, while excavating;

(27) On or about May 7, 1999, Sanitary Engineering Company, Incorporated damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 113 Maplewood Street, Hampton, Virginia, while excavating;

(28) On or about May 10, 1999, Virginia Electric and Power Company damaged a two inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near 3 Meadowview Drive, Lexington, Virginia, while excavating;

(29) On or about May 10, 1999, C. J. Hughes Construction Company, Inc., damaged a two inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near 547 Elm Avenue, Buena Vista, Virginia, while excavating;

(30) On or about May 11, 1999, First South Utility Construction, Inc., damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 1104-B Lynnhaven Parkway, Virginia Beach, Virginia, while excavating;

(31) On or about May 11, 1999, CATV Subscriber Services, Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 3607 Halter Cove, Suffolk, Virginia, while excavating;

(32) On or about May 12, 1999, Rappahannock Electric Cooperative damaged a twenty-five pair main telephone line operated by GTE South Incorporated located at or near 11901 Longstreet Drive, Spotsylvania, Virginia, while excavating;

(33) On or about May 12, 1999, Mastec, Inc., damaged a three-quarter inch steel gas service line operated by Virginia Natural Gas, Inc., located at or near 41 Tyler Street, York, Virginia, while excavating;

(34) On or about May 13, 1999, H & S Construction Company damaged a one-half inch plastic gas service line operated by Roanoke Gas Company located at or near 21 Gilmer Avenue, N.E., Roanoke, Virginia, while excavating;

(35) On or about May 15, 1999, Myers Cable, Inc., damaged a twenty-five pair main telephone line operated by GTE South Incorporated located at or near 1543 Courthouse Road, Stafford, Virginia, while excavating;

(36) On or about May 17, 1999, the City of Lynchburg damaged a two inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near 502 Victoria Avenue, Lynchburg, Virginia, while excavating;

(37) On or about May 19, 1999, James City County Service Authority damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 160 Alwoodley, James City County, Virginia, while excavating;

(38) On or about May 21, 1999, Overby Irrigation damaged a one-half inch plastic gas service line operated by Roanoke Gas Company located at or near 5216 Archer Drive, S.W., Roanoke, Virginia, while excavating;

(39) On or about May 22, 1999, C & S Cable Contracting, Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 432 North George Washington Highway, Chesapeake, Virginia, while excavating;

(40) On or about March 26, 1999, Knight Construction damaged a one-half inch steel gas service line operated by United Cities Gas Company located at or near 1075 Cambria Street, Christiansburg, Virginia, while excavating;

(41) On or about May 28, 1999, Debose & Sons Construction Company, Inc., damaged a six strand fiber telephone line operated by Bell Atlantic-Virginia, Inc., located at or near the Intersection of Anderson Mill Road (Route 629) and Courthouse Road (Route 627), Dinwiddie, Virginia, while excavating;

(42) On or about June 2, 1999, Keystone Pipeline Services, Inc., damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near Lake Willow Way, Hanover, Virginia, while excavating; and

(43) For the incidents described in paragraphs (1) through (42) herein, NOCUTS, Inc. ("the Company"), failed to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, 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 before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $32,550 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $32,550 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE990613
SEPTEMBER 27, 1999

APPLICATION OF
ROBERT A. WINNEY, d/b/a THE WATERWORKS COMPANY OF FRANKLIN COUNTY

To change rates and charges pursuant to the Small Water or Sewer Public Utility Act

DISMISSAL ORDER

On August 20, 1999, Robert A. Winney, d/b/a The Waterworks Company of Franklin County ("Waterworks Company " or "Company"), filed with the Commission's Division of Energy Regulation a notice of change in rates and charges pursuant to the Small Water or Sewer Public Utility Act, §§ 56-265.13:1 through 56-265.13:7 of the Code of Virginia. According to the notice, the Waterworks Company proposed to increase its quarterly rate for service from $67.50 to $80.50, effective October 1, 1999. The Company also proposed to establish a service-connection fee and increase its availability fee, effective on the same date.

The Commission's Staff moved to dismiss the application on September 1, 1999. In support of its motion, the Staff contended that the Waterworks Company had implemented an increase in rates and charges on January 1, 1999, in Case No. PUE980811. According to the Staff, the proposed increase in rates and charges effective October 1, 1999, is contrary to the prohibition on more than one increase within a 12-month period contained in § 56-265.13:6 B of the Code of Virginia.

Upon consideration of the motion, the Commission finds that this matter should be dismissed. The language used by the General Assembly in § 56-265.13:6 B is clear and without qualification. A small water utility such as the Waterworks Company may implement a change in rates under the Small Water and Sewer Utility Act but once in a 12-month period. Since the Company initiated a change in January 1999, it is barred from implementing another change in October 1999. The application must be dismissed without prejudice to the Company filing an application for a change in rates effective on or after January 1, 2000.

It has come to the Commission's attention that the Company's notice of the change in rates confused some customers about the payment date for service. The copy of the Company's notification to customers filed with the Division of Energy Regulation is dated August 13, 1999. The first paragraph provides information on the proposed rates, which would have become effective on October 1, 1999. The final sentence, however, reads, "Any payment not received by the 10th of the month will be charged 1 1/2% per month or 18% per year interest will be added to the outstanding balance." The Commission's Division of Energy Regulation received inquiries from customers about whether this language required payment by September 10, 1999, to avoid a late payment charge. It also appears from information provided to the Division that some customers made payments of $80.50 by September 10.

In Application of Robert A. Winney d/b/a The Waterworks Company of Franklin County, Case No. PUE980811, Final Order of April 15, 1999 (Document Control No. 990430003), the Commission prescribed a rate of $67.50 for the fourth quarter of 1999 and for all succeeding quarters until the rate is revised as provided by law. Since the application for an increase has been dismissed, the Waterworks Company may not charge a higher rate. The Commission will direct the Company to make promptly appropriate refunds to all customers that may have overpaid for service. Accordingly,

IT IS ORDERED THAT:

(1) The notice of change in rates and charges received by the Commission's Division of Energy Regulation on August 20, 1999, be docketed as an application, be assigned Case No. PUE990613, and that all associated papers be filed therein.

(2) The Commission Staff Motion to Dismiss be granted and that the application be dismissed from the Commission's docket.

(3) On or before October 15, 1999, the Waterworks Company shall refund to any customer the difference between a payment for the fourth quarter of 1999 reflecting the proposed rate of $80.50 and the proper payment reflecting a rate of $67.50; such refund shall be by check made payable to the customer.

(4) On or before October 22, 1999, the Waterworks Company shall file with the Clerk of the Commission, c/o Document Control Center, State Corporation Commission, P.O. Box 2118, Richmond, Virginia 23218-2118, a report of the refunding ordered in (3) above; this report shall include the name and address of the customer receiving the refund, the amount of the refund, and the refund check number.

(5) Insofar as practicable, the Office of General Counsel shall mail a copy of this order to every customer of the Waterworks Company.

CASE NO. PUE990615
NOVEMBER 1, 1999

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

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about April 14, 1999, Dekatherm, Inc., damaged a one-hundred pair main telephone line operated by GTE South Incorporated located at or near 309 Fair Oaks Avenue, Stafford, Virginia, while excavating;

(2) On or about April 15, 1999, Moran Brothers Excavating Co. damaged a one-hundred pair telephone service line operated by GTE South Incorporated located at or near Hoover Drive (Presidential Lake), King George, Virginia, while excavating;

(3) On or about April 20, 1999, S. W. Rodgers Company, Inc., damaged a four-hundred pair main telephone line operated by GTE South Incorporated located at or near the intersection of Highpointe Boulevard and Independence Drive, Stafford, Virginia, while excavating;

(4) On or about May 4, 1999, T. A. Sheets Mechanical General Contractor, Inc., damaged a two inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near 3601 Frazier Avenue, Suffolk, Virginia, while excavating;

(5) On or about May 7, 1999, Wyatt & Company of Virginia damaged a four inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near Fort Monroe on Fenwick Road, Hampton, Virginia, while excavating;

(6) On or about May 20, 1999, Precon Construction Company damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near the intersection of Yancy Circle and Duke of Windsor Road, Virginia Beach, Virginia, while excavating;

(7) On or about May 24, 1999, Mastec, Inc., damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near 4948 Willow Point Lane, Virginia Beach, Virginia, while excavating;

(8) On or about May 24, 1999, Brookhill Underground Construction, Inc., damaged a one-hundred pair main telephone line operated by GTE South Incorporated located at or near 20 Greensprings Drive, Stafford, Virginia, while excavating;

(9) On or about May 26, 1999, Best Grading Company damaged a one and one-quarter inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near 150 Linden Avenue, Lynchburg, Virginia, while excavating;

(10) On or about May 26, 1999, Magnum Services of Virginia, Inc., damaged a twenty-five pair main telephone line operated by GTE South Incorporated located at or near 11806 Hickory Creek Drive, Fredericksburg, Virginia, while excavating;

(11) On or about May 27, 1999, F. L. Showalter, Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 105 Lee Circle, Lynchburg, Virginia, while excavating;

(12) On or about June 2, 1999, IT/OHM Corporation damaged a two inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near the intersection of Seventh Street and Brighton Street, Portsmouth, Virginia, while excavating;

(13) On or about June 3, 1999, Pyramid Construction of Virginia, Inc., damaged a two inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 390 Waynesboro Road, Stuarts Draft, Virginia, while excavating;

(14) On or about June 4, 1999, Newport News Water Works damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 102 DeAylonn Court, Poquoson, Virginia, while excavating;

(15) On or about June 7, 1999, Newport News Water Works damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near 108 Lasalle Avenue, Newport News, Virginia, while excavating;

(16) On or about June 8, 1999, Hyland Services Incorporated damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 3216 Western Branch Boulevard, Chesapeake, Virginia, while excavating;

(17) On or about June 8, 1999, Henry S. Branscome, Inc., damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 709 East 28th Street, Norfolk, Virginia, while excavating;

(18) On or about June 8, 1999, Virginia Electric and Power Company damaged a two inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near 2207 Lanphier Circle, Chesapeake, Virginia, while excavating;

(19) On or about June 10, 1999, Krauss Construction Company of Virginia, Inc., damaged a three-quarter inch steel gas service line operated by Virginia Natural Gas, Inc., located at or near 3509 Blue Marlin Circle, Virginia Beach, Virginia, while excavating;

(20) On or about June 10, 1999, Atlantic Cable & Trench, Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 3704 Lilac Drive, Portsmouth, Virginia, while excavating;

(21) On or about June 10, 1999, Portugal Construction, Inc., damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 195 Lambert Drive, Manassas Park, Virginia, while excavating;

(22) On or about June 14, 1999, Raco, Inc., damaged a two inch steel gas service line operated by Columbia Gas of Virginia, Inc., located at or near 4634 Murray Place, Lynchburg, Virginia, while excavating;

(23) On or about June 14, 1999, the Town of Culpeper damaged a one and one-quarter inch steel gas service line operated by Columbia Gas of Virginia, Inc., located at or near 1001 Terrace Street, Culpeper, Virginia, while excavating;

(24) On or about June 18, 1999, C. T. I. Consultants, Inc., damaged a one and one-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 2000 Meade Parkway, Suffolk, Virginia, while excavating;

(25) On or about June 22, 1999, InfraCorps of Virginia, Inc., damaged a fifty pair main telephone line operated by GTE South Incorporated located at or near 8358 Eden Drive, King George, Virginia, while excavating;

(26) On or about June 29, 1999, Custom Plumbing Contracting damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 15086 North Brading Court, Carrollton, Virginia, while excavating;

(27) On or about July 6, 1999, Maughan Construction Co., Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 8268 Hull Street Road, Richmond, Virginia, while excavating;

(28) On or about July 7, 1999, Davis Plumbing and Heating, Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 3328 Bragg Road, Fredericksburg, Virginia, while excavating;

(29) On or about July 15, 1999, Northern Virginia Electric Cooperative damaged a twenty-five pair telephone service line operated by GTE South Incorporated located at or near 473300 Lochdon Lane, Arcola, Virginia, while excavating;

(30) On or about July 15, 1999, Negley Construction, Inc., damaged a two inch plastic gas main line operated by Shenandoah Gas Company located at or near Lot 30, Lucy Long Court, Winchester, Virginia, while excavating; and

(31) For the incidents described in paragraphs (1) through (30) herein, NOCUTS, Inc., ("the Company") failed to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, 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 before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $23,000 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $23,000 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE990617
OCTOBER 5, 1999

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To amend temporarily or waive license conditions regarding operation of the dam across the North Anna River in Louisa and Spotsylvania Counties

ORDER GRANTING MOTION TO WITHDRAW AND DISMISSING CASE

On September 3, 1999, Virginia Electric and Power Company ("Virginia Power" or "Company") filed an application seeking permission to reduce the discharge flow from its dam on the North Anna River from 40 cubic feet per second ("cfs") of water to 20 cfs. The Company stated that drought conditions persisting throughout Central Virginia during the summer reduced the level of Lake Anna such that continued operation of the North Anna nuclear stations could be jeopardized without the requested reduction in outflow from the dam.

By subsequent order, dated September 27, 1999, the Commission directed the Company to publish notice of its application in the area adjacent to the North Anna River and downstream from the dam, i.e., that area directly affected by the proposed discharge reduction.

On October 4, 1999, Virginia Power filed its Motion to Withdraw Application, stating that "as a result of recent rainfall, the water level in North Anna Lake has risen sufficiently to allow the Company to maintain the level of discharge through the North Anna dam" as required by a 1969 Commission order in Case No. 18669.

NOW THE COMMISSION, being sufficiently advised, is of the opinion that the Motion to Withdraw Application should be, and is, GRANTED, and this matter is DISMISSED.

CASE NO. PUE990672
NOVEMBER 1, 1999

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

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about May 27, 1999, L & H Contracting, Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 3325 Downes Street, Portsmouth, Virginia, while excavating;

(2) On or about May 27, 1999, Southern Construction Company, Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 143 Carroll Avenue, Colonial Heights, Virginia, while excavating;

(3) On or about June 1, 1999, W. C. Spratt Incorporated damaged a four inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near Fuller Heights Road, Triangle, Virginia, while excavating;

(4) On or about June 4, 1999, F. D. Harrell Plumbing Company damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 3726 Finish Line Arch, Suffolk, Virginia, while excavating;

(5) On or about June 4, 1999, Joe Blevins Equipment Rental, Inc., damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 754 Germanna Highway, Town of Culpeper, Virginia, while excavating;

(6) On or about June 8, 1999, Baker Installations of Virginia, Inc., damaged a twenty-five pair main telephone line operated by GTE South Incorporated located at or near 321 Forest Pine Road, Franklin, Virginia, while excavating;

(7) On or about June 8, 1999, T. A. Sheets Mechanical General Contractor, Inc., damaged a two inch steel gas main line operated by Virginia Natural Gas, Inc., located at or near 5376 Princess Anne Road, Norfolk, Virginia, while excavating;

(8) On or about June 10, 1999, Baker Installations of Virginia, Inc., damaged a fifty pair main telephone line operated by GTE South Incorporated located at or near 323 Forest Pine Road, Franklin, Virginia, while excavating;

(9) On or about June 11, 1999, Contracting Enterprises, Inc., damaged a one and one-quarter inch plastic gas service line operated by Roanoke Gas Company located at or near 218 23rd Street, S.W., Roanoke, Virginia, while excavating;

(10) On or about June 23, 1999, W. E. Curling, Inc., damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near 2500 Middle Street, Norfolk, Virginia, while excavating;

(11) On or about June 25, 1999, E. H. Ives Corporation damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 4121 Lee Avenue, Virginia Beach, Virginia, while excavating;

(12) On or about June 28, 1999, Davis Excavating, Inc., damaged a one-half inch plastic gas service line operated by Shenandoah Gas Company located at or near 9200 North Congress Street, New Market, Virginia, while excavating;

(13) On or about June 28, 1999, Innerview Ltd. damaged a three-quarter inch steel gas service line operated by Virginia Natural Gas, Inc., located at or near 3101 Walsen Street, Chesapeake, Virginia, while excavating;

(14) On or about June 29, 1999, the City of Lynchburg damaged a two inch steel gas main line operated by Columbia Gas of Virginia, Inc., located at or near 806 Erskine Avenue, Lynchburg, Virginia, while excavating;

(15) On or about June 30, 1999, Madison County Cable damaged a two-hundred pair main telephone line operated by GTE South Incorporated located at or near 20 Dorothy Lane, Stafford, Virginia, while excavating;

(16) On or about July 2, 1999, ACS Environmental, Incorporated damaged a two inch steel gas main line operated by Virginia Natural Gas, Inc., located at or near Pine Chapel Road, Hampton, Virginia, while excavating;

(17) On or about July 6, 1999, Atlantic Cable & Trench, Inc., damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 2450 Azalea Garden Road, Norfolk, Virginia, while excavating;

(18) On or about July 7, 1999, Battlfield Utility Contractors, Incorporated damaged a telephone service line operated by GTE South Incorporated located at or near 10811 Peninsula Court, Manassas, Virginia, while excavating;

(19) On or about July 8, 1999, Chapman Plumbing and Heating, Inc., damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 2025 Mallow Road, Covington, Virginia, while excavating;

(20) On or about July 9, 1999, Alfred Rossignol, homeowner, damaged a power service line operated by Virginia Electric and Power Company located at or near 127 Seven Pines Avenue, Sandston, Virginia, while excavating;

(21) On or about July 9, 1999, Brookhill Underground Construction, Inc., damaged a power service line operated by Virginia Electric and Power Company located at or near 4958 Newcross Court (rear), Richmond, Virginia, while excavating;

(22) On or about July 12, 1999, Kevcor Contracting Corp. damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 860 Le Cove Drive, Virginia Beach, Virginia, while excavating;

(23) On or about July 13, 1999, Suburban Cable Company damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 5138 Keitts Corner Road, Hanover, Virginia, while excavating;

(24) On or about July 15, 1999, Garry Rankin Enterprises, Inc., damaged a two-hundred pair main telephone line operated by GTE South Incorporated located at or near 629 Yorktown Boulevard, Locust Grove, Virginia, while excavating;

(25) On or about July 16, 1999, Madison County Cable damaged a twenty-five pair main telephone main line operated by GTE South Incorporated located at or near 2 Marla Court, Stafford, Virginia, while excavating;

(26) On or about July 16, 1999, Kevcor Contracting Corp. damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 3485 Glen Arden Street, Virginia Beach, Virginia, while excavating;

(27) On or about July 16, 1999, Magnum Services of Virginia, Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 22 Newberry Drive, Stafford, Virginia, while excavating;

(28) On or about July 20, 1999, T. A. Sheets Mechanical General Contractor, Inc., damaged a three-quarter inch steel gas service line operated by Virginia Natural Gas, Inc., located at or near 1514 Nelms Avenue, Norfolk, Virginia, while excavating;

(29) On or about July 20, 1999, A & K Development Corporation damaged a twenty-five pair main telephone line operated by GTE South Incorporated located at or near 3003 Cornwallis Avenue, Locust Grove, Virginia, while excavating;

(30) On or about July 21, 1999, J. L. Warren, Incorporated damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near 417 Williams Road, Suffolk, Virginia, while excavating;

(31) On or about July 27, 1999, John E. Hall, Electrical Contractor, Inc., damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 5721 Lilac Circle, Virginia Beach, Virginia, while excavating;

(32) On or about July 28, 1999, Newport News Water Works damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 1801 Beach Road, Hampton, Virginia, while excavating;

(33) On or about August 2, 1999, Dameron Construction Company, Inc., damaged a twenty-five pair telephone service line operated by GTE South Incorporated located at or near Building 3303, Fuller Heights Road, Quantico, Virginia, while excavating;

(34) On or about August 5, 1999, Hubbard Telephone Contractors, Inc., damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 3527 Regret Lane, Virginia Beach, Virginia, while excavating; and

(35) The Company failed to mark the approximate horizontal location of the line on the ground to within two feet of either side of the underground utility line, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, 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 before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $27,875 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $27,875 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE990679
DECEMBER 1, 1999

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To revise Rider J-Interruptible Water Heating Service

ORDER GRANTING MOTION TO WITHDRAW

On October 1, 1999, Virginia Electric and Power Company ("Virginia Power" or "the Company") filed a report with the State Corporation Commission ("Commission") regarding the Company's proposed disposition of Rider J-Interruptible Water Heating Service ("Rider J").[1] In its report, after considering various options, the Company recommended that the existing rate credit of $4.00 per month per customer now available under the tariff be continued through March 31, 2000, and that thereafter, the Rider be terminated, effective April 1, 2000. The Company further proposed to implement a geographically targeted residential control device deactivation strategy effective with Commission approval, beginning no earlier than April 1, 2000, and ending by December 31, 2002. The Company requested that any final order implementing a modification to Rider J provide for an effective date of at least sixty (60) days from the date of the final order to permit appropriate customer notification and accommodate billing system changes.

On October 21, 1999, the Company filed an application seeking approval from the Commission to terminate Rider J-Interruptible Water Heating Service, together with a supplemental document addressing the effect of the Virginia Electric Utility Restructuring Act, Chapter 23 (§ 56-576 et seq.) of Title 56 of the Code of Virginia.

On October 26, 1999, the Commission issued a Preliminary Order, docketing the Company's application and suspending the Company's proposals concerning Rider J through February 27, 2000. On November 1, 1999, the Commission entered its Order for Notice and Hearing in this matter.

On November 10, 1999, the Company filed a Motion to Withdraw. In its Motion, Virginia Power stated that it was reconsidering its request to terminate the rate credits in Rider J and requested leave to withdraw its proposal to modify the Rider. The Company also asked that the captioned proceeding be terminated.

NOW, UPON CONSIDERATION of the foregoing, the Commission is of the opinion and finds that the Company's Motion should be granted, and the captioned matter dismissed. While we have determined to grant the Company's Motion, Virginia Power should continue to offer Rider J to Virginia Power customers now receiving the credits at the same credit amounts and under the same terms and conditions of service that applied to Rider J during the period immediately following of the entry of our August 5, 1997, Order Modifying Schedules, entered in Case No. PUE950063.

Accordingly, IT IS ORDERED THAT:

(1) The Company's November 10, 1999, Motion to Withdraw is granted.

(2) This matter shall be dismissed from the Commission's docket of active proceedings, and the papers filed herein, made a part of the Commission's file for ended causes.

---

[1] In its report, the Company stated that it was filing its report in response to the Commission's directives in Application of Virginia Electric and Power Company, To close Schedule SG-Standby Generator; Schedule CS-Curtailable Service; and Rider J-Interruptible Electric Water Heater, Case No. PUE950063, 1997 S.C.C. Ann. Rept. 344.

CASE NO. PUE990680
NOVEMBER 22, 1999

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To revise Schedule SG-Standby Generator and Schedule CS-Curtailable Service and to withdraw Schedule SG-1 Standby Generator and CS-1 Curtailable Service

ORDER GRANTING MOTION TO WITHDRAW

On October 1, 1999, Virginia Electric and Power Company ("Company" or "Virginia Power") filed a letter with the State Corporation Commission ("Commission") seeking authority to revise the rate credits available to customers under Schedule CS-Curtailable Service ("Schedule CS") and Schedule SG-Standby Generator ("Schedule SG"), and to increase the payments to the Company from customers that failed to curtail when requested by the Company to do so. The Company advised that the instant tariff revisions were related to the Commission's Order Modifying Schedules entered in Case No. PUE950063.[1] In the same letter, the Company noted that Schedules SG-1 Standby Generator (Closed) and CS-1 Curtailable Service (Closed) ceased to be applicable to customers effective with the July 1999 billing month. Virginia Power proposed to withdraw these Schedules. On October 21, 1999, the Company filed supplemental documents in support of its application in response to a letter from the Commission Staff.

On October 26, 1999, the Commission entered an Order docketing the captioned matter and suspending the Company's proposals to and through February 27, 2000.

On November 1, 1999, the Commission issued a procedural order that, among other things, directed the Company to give notice to the public of its application and invited interested parties to file comments or request a hearing on the Company's application. The November 1 Order directed the Staff to file a report on the Company's proposals, mailing a copy of the same to Virginia Power and all other parties of record.

On November 10, 1999, the Company filed a motion to withdraw its letter application. In support of its Motion, the Company noted that it was now reconsidering the scope of its letter application and believed it was appropriate to withdraw the letter at this time and retain Schedules CS and SG as they are currently in effect.

NOW, UPON CONSIDERATION of the foregoing, the Commission is of the opinion and finds that the Company should be permitted to withdraw its letter application and that this matter should be dismissed from the Commission's docket of active proceedings. In granting the Company's Motion, it is our expectation that Virginia Power will continue to offer the tariffs addressed in its letter application under the same terms and conditions, penalties, and credits approved in our August 5, 1997, Order in Case No. PUE950063.

Accordingly, IT IS ORDERED that:

(1) The Company's November 10, 1999, Motion is hereby granted, and Virginia Power is hereby authorized to withdraw its October 1, 1999, letter.

(2) There being nothing further to be done herein, this matter is hereby dismissed from the Commission's docket of active proceedings.

---

[1] See Application of Virginia Electric and Power Company, to close Schedule SG-Standby Generator; Schedule CS-Curtailable Service; and Rider J-Interruptible Electric Water Heater, Case No. PUE950063, 1997 S.C.C. Ann. Rept. 344, 345.

CASE NO. PUE990714
NOVEMBER 17, 1999

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

ORDER OF SETTLEMENT

Pursuant to § 56-265.30 of the Code of Virginia, the Virginia State Corporation Commission ("Commission") is charged with enforcing the provisions of the Underground Utility Damage Prevention Act, §§ 56-265.14 et seq. of the Code of Virginia. The Commission's Division of Energy Regulation ("Division"), after having conducted an investigation of this matter, alleges that:

(1) On or about June 24, 1999, Burner Well Drilling, Inc., damaged a telephone service line operated by GTE South Incorporated located at or near Island Ford Road, McGaheysville, Virginia, while excavating;

(2) On or about June 29, 1999, S. Stephens Cable Construction, Inc., damaged a three-hundred pair main telephone line operated by GTE South Incorporated located at or near Coverstone Drive and Ashton Avenue, Manassas, Virginia, while excavating;

(3) On or about June 30, 1999, S and N Communications, Inc., damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 8800 Commerce Court, #101, Manassas, Virginia, while excavating;

(4) On or about July 7, 1999, Holladay Construction Co., Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 100 Cleremont Drive, Fredericksburg, Virginia, while excavating;

(5) On or about July 14, 1999, Ohm Corporation damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 760 Lincoln Street, Portsmouth, Virginia, while excavating;

(6) On or about July 15, 1999, Debose & Sons Construction Company damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 12404 Hogans Drive, Chester, Virginia, while excavating;

(7) On or about July 18, 1999, Stuarts Well Drilling, Inc., damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 5700 Magnolia Chase Way-Clubhouse, Virginia Beach, Virginia, while excavating;

(8) On or about July 22, 1999, Eastern Irrigation damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 4008 Corbin Hall Lane, Fredericksburg, Virginia, while excavating;

(9) On or about July 22, 1999, Rappahannock Electric Cooperative damaged a four-hundred pair main telephone line operated by GTE South Incorporated located at or near the intersection of Flintlock Drive and Plantation Drive, Fredericksburg, Virginia, while excavating;

(10) On or about July 27, 1999, Hercules Fence Company damaged a one-hundred pair main telephone line operated by GTE South Incorporated located at or near the intersection of Park Cove Drive and Parkridge Boulevard, Stafford, Virginia, while excavating;

(11) On or about August 2, 1999, City of Lexington damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 508 Lime Kiln Road, Lexington, Virginia, while excavating;

(12) On or about August 3, 1999, C. J. Hughes Construction Company damaged a three inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near the intersection of A Street and Kirby Street, Waynesboro, Virginia, while excavating;

(13) On or about August 5, 1999, R. S. Black Construction & Repairs damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 1274 Portsmouth Boulevard, Suffolk, Virginia, while excavating;

(14) On or about August 12, 1999, T. A. Sheets Mechanical General Contractor, Inc., damaged a one-half inch steel gas service line operated by Virginia Natural Gas, Inc., located at or near 1517 1/2 Kerry Avenue, Norfolk, Virginia, while excavating;

(15) On or about August 23, 1999, Mr. Plumber, Inc., damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near 2509 Early Court, Virginia Beach, Virginia, while excavating;

(16) On or about August 28, 1999, Christopher Rogers, homeowner, damaged a telephone service line operated by Bell Atlantic-Virginia, Inc., located at or near 2609 Deerfield Crescent, Chesapeake, Virginia, while excavating;

(17) For the incidents described in paragraphs (1) through (16) herein, NOCUTS, Inc. ("the Company"), failed to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines, in violation of § 56-265.19 A of the Code of Virginia;

(18) On or about May 10, 1999, S and N Communications, Inc., notified the notification center of plans to excavate at or near Route 33, Orange, Virginia;

(19) On or about August 9, 1999, All Dry Basement Systems notified the notification center of plans to excavate at or near 1714 Danbury Drive, Lynchburg, Virginia;

(20) On or about August 13, 1999, Ron Highsmith, homeowner, notified the notification center of plans to excavate at or near 9100 Avocet Court, Chesterfield, Virginia;

(21) On or about August 17, 1999, The Richardson-Wayland Electric Corporation notified the notification center of plans to excavate at or near Charter Colony Parkway, Chesterfield, Virginia;

(22) On or about August 18, 1999, Richard Evans, homeowner, notified the notification of plans to excavate at or near 637 Coralberry Drive, Monacan Hills, Virginia;

(23) On or about August 27, 1999, Allison Contractors, Inc., notified the notification center of plans to excavate at or near 8718 West Broad Street, Richmond, Virginia; and

(24) For the incidents described in paragraphs (18) through (23) herein, the Company failed to mark the approximate horizontal location of the lines on the ground to within two feet of either side of the underground utility lines no later than 48 hours after receiving notice from the notification center, in violation of § 56-265.19 A of the Code of Virginia.

As evidenced in the attached Admission and Consent document, 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 before the Commission arising from the Division's allegations made herein, the Company represents and undertakes that it will pay a civil penalty to the Commonwealth of Virginia in the amount of $40,750 to be paid contemporaneously with the entry of this Order. This payment will be made by cashier's check or money order, payable to the Treasurer of Virginia and directed to the attention of the Director of the Division of Energy Regulation.

The Commission, being advised by the Staff and finding sufficient basis herein for the entry of this Order, hereby accepts this settlement. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by the Company be, and it hereby is, accepted.

(2) The sum of $40,750 tendered contemporaneously with the entry of this Order is accepted.

(3) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE990716
NOVEMBER 2, 1999

APPLICATION OF
APPALACHIAN POWER COMPANY

To revise its fuel factor pursuant to Va. Code § 56-249.6

ORDER ESTABLISHING 1999-2000 FUEL FACTOR PROCEEDING

On October 20, 1999, Appalachian Power Company ("Appalachian" or "the Company") filed with the Commission written testimony, exhibits, and proposed tariffs intended to decrease its fuel factor from $1.482¢/kWh to $1.325¢/kWh effective with bills rendered on and after December 1, 1999. The proposed fuel factor is based upon estimated annual fuel expenses inclusive of the cost of SO_2 emission allowances, which are not included in the current Definitional Framework of Fuel Expenses for Appalachian. Therefore, an appropriate interim factor is $1.297¢/kWh, which is based upon annual fuel expenses exclusive of SO_2 emission allowance estimated costs.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUE990716.

(2) A hearing is hereby scheduled for 10:00 a.m., December 15, 1999, in the Commission's Second Floor Courtroom for the purpose of receiving evidence related to the establishment of Appalachian's fuel factor for the 12-month period beginning December 1, 1999.

(3) A fuel factor of 1.297¢/kWh is hereby effective, on an interim basis, with bills rendered on and after December 1, 1999.

(4) Appalachian shall make copies of its prefiled testimony and exhibits available to any person desiring such a copy. Requests for copies shall be directed to Michael J. Quinan, Woods, Rogers & Hazlegrove, P.L.C., 823 East Main Street, Suite 1200, Richmond, Virginia 23219.

(5) On or before November 22, 1999, any person desiring to participate as a Protestant, as defined in Rule 4:6 of the Commission's Rules of Practice and Procedure ("S.C.C. Rules"), shall file with the Clerk, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, an original and twenty (20) copies of a notice of protest as provided in S.C.C. Rule 5:16(a) and serve a copy on counsel for the Company as follows: Michael J. Quinan, Woods, Rogers & Hazlegrove, P.L.C., 823 East Main Street, Suite 1200, Richmond, Virginia 23219.

(6) On or before November 29, 1999, each Protestant shall file an original and twenty (20) copies of a Protest (S.C.C. Rule 5:16(b)) and of the prepared testimony and exhibits Protestant intends to present at the hearing, and serve two (2) copies of each on Appalachian and all other Protestants.

(7) On or before December 7, 1999, the Commission Staff shall investigate the reasonableness of the Company's request, file a report of its investigation with the Clerk, and serve a copy on the Company and all Protestants.

(8) On or before December 13, 1999, Appalachian shall file an original and twenty (20) copies of all testimony it expects to introduce in rebuttal to all direct prefiled testimony and exhibits. Additional rebuttal evidence may be presented without prefiling, provided it is in response to evidence which was not prefiled but elicited at the time of hearing and provided further the need for additional rebuttal evidence is timely addressed by motion during the hearing and leave to present said evidence is granted by the Commission. A copy of the prefiled rebuttal evidence shall be served upon all other Protestants.

(9) The Company shall respond to written interrogatories within five (5) days after receipt of the same. Protestants shall respond to the written interrogatories of the Company, other Protestants and Staff within five (5) days after receipt of the same. Protestants shall provide the Company, other Protestants, and Staff with any work papers or documents used in preparation of their filed testimony promptly upon request. Except as modified above, discovery shall be in accordance with Part VI of the S.C.C. Rules.

(10) On or before November 15, 1999, Appalachian shall cause a copy of the following notice to be published as display advertising (not classified), on one occasion in newspapers of general circulation throughout its service territory:

NOTICE TO THE PUBLIC OF THE
1999-2000 FUEL FACTOR PROCEEDING
FOR APPALACHIAN POWER COMPANY

On October 20, 1999, Appalachian Power Company ("Appalachian") filed an application with the State Corporation Commission for a decrease its fuel factor from $1.482¢/kWh to $1.325¢/kWh effective with

bills rendered on and after December 1, 1999. An interim fuel factor of $1.297¢/kWh will become effective with bills rendered on and after December 1, 1999.

Pursuant to § 56-249.6 of the Code of Virginia, the Commission has scheduled a public hearing to commence at 10:00 a.m. on December 15, 1999, in the Commission's Second Floor Courtroom, Tyler Building, 1300 East Main Street, Richmond, Virginia, for the purpose of receiving evidence related to the establishment of Appalachian's fuel factor. Persons desiring a copy of the testimony and exhibits filed by the Company shall direct their requests to Michael J. Quinan, Woods, Rogers & Hazlegrove, P.L.C., 823 East Main Street, Suite 1200, Richmond, Virginia 23219.

All testimony and exhibits filed by Appalachian are available for public inspection at the Commission's Document Control Center, First Floor, Tyler Building, Richmond, Virginia.

Any interested person desiring to make a statement at the hearing should appear in the Commission's courtroom at 9:45 a.m. on the hearing date and identify himself or herself to the bailiff.

On or before November 22, 1999, persons desiring to participate as Protestants, as defined in Rule 4:6 of the Commission's Rules of Practice and Procedure ("S.C.C. Rules"), to present evidence and cross-examine witnesses, shall file with the Clerk of the Commission an original and twenty (20) copies of a notice of protest, as described in S.C.C. Rule 5:16 (a) and shall serve a copy upon Appalachian. Service upon Appalachian shall be directed to Michael J. Quinan, Woods, Rogers & Hazlegrove, P.L.C., 823 East Main Street, Suite 1200, Richmond, Virginia 23219.

On or before November 29, 1999, each Protestant shall file an original and twenty (20) copies of a Protest (S.C.C. Rule 5:16(b)) and an original and twenty (20) copies of the prepared testimony and exhibits Protestant intends to present at the public hearing, and serve two (2) copies each upon Appalachian and each other Protestant. All written communications to the Commission regarding this proceeding shall identify Case No. PUE990716 and shall be directed to Joel H. Peck, Clerk, State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218.

APPALACHIAN POWER COMPANY

(11) On or before November 15, 1999, Appalachian shall serve a copy of this Order on the Chair of the board of supervisors of each county (or equivalent officials in counties having alternate forms of government) in which the Company offers service, and on the mayor or manager of every city and town (or an equivalent official in cities and towns having alternate forms of government) in which the Company offers service. Service shall be made by either personal delivery or by first-class mail to the customary place of business or the residence of the persons served.

(12) At or before the commencement of the hearing scheduled herein, Appalachian shall provide proof of service and notice as required in this Order.

CASE NO. PUE990716
NOVEMBER 8, 1999

APPLICATION OF
APPALACHIAN POWER COMPANY

To revise its fuel factor pursuant to Va. Code § 56-249.6

AMENDING ORDER

On November 2, 1999, the Commission issued in this proceeding an "Order Establishing 1999-2000 Fuel Factor Proceeding" for Appalachian Power Company ("Appalachian" or "the Company"). The order specified an interim fuel factor of 1.297¢/kWh to become effective with bills rendered on and after December 1, 1999. It was intended that the interim factor would be based upon the Company's estimate of annual fuel expenses reduced by the estimated annual cost of SO_2 emission allowances. However, it has come to our attention that a computational error was made in determining the interim fuel factor; therefore, an interim factor correcting this error has been determined. In addition, subsequent to the Company's initial filing, the Company provided a revised estimate of its deferred fuel balance for the end of the current fuel year. Based upon adjustments for these two items, an appropriate interim fuel factor is 1.339¢/kWh. Because of the significant adjustment in the estimated year-end deferred fuel balance, the interim factor is greater than the factor requested by the Company in its initial application.

Because of these adjustments, the Company will require additional time to publish its notice of this proceeding, and the dates for the filing of notices of protest and protests will also require revision.

NOW THE COMMISSION, having considered this matter, is of the opinion that ordering paragraph (3) of our November 2, 1999, "Order Establishing 1999-2000 Fuel Factor Proceeding" shall be amended to state that an interim fuel factor of 1.339¢/kWh is appropriate and shall go into effect with bills rendered on and after December 1, 1999. Additionally, ordering paragraphs (5), (6), (10) and (11) shall be amended with revised dates by which the Company shall publish and serve notice of its application, and Protestants shall file Notices of Protest and Protests.

Accordingly, IT IS ORDERED THAT:

(1) A fuel factor of 1.339¢/kWh is hereby effective, on an interim basis, with bills rendered on and after December 1, 1999.

(2) On or before December 3, 1999, any person desiring to participate as Protestant, as defined in Rule 4:6 of the Commission's Rules of Practice and Procedure ("S.C.C. Rules"), shall file with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, an original and twenty (20) copies of a notice of protest as provided in S.C.C. Rule 5:16(a) and serve a copy on counsel for the Company as follows: Michael J. Quinan, Woods, Rogers & Hazlegrove, P.L.C., 823 East Main Street, Suite 1200, Richmond, Virginia 23219.

(3) On or before December 3, 1999, each Protestant shall file an original and twenty (20) copies of a Protest (S.C.C. Rule 5:16(b)), and an original and twenty (20) copies of the prepared testimony and exhibits Protestant intends to present at the hearing, and serve two (2) copies of each on Appalachian and all other Protestants.

(4) On or before November 18, 1999, Appalachian shall cause a copy of the following notice to be published as display advertising (not classified), on one occasion in newspapers of general circulation throughout its service territory:

NOTICE TO THE PUBLIC OF THE
1999-2000 FUEL FACTOR PROCEEDING
FOR APPALACHIAN POWER COMPANY

On October 20, 1999, Appalachian Power Company ("Appalachian") filed an application with the State Corporation Commission ("Commission") for a decrease in its fuel factor from 1.482¢/kWh to 1.325¢/kWh effective with bills rendered on and after December 1, 1999. As the hearing for this proceeding will not occur until after the requested date of the new fuel factor, the Commission has ordered an interim fuel factor of 1.339¢/kWh to become effective with bills rendered on and after December 1, 1999. This interim factor is based upon Appalachian's requested factor, but modified for two adjustments. The first adjustment excludes the cost of SO_2 emission allowances, which are not currently included in the Definitional Framework of Fuel Expenses for Appalachian. The second adjustment incorporates a revised estimate of Appalachian's year-end deferred fuel balance which became available subsequent to Appalachian's filing.

Pursuant to § 56-249.6 of the Code of Virginia, the Commission has scheduled a public hearing to commence at 10:00 a.m. on December 15, 1999, in the Commission's Second Floor Courtroom, Tyler Building, 1300 East Main Street, Richmond, Virginia, for the purpose of receiving evidence related to the establishment of Appalachian's fuel factor. Persons desiring a copy of the application, testimony and exhibits filed by Appalachian shall direct their requests to Michael J. Quinan, Woods, Rogers & Hazlegrove, P.L.C., 823 East Main Street, Suite 1200, Richmond, Virginia 23219.

The application, testimony, and exhibits filed by Appalachian are available for public inspection at the Commission's Document Control Center, First Floor, Tyler Building, Richmond, Virginia.

Any interested person desiring to make a statement at the hearing should appear in the Commission's courtroom at 9:45 a.m. on the hearing date and identify himself or herself to the bailiff.

On or before December 3, 1999, persons desiring to participate as Protestants, as defined in Rule 4:6 of the Commission's Rules of Practice and Procedure ("S.C.C. Rules"), to present evidence and cross-examine witnesses, shall file with the Clerk of the Commission an original and twenty (20) copies of a notice of protest as described in S.C.C. Rule 5:16(a) and shall serve a copy upon Appalachian. Service upon Appalachian shall be directed to Michael J. Quinan, Woods, Rogers & Hazlegrove, P.L.C., 823 East Main Street, Suite 1200, Richmond, Virginia 23219.

On or before December 3, 1999, each Protestant shall file an original and twenty (20) copies of a Protest (S.C.C. Rule 5:16(b)) and an original and twenty (20) copies of the prepared testimony and exhibits Protestant intends to present at the public hearing, and serve two (2) copies each upon Appalachian and each other Protestant. All written communications to the Commission regarding this proceeding shall identify Case No. PUE990716, and shall be directed to Joel H. Peck, Clerk, State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218.

APPALACHIAN POWER COMPANY

(5) On or before November 18, 1999, Appalachian shall serve a copy of this Order on the chair of the board of supervisors of each county (or equivalent officials in counties having alternate forms of government) in which the Company offers service, and on the mayor or manager of every city and town (or an equivalent official in cities and towns having alternate forms of government) in which the Company offers service. Service shall be made by either personal delivery or by first-class mail to the customary place of business or the residence of the persons served.

(6) All other provisions of the November 2, 1999, order in this proceeding shall remain in full force and effect.

CASE NO. PUE990717
DECEMBER 29, 1999

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To revise its fuel factor pursuant to § 56-249.6 of the Code of Virginia

ORDER ESTABLISHING 2000-2001 FUEL FACTOR PROCEEDING

On December 21, 1999, Virginia Electric and Power Company ("Virginia Power" or "the Company") filed with the Commission an application, testimony, and exhibits requesting an increase in its current fuel factor from 1.152¢ per kWh to 1.339¢ per kWh, effective February 1, 2000. The proposed fuel factor would result in an increase in annual fuel revenues of approximately $104 million.

Upon reviewing this application, it is clear that this case presents at least three major issues including matters of first impression for the Commission. These are: (1) the consideration of off-system sales in light of the Company's retail access pilot program; (2) the Company's fuel costs of replacement power to replace the power previously purchased through the Merom and Rockport long-term contracts which terminate December 31, 1999; and (3) the determination of the proper fuel expenses attributable to the Chaparral (Virginia) Inc. special contract. Because of the complexity of these issues, we will set a hearing date for February 17, 2000. However, we are mindful of the Company's requested effective date and will allow Virginia Power to collect, on an interim basis, a fuel factor of 1.339¢ per kWh effective for usage on and after February 1, 2000. Accordingly,

IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUE990717.

(2) The proposed fuel factor of 1.339¢ per kWh shall be effective, on an interim basis, for usage on and after February 1, 2000.

(3) A hearing is hereby scheduled for 10:00 a.m. on Thursday, February 17, 2000, in the Commission's Second Floor Courtroom for the purpose of receiving evidence related to the establishment of Virginia Power's fuel factor for the twelve (12) month period beginning February 1, 2000, pursuant to § 56-249.6 of the Code of Virginia.

(4) Any member of the public may obtain a free copy of Virginia Power's application and prefiled testimony and exhibits by contacting Virginia Power's counsel as follows: Karen L. Bell, Esquire, Legal Services, Virginia Electric and Power Company, One James River Plaza, P.O. Box 26666, Richmond, Virginia 23261-6666.

(5) On or before January 27, 2000, any person desiring to participate as a Protestant, as defined in Rule 4:6 of the Commission's Rules of Practice and Procedure ("S.C.C. Rules"), 5 VAC 5-10-180, shall file with the Clerk, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, an original and fifteen (15) copies of a Notice of Protest, a Protest, and the prepared testimony and exhibits the Protestant intends to present at the hearing. The Protestant shall serve two (2) copies of each of these documents on the Commission Staff on and counsel for the Company as follows: Karen L. Bell, Esquire, Legal Services, Virginia Electric and Power Company, One James River Plaza, P.O. Box 26666, Richmond, Virginia 23261-6666. Two (2) copies of each of these documents also shall be served on all other Protestants on or before February 1, 2000.

(6) On or before February 4, 2000, the Commission Staff shall investigate the reasonableness of Virginia Power's estimated costs and proposed fuel factor and file testimony with the Clerk of the Commission. The Staff shall send a copy of its testimony to the Company and each Protestant.

(7) On or before February 11, 2000, Virginia Power shall file an original and fifteen (15) copies of all testimony it expects to introduce in rebuttal to all direct prefiled testimony and exhibits. Such rebuttal testimony shall be filed with the Clerk of the Commission, with copies to the Staff and each Protestant. Additional rebuttal evidence may be presented without prefiling, provided it is in response to evidence which was not prefiled but elicited at the time of the hearing and, provided further, the need for additional rebuttal evidence is timely addressed by motion during the hearing and leave to present said evidence is granted by the Commission.

(8) Discovery shall be in accordance with Part VI of the S.C.C. Rules, 5 VAC 5-10-450 to -510, except that the Company and Protestant(s) shall respond to written interrogatories or data requests within five (5) days of service. Protestants shall provide the Company, other Protestants, and the Staff with any work papers or documents used in preparation of their filed testimony promptly upon request.

(9) On or before January 14, 2000, Virginia Power shall cause a copy of the following notice to be published as display advertising (not classified advertising) on one occasion in newspapers of general circulation throughout its service territory:

NOTICE TO THE PUBLIC OF THE
2000-2001 FUEL FACTOR PROCEEDING FOR
VIRGINIA ELECTRIC AND POWER COMPANY
CASE NO. PUE990717

On December 21, 1999, Virginia Electric and Power Company ("Virginia Power" or "the Company") filed an application with the State Corporation Commission for an increase in its fuel factor from 1.152¢ per kWh to 1.339¢ per kWh, effective February 1, 2000.

The Commission has determined that there are at least three major issues in this case: (1) the consideration of off-system sales in light the Company's retail access pilot program; (2) the Company's fuel costs of replacement power to replace the power previously purchased through the Merom and Rockport long-term contracts which terminate December 31, 1999; and (3) the determination of the proper fuel expenses attributable to the Chaparral (Virginia) Inc. special contract.

Pursuant to § 56-249.6 of the Code of Virginia, the Commission has scheduled a public hearing to commence at 10:00 a.m. on Thursday, February 17, 2000, in the Commission's Second Floor Courtroom, Tyler Building, 1300 East Main Street, Richmond, Virginia, for the purpose of receiving evidence related to the establishment of Virginia Power's fuel factor. However, the Commission has authorized Virginia Power to collect, on an interim basis, a fuel factor of 1.339¢ per kWh effective for usage on and after February 1, 2000.

Individuals with disabilities who require an accommodation to participate in the hearing should contact the Commission at 1-800-552-7945 (voice) or 1-804-371-9206 (TDD) at least seven days before the scheduled hearing date.

Any member of the public may obtain a free copy of Virginia Power's application, prefiled testimony and exhibits by contacting counsel for Virginia Power as follows: Karen L. Bell, Esquire, Legal Services, Virginia Electric and Power Company, One James River Plaza, P.O. Box 26666, Richmond, Virginia 23261-6666. The Company's application, prefiled testimony and exhibits, and all other papers filed in this docket also may be reviewed at the Commission's Document Control Center, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia.

Any person desiring to make a statement at the hearing need only appear in the Commission's courtroom at 9:45 a.m. on the date of the hearing and identify himself or herself to the bailiff as a public witness.

On or before January 27, 2000, persons desiring to participate as Protestants, as defined in Rule 4:6 of the Commission's Rules of Practice and Procedure ("S.C.C. Rules"), 5 VAC 5-10-180, to present evidence and cross-examine witnesses, shall file with the Clerk of the Commission an original and fifteen (15) copies of a Notice of Protest, a Protest, and the prepared testimony and exhibits the Protestant intends to present at the hearing. Protestants shall serve two (2) copies of each of these documents upon the Commission Staff and upon Virginia Power. Service upon the Company shall be directed to Karen L. Bell, Esquire, Legal Services, Virginia Electric and Power Company, One James River Plaza, P.O. Box 26666, Richmond, Virginia 23261-6666. Two copies of each of these documents also shall be served on all other Protestants on or before February 1, 2000.

All written communications to the Commission regarding this proceeding shall identify Case No. PUE990717 and shall be directed to Joel H. Peck, Clerk, State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218.

VIRGINIA ELECTRIC AND POWER COMPANY

(10) On or before January 14, 2000, Virginia Power shall serve a copy of this Order on the County Attorney and Chairman of the Board of Supervisors of each county (or equivalent officials in counties having alternate forms of government) in which the Company offers service, and on the Mayor or Manager and the Attorney of every city and town (or an equivalent official in cities and towns having alternate forms of government) in which the Company offers service. Service shall be made by either personal delivery or by first-class mail to the customary place of business or the residence of the persons served.

(11) At or before the commencement of the hearing scheduled herein, Virginia Power shall provide proof of service and notice as required in this Order.

CASE NO. PUE990783
DECEMBER 9, 1999

APPLICATION OF
ROBERT A. WINNEY, d/b/a THE WATERWORKS COMPANY OF FRANKLIN COUNTY

To change rates and charges

ORDER SUSPENDING CHANGES

On November 17, 1999, Robert A. Winney, d/b/a The Waterworks Company of Franklin County ("The Waterworks Company" or "Company"), filed with the Clerk of the Commission copies of a notice to customers of a change in rates and charges as required by Rule 4 of the Commission's Rules Implementing the Small Water or Sewer Public Utility Act, 20 VAC 5-200-40 ("Small Water Act Rules")[1], and § 56-265.13:5 B of the Code of Virginia. As set out in its notice, the Company proposes to increase its flat rate for service from $67.50 per quarter to $82.50 per quarter paid in advance. The Company proposes to increase its availability fee from $60.00 per year to $100.00 per year. The Company also proposes a connection fee of $1,000 and a turn-on-charge of $50.00 after service has been disconnected. The revised rates and charges would take effect January 1, 2000. The notice to customers was dated November 15, 1999.

[1] The Commission's Small Water Act Rules are available for inspection in the Office of the Clerk of the Commission, Document Control Center. The Small Water Act Rules may also be found on World Wide Web at http://legl. state.va.us/cgi-bin/legp504.exe?000+reg+20VAC5-200-40

As proposed by The Waterworks Company, the quarterly rate for rate service would increase by over 22 percent and the availability fee would increase by over 60 percent. Given this level of increase and its impact on customers, the Commission finds that, as provided by § 56-265.13:6 A of the Code of Virginia and Rule 7 of the Small Water Act Rules, the proposed rates and charges shall be suspended for 60 days. The current rates shall apply until the period of suspension runs. Thereafter the proposed rates and charges shall be interim and subject to refund with interest until the Commission has made a final determination in this proceeding. The Commission will schedule a hearing and establish additional procedures by subsequent order. Accordingly,

IT IS ORDERED THAT:

(1) The Company's application be docketed, be assigned Case No. PUE990783, and that all associated papers be filed therein.

(2) The proposed rates and charges with an effective date of January 1, 2000, be suspended for 60 days, to and through February 29, 2000. Thereafter, the proposed rates and charges shall be interim and subject to refund with interest until the Commission makes a final determination in this proceeding.

(3) On or before January 4, 2000, the Company shall file with the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, an original and five (5) copies of the information required in Rule 8 of the Small Water Act Rules, 20 VAC 5-200-40.

(4) This matter be continued.

ATTESTED COPIES of this Order shall be mailed by the Clerk to Robert A. Winney d/b/a The Waterworks Company of Franklin County, 430 Windtree Drive, Moneta, Virginia 24121-3106[2]; and sent to the Commission's Divisions of Energy Regulation and Public Utility Accounting.

[2] The Company's notice advises customers that "M/M A & J Winney" now own The Waterworks Company. The Commission issued the required certificate of convenience and necessity to Robert A. Winney d/b/a The Waterworks Company of Franklin County. This certificate may be transferred only as provided by the Utility Facilities Act, § 56-265.3 D of the Code of Virginia, and the Company may be disposed of only in accordance with the Utility Transfers Act, §§ 56-88 through 56-92 of the Code of Virginia. No application for the required approvals has been filed with the Commission. Accordingly, the Commission will continue to exercise jurisdiction over Robert A. Winney.

CASE NO. PUE990786
DECEMBER 13, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter concerning Rules implementing the State Corporation Commission's authority to enforce the Underground Utility Damage Prevention Act

ORDER ESTABLISHING INVESTIGATION AND INVITING COMMENTS

The Underground Utility Damage Prevention Act, Chapter 10.3 (§ 56-265.14 et seq.) of Title 56 of the Code of Virginia ("the Act"), was revised effective January 1, 1995, among other reasons, to reduce damage significantly to underground utility lines, and prevent possible loss of life, injuries, inconvenient service interruptions, damage to the environment, and economic losses resulting from damage to these underground lines. As revised, the Act streamlines communications between operators (owners of underground lines), the notification centers ("Miss Utility") that advise utilities of plans to dig, and excavators, regarding whether the underground utility lines have been located. The revised Act defines exemptions and emergencies, and provides for penalties for violations of its provisions resulting from the failure to exercise reasonable care. See § 56-265.32 A of the Code of Virginia.

Section 56-265.30 of the Code of Virginia charges the State Corporation Commission ("Commission") with enforcing the provisions of the Act. It authorizes the Commission to promulgate any Rules or regulations necessary to implement the Commission's authority to enforce the Act.[1]

Pursuant to the statutory authority granted to it by the Act in 1994, the Commission adopted Rules for the Enforcement of the Underground Utility Damage Prevention Act.[2] Since that time, the Commission, its Division of Energy Regulation ("Staff"), and the Advisory Committee have gained considerable experience in the enforcement of the Act, and, through interaction with operators, excavators, the notification centers, contract locators, and the public, recognize that the Commission's currently effective Rules should be revised, expanded, and clarified.

The Commission, therefore, is initiating this proceeding to assist it in developing appropriate policies, Rules and regulations applicable to operators, excavators, contract locators, and notification centers, as those terms are defined by § 56-265.15 of the Act. This Order seeks public comment on a variety of issues identified in Appendix A hereto, including the Commission's authority to adopt specific regulations concerning the identified issues.

[1] Many of the operators who are subject to the Act are also public utilities and cooperatives subject to our regulatory authority under Chapter 1 (§ 56-1 et seq.), Chapter 9 (§ 56-209 et seq.), Chapter 10 (§ 56-232 et seq.), Chapter 10.1 (§ 56-265.1 et seq.), Chapter 10.2:1 (§ 56-265.13:1 et seq.), Article 3 (§ 56-478.1 et seq. of Chapter 15), Article 4 (§ 56-484.1 et seq. of Chapter 15), Article 5 (§ 56-484.4 et seq. of Chapter 15), Chapter 16 (§ 56-485 et seq.), and Chapter 19 (§ 56-531 et seq.) of Title 56 of the Code of Virginia.

[2] See 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, Case No. PUE940071, 1994 S.C.C. Ann. Rept. 422 (Order Adopting Procedural Rules for Enforcement of the Underground Utility Damage Prevention Act, Dec. 20, 1994).

Comments concerning the issues set out in Appendix A should be specific, detailing the roles to be played by the Commission, utility operators, and other participants affected by the Act. To the extent possible and practicable, interested parties should include with their responses to this Order, proposed Rules and regulations corresponding to their comments on the issues set forth in Appendix A to the Order. Such concrete proposals will assist the Commission in accomplishing the goals of this proceeding.[3]

Following a thorough review of any responses and comments received herein, including a review of any suggested Rules and regulations, the Staff will propose specific Rules and regulations under the Act, and we will seek further public comment on Staff's proposals, and conduct further proceedings herein.

Accordingly, we are of the opinion and find that this matter should be docketed; that notice of this rulemaking should be published in major newspapers of general circulation throughout the Commonwealth and that this Order should also be published in the Virginia Register of Regulations; that interested persons should be afforded an opportunity to file written comments concerning the issues identified in Appendix A to this Order; and that the Staff should file a report responding to the comments filed herein and proposing appropriate revisions to the Rules.

Accordingly, IT IS ORDERED THAT:

(1) This matter be docketed and assigned Case No. PUE990786.

(2) Interested persons may obtain a copy of this Order, together with a copy of the issues upon which comment is sought (Appendix A hereto), by directing a request in writing for the same on or before January 12, 2000, to Massoud Tahamtani, Assistant Director, Division of Energy Regulation, State Corporation Commission, P.O. Box 1197, Richmond, Virginia 23218.

(3) A copy of this Order and the issues identified in Appendix A hereto shall also be made available for public review at the Commission's Document Control Center, located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, during its regular hours of operation, Monday through Friday, from 8:15 a.m. to 5:00 p.m.

(4) Interested parties wishing to file comments concerning the issues identified in Appendix A shall file an original and five (5) copies of such comments in writing on or before February 29, 2000, with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, and shall refer to Case No. PUE990786.

(5) On or before December 30, 1999, the Commission's Division of Energy Regulation shall cause the following notice to be published as classified advertising on one occasion in major newspapers of general circulation throughout the Commonwealth and shall forward the following notice to the Virginia Register of Regulations:

NOTICE OF INVESTIGATION AND RULEMAKING BY
THE STATE CORPORATION COMMISSION FOR THE ENFORCEMENT
OF THE UNDERGROUND UTILITY DAMAGE PREVENTION ACT
(THE MISS UTILITY ACT),
CASE NO. PUE990786

The Underground Utility Damage Prevention Act, Chapter 10.3 (§ 56-265.14 et seq.) of Title 56 of the Code of Virginia ("the Act") was revised effective January 1, 1995, among other reasons, to reduce damage to underground utility lines and prevent possible loss of life, injuries, inconvenient service interruptions, damage to the environment, and economic losses resulting from damage to underground utility lines.

On December 20, 1994, the Virginia State Corporation Commission ("Commission") adopted Rules for the Enforcement of the Underground Utility Damage Prevention Act ("Rules") in Case No. PUE940071, pursuant to the authority granted to it in § 56-265.30 of the Code of Virginia. These Rules affect utilities, notification centers, contract locators, and the public generally. The Commission has become aware of the need to clarify, expand, and revise these Rules, and accordingly, the Commission is soliciting comments on how these Rules should best be revised.

A copy of the Order Establishing Investigation and Inviting Comments, together with the issues upon which comment is sought, may be reviewed from 8:15 a.m. to 5:00 p.m., Monday through Friday, in the State Corporation Commission's Document Control Center, located at 1300 East Main Street, Tyler Building, First Floor, Richmond, Virginia 23219. Interested persons may obtain a copy of the Commission's Order, together with the issues upon which comment is sought (Appendix A to the Order) by directing a written request for a copy of same on or before January 12, 2000, to Massoud Tahamtani, Assistant Director, Division of Energy Regulation, State Corporation Commission, P.O. Box 1197, Richmond, Virginia 23218, and referring to Case No. PUE990786.

Any person who wishes to comment upon the issues identified in Appendix A to the Commission's Order Establishing Investigation and Inviting Comment shall file an original and five (5) copies of such comments with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, on or before February 29, 2000, and shall refer to Case No. PUE990786.

[3] To aid the Commission, each request for comments is lettered and numbered in Appendix A. Interested parties are requested to correlate their responses to the lettering and numbering system set forth in this Order in their comments.

All written communications to the Commission regarding this proceeding shall refer to Case No. PUE990786, and shall be directed to Joel H. Peck, Clerk of the Commission, at the address set forth above.

DIVISION OF ENERGY REGULATION OF
THE STATE CORPORATION COMMISSION

(6) On or before April 7, 2000, the Division of Energy Regulation shall file a report summarizing and responding to the comments received herein, and proposing appropriate revisions to the Rules. The Division of Energy Regulation shall mail a copy of said report to all parties of record.

(7) On or before February 8, 2000, the Division of Energy shall file with the Clerk of the Commission proof of the publication of the notices required herein.

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

CASE NO. PUE990788
DECEMBER 22, 1999

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of establishing regulations for net energy metering pursuant to Va. Code § 56-594

ORDER ESTABLISHING PROCEEDING

As part of the Virginia Electric Utility Restructuring Act ("the Act"), § 56-594 of the Code of Virginia directs the Commission to establish by regulation a program, to begin no later than July 1, 2000, which affords eligible customer-generators the opportunity to participate in net energy metering. The Act provides that a customer owning and operating an electrical generating facility that meets specified conditions may interconnect such a facility with a utility's electric grid and receive credit for electricity generated by the customer and fed back to the electric grid.

The Commission is of the opinion and finds that it should establish a proceeding to adopt regulations governing a net energy metering program. The Commission's Staff, after receiving input from numerous stakeholders and interested parties, has developed proposed regulations to govern net energy metering and has prepared a report that discusses the proposed regulations. The proposed regulations are attached to this Order as Attachment A, and the Staff's report has been filed in this docket and served on those persons on the service list for this Order. Accordingly,

IT IS ORDERED THAT:

(1) This case is docketed and assigned Case No. PUE990788.

(2) On or before February 2, 2000, any person desiring to participate in this proceeding for the promulgation of Commission regulations for net energy metering shall file an original and fifteen (15) copies of its Comments with the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. The Comments should set forth parties' interests in this proceeding, and if such parties object to certain terms in the proposed regulations, proposed alternative language should be included in the Comments.

(3) Any person desiring a hearing in this matter shall file such a request with its Comments on or before February 2, 2000, and shall state in detail why a hearing is necessary. Such a request should identify the factual issues likely in dispute upon which the party seeks hearing together with the evidence expected to be introduced at any hearing. If no sufficient request for hearing is received, the Commission may enter an order promulgating regulations upon the basis of the written pleadings filed.

(4) On or before January 5, 2000, the Commission will cause to be published the following notice as classified advertising in newspapers of general circulation throughout the Commonwealth of Virginia:

NOTICE TO THE PUBLIC OF A PROCEEDING
TO ESTABLISH REGULATIONS FOR NET
ENERGY METERING PURSUANT TO § 56-594
OF THE CODE OF VIRGINIA
CASE NO. PUE990788

As part of the Virginia Electric Utility Restructuring Act ("the Act"), § 56-594 of the Code of Virginia directs the State Corporation Commission ("Commission") to establish by regulation a program, to begin no later than July 1, 2000, which affords eligible customer-generators the opportunity to participate in net energy metering. The Act provides that a customer owning and operating an electrical generating facility that meets specified conditions may interconnect such a facility with a utility's electric grid and receive credit for electricity generated by the customer and fed back to the electric grid.

By Order entered on December 22, 1999, the Commission established a proceeding to adopt net energy metering regulations and issued proposed regulations. Also on that date, the Commission's Staff filed a report that describes the provisions of the proposed regulations. Interested persons should obtain copies of the Commission's December 22, 1999, Order with attached proposed regulations, and the Commission Staff Report.

Copies of both the Order and Report may be obtained from the Clerk of the Commission at the address listed below. The Order and proposed regulations will also appear in the January 17, 2000 issue of The Virginia Register of Regulations.

Any person desiring to participate in the Commission's proceeding for the promulgation of Commission regulations for net energy metering shall file, on or before February 2, 2000, an original and fifteen (15) copies of its Comments with the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. The Comments should set forth the parties' interest in this proceeding, and if a party objects to certain terms in the proposed regulations, proposed alternative language should be included in its Comments.

Any person desiring a hearing in this matter shall file such a request with its Comments on or before February 2, 2000, and shall state in detail why a hearing is necessary. Such a request should identify the factual issues likely in dispute upon which the party seeks hearing, together with the evidence expected to be introduced at any hearing. If no sufficient request for hearing is received, the Commission may enter an order promulgating regulations upon the basis of the written pleadings filed.

All communication to the Commission should be directed to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and should refer to Case No. PUE990788.

VIRGINIA STATE CORPORATION COMMISSION

NOTE: A copy of Attachment A entitled "Chapter 315. Regulations Governing Net Metering" 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. PUE990882
DECEMBER 30, 1999

APPLICATION OF
WEST ROCKINGHAM WATER COMPANY, INC.

For a general increase in rates

PRELIMINARY ORDER

On November 10, 1999, West Rockingham Water Company, Inc. ("West Rockingham" or "the Company"), served its customers with a Notice of Increases in Rates, Charges, Rules and Regulations of Service of West Rockingham Water Co., Inc. ("Notice"). In the Notice, the Company stated that it would change its tariffs effective for service rendered on and after January 1, 2000.

As of December 21, 1999, the Commission's Division of Energy Regulation received complaints from twenty-nine (29) customers requesting a hearing in this matter. West Rockingham currently serves sixty-one (61) customers.

NOW, UPON CONSIDERATION of the foregoing, we are of the opinion and find that at least twenty-five (25) percent of all customers affected by West Rockingham's proposed rate change have requested a hearing in this matter. Therefore, in accordance with § 56-265.13:6 of the Code of Virginia, we will order a hearing to be held to consider the Company's proposed rate increase. By subsequent order, we will set a hearing date and procedural schedule for this case. We will suspend the Company's rates, tolls, and charges for sixty (60) days starting January 1, 2000. Thereafter, the Company's proposed rates shall be interim and subject to refund with interest until such time as the Commission has made its final determination in this proceeding. Accordingly,

IT IS ORDERED THAT:

(1) A hearing shall be held for the consideration of West Rockingham Water Company, Inc.'s proposed rate increase.

(2) The Company's proposed rates hereby are suspended for sixty (60) days starting January 1, 2000, and thereafter are subject to refund with interest until such time as the Commission has made its final determination in this proceeding.

DIVISION OF ECONOMICS AND FINANCE

CASE NO. PUF930044
DECEMBER 21, 1999

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to issue Preferred stock

DISMISSAL ORDER

By Commission Order dated October 7, 1993, Virginia Electric and Power Company ("Virginia Power" or "Applicant") was granted approval to issue and sell one or more series of preferred stock in aggregate principal amount of up to $100,000,000 through October 31, 1995. Subsequently, Applicant requested and was granted two extension of the authority granted in this case by Commission Orders Extending Authority dated January 2, 1996, and December 16, 1997. In the December 16, 1997, Order, the authority was extended through October 31, 1999.

By letter dated December 7, 1999 ("Letter"), Virginia Power requested a third two-year extension of the authority granted in this case. Applicant notes that is has not issued any preferred stock under the authority granted in this case.

THE COMMISSION, upon consideration of the matter, is of the opinion and finds that the request for an extension should not be granted. Virginia Power's request for an extension was filed after October 31, 1999, the date on which the authority to issue preferred stock expired. Additionally, Staff has indicated that, because of changes in market conditions and the regulatory environment, a review of the Company's plans regarding any future preferred stock issuances is warranted. Therefore, if Virginia Power still plans to issue preferred stock as originally anticipated in this case, it should file a new application reflecting its current financing plans. Finally, we will treat the Letter as a final report of action in this case.

On consideration whereby, IT IS ORDERED that, there appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUF960015
MAY 18, 1999

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to issue debt securities, preferred stock, and common stock

DISMISSAL ORDER

By Commission Order dated September 16, 1996, Washington Gas Light Company ("WGL" or "Applicant") was authorized to issue and sell up to $255.9 million of additional long-term debt securities, to issue and sell up to $50 million of additional preferred stock, and to issue and sell up to 3,500,000 additional shares of common stock. This authority was granted for the period extending from January 1, 1997, through January 1, 1999. WGL was also authorized to issue up to 2,500,000 shares of additional common stock through its Dividend Reinvestment and Common Stock Purchase Plan ("DRP") and other stock plans. Applicant was further authorized to issue up to 3,000,000 shares of common stock for any conversion feature underlying any debt securities or preferred stock authorized and issued in this case.

As directed by the Commission's Order in this case, WGL filed interim reports of action and a Final Report of Action that was filed on March 23, 1999. According to the information in these reports, WGL did not issue any of the preferred stock authorized for public issuance and sale. WGL reported, however, that it had issued 2,300,000 of the 3,500,000 shares of common stock that were authorized through one or more public offerings through January 1, 1999. Applicant publicly offered 2,000,000 shares of common stock at a price of $25.0625 per share on November 12, 1998. The underwriters of the offering exercised their option to purchase an additional 300,000 shares at the same price per share on November 18, 1998. Net proceeds from the 2,300,000 shares of common stock issued amounted to $55,712,000. WGL reported that total expenses paid to date for the public issuance of common stock amounted to $143,277 versus the estimated amount of $217,550 in its application. WGL explained that this difference was primarily due to the calculation of the estimated figure based on the issuance of all 3,500,000 shares.

WGL also reported that it had issued $169 million of the $255.9 million of debt securities authorized. These securities were issued in the form of medium-term notes ("MTNs") with maturities ranging from 10 years to 30 years. Coupon rates on the debt securities issued range from 5.49% to 6.85%. WGL's final report stated that total issuance expenses paid to date on the debt securities issued amounted to $2,766,867, versus the estimated amount of $293,200 in its application. WGL explained that this difference was primarily due to the incurrence of $2,521,466 in hedging losses from "Treasury Lock" hedge transactions employed to lock in interest rates on some of the debt securities issued.

By letter dated April 12, 1999, Applicant's response to Staff's inquiry indicated that the coupon rates on the MTNs issued were determined at issuance by adding an interest rate spread, appropriate for WGL's debt rating, to the yield on a comparable maturity U.S. Treasury ("UST") security. To protect against movement in UST yields, the hedges were structured as a forward sale transaction. Under this structure, WGL agreed on the hedge date to sell a pre-specified amount of UST securities, at a price determined by a pre-specified UST yield, on a future date to coincide with the issuance of the

hedged MTNs. Applicant stated that WGL, as seller under the arrangement, would experience hedge gains if UST yields were higher on the future sale date, or losses of UST yields were lower. Applicant further explained that the amount of the gain or loss incurred through the hedge exactly offsets the change, on a present value basis, in UST yields between the hedge date and the MTN issuance date. By locking in historically low UST yields on the hedge dates, Applicant stated that it was also able to take advantage of low interest rate short-term debt until the MTNs were issued.

NOW THE COMMISSION, based on the information contained in WGL's reports, is of the opinion and finds that the reported issuance of common stock and MTN's was done in accordance with the authority granted. The Commission is of the further opinion that the hedging transactions employed by WGL may be similar in nature to interest rate swap transactions. In Case No. PUF970019, the Commission determined that interest rate swap agreements constituted securities under Chapter 3 of Title 56 of the Code of Virginia, that need Commission approval prior to utilities entering into such transactions. Both hedging transactions and interest rate swaps impact a utility's cost of debt and overall cost of capital on which rates are based. However, the Commission does not find it reasonable to hold WGL accountable in this case to the provisions of § 56-71 of Chapter 3 for prior approval of the interest rate hedges employed since the Commission's Order in Case No. PUF970019 was specific to the use of interest rate swap transactions and the transactions in question in this case are styled "Treasury Lock" hedges. Nevertheless, the Commission emphasizes that this Order shall have no implications for ratemaking purposes. Moreover, WGL and all utilities subject to Chapter 3 of Title 56 of the Code of Virginia shall henceforth request the prior authority of this Commission under Chapter 3 to utilize interest rate hedges, interest rate swaps, or other financial derivative transactions that will impact the cost of capital.

On consideration whereby, IT IS ORDERED that there appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUF970001
MARCH 8, 1999

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to issue junior subordinated debentures

ORDER EXTENDING TIME TO ISSUE SECURITIES

By Order dated January 24, 1997, Virginia Electric and Power Company ("Virginia Power" or "the Company") was authorized to issue and sell up to $400,000,000 in junior subordinated debentures ("Debentures") under the terms and conditions and for the purposes a set forth in the Company's application.

By letter dated February 26, 1999, Applicant represents that no Debentures have been issued and requests that the Commission extend the time to issue the Debentures. The Company requests that the date to issue the Debentures be extended for an additional two-year period, through February 28, 2001.

THE COMMISSION, upon consideration of the Company's request is of the opinion and finds that approval of the requested extension of time to issue the Debentures will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) The time to issue Debentures under the authority granted in this case be extended from February 28, 1999, through February 28, 2001, under the terms and conditions and for the purposes as stated in the application, as modified herein.

2) All the requirements prescribed in the January 24, 1997 Commission Order shall remain in full force and effect, except as modified herein.

3) The date for filing a final report of action as contained in ordering paragraph 5 of the Commission's January 24, 1997 Order shall be extended to April 30, 2001.

4) This matter shall be continued subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF970019
MARCH 12, 1999

IN THE MATTER OF
VIRGINIA ELECTRIC AND POWER COMPANY

Interest Rate Swap Agreements

FINAL ORDER

Virginia Electric and Power Company ("Virginia Power" or "Company") filed a Motion for Ruling, on June 20, 1997, indicating its intent to enter into interest rate swap transactions from time to time. The motion sought a ruling from the Commission that such transactions did not require prior Commission approval under Chapter 3 of Title 56 of the Code of Virginia.

The Commission deemed the motion to be a petition for a declaratory judgment and by Order dated November 24, 1997, denied the relief sought by Virginia Power. Instead, the Commission found that interest rate swap agreements constitute securities as defined by § 56-55 of the Code, and are subject to Commission regulation. The Commission then granted Virginia Power authority to enter into interest rate swap agreements from time to time, in notional amounts not to exceed $500,000,000.

On December 11, 1997, Virginia Power filed a motion asking the Commission to suspend the effectiveness of its November 24, 1997, Order and reconsider its finding that swaps were securities for purposes of Chapter 3 of Title 56. The Commission granted the motion, but did not stay the effectiveness of its order. A procedural schedule was established for the reconsideration. The Company and the Commission Staff ("Staff") were directed to file a joint stipulation of facts, and a list of issues that remained in contention. The statement was filed on September 18, 1998.

On September 25, 1998, Virginia Power filed a request for hearing, which was granted by Commission Order of December 18, 1998. As directed in this Order, the Company and Staff each pre-filed the testimony of its witnesses. Hearing was set for March 10, 1999.

On March 9, 1999, the Staff and the Company jointly filed a Motion for Consideration of Stipulation, together with their stipulation, designed to conclude all matters remaining in contention between them.

The stipulation contained the agreement that interest rate swaps do constitute securities for the purposes of Chapter 3 of Title 56 of the Code of Virginia, and that the Company should be allowed to enter into these transactions under certain conditions set forth therein.

The matter came before the Commission on March 10, 1999, and the stipulation of facts dated September 18, 1998, the pre-filed testimony, and the stipulation were admitted into evidence without cross-examination. The Commission received brief statements of counsel in response to questions from the bench.

NOW THE COMMISSION, having considered the pleadings of record, the stipulation, the relevant statutes and rules, and being sufficiently advised is of the opinion that the stipulation constitutes a reasonable settlement of the issues before it and should be adopted as presented, with two exceptions.

First, the last sentence of paragraph 1.H.[1] is ambiguously worded and might be read as a limitation of the existing authority of the Commission. The Company and Staff agreed that the intent of this sentence was to re-state the substance of § 56-67.1 of the Code and that it could be stricken from their agreement. Accordingly, this sentence shall be stricken from the stipulation.

Finally, paragraph 2. shall be amended to insert the words "or are not" following the word "are" in the next to last line, so that the paragraph shall read:

> Any finding by the Commission that interest rate swap agreements are "securities" shall be limited to the Commission's exercise of jurisdiction and authority under Chapter 3 of Title 56 of the Code of Virginia, and shall not constitute a finding that interest rate swap agreements are, or are not, securities for purposes of Title 13.1 of the Code of Virginia or other securities laws. (Underscore added to denote change.)

The sole question before the Commission with regard to interest rate swap agreements in this matter is whether they are securities under Chapter 3 of Title 56. The Commission found that they were in its Order of November 24, 1997, and the stipulation recognizes the correctness of this finding. No other finding was made then and none is made now. Whether interest rate swap transactions may be considered securities for any other purpose is not before us and we do not now decide that question. Both the Company and the Staff indicated in response to questions from the bench that this was their intent in preparing the stipulation. With these two amendments, the approved stipulation is attached as Exhibit A and Virginia Power shall be permitted to enter into interest rate swap agreements according to the terms and limitations contained therein.

Accordingly, IT IS ORDERED THAT:

(1) Virginia Power is authorized to enter into interest rate swap agreements from time to time according to the terms of the stipulation, as amended herein.

(2) The authority granted herein shall have no ratemaking implication.

(3) The Company shall file reports as directed in the stipulation as amended.

(4) The authority granted herein supersedes the authority granted in our November 24, 1997, Order.

(5) There being nothing further to come before the Commission, this matter is dismissed.

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

---

[1] This sentence reads "However, such revocation and/or modification shall have no impact on swap transactions entered into in compliance with the Commission's authority that may be outstanding at the time of such revocation and/or modification."

CASE NO. PUF980020
JUNE 15, 1999

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to issue debt securities, preferred stock, and common stock

ORDER AMENDING AUTHORITY GRANTED

On September 23, 1998, the Commission issued an Order Granting Authority for Washington Gas Light Company ("WGL" or "Applicant") to issue and sell any combination of long-term debt securities, preferred stock, and common stock (collectively "the Securities") up to an aggregate maximum amount of $305,000,000. This authority was granted for the period January 1, 1999, through January 1, 2001, under the terms and conditions and for the purposes set forth in the application. The Commission further authorized WGL to issue and sell up to 2,500,000 shares of common stock through its stock plans and programs as set forth in its application.

On May 18, 1999, the Commission issued a Dismissal Order in Case No. PUF960015, which considered WGL's use of interest rate hedge transactions on some of the debt securities issued under the authority granted in that case. In that Order, the Commission noted that all financial derivative transactions that impact the costs of capital are subject to Chapter 3 of Title 56 of the Code of Virginia, and their use requires the prior approval of this Commission.

On June 3, 1999, Applicant filed a letter acknowledging the Commission's directive for Chapter 3 approval of financial derivative transactions by requesting that the authority granted in Case No. PUF980020 be amended to permit the use of derivative hedge transactions. Applicant explained that prior to the Commission's Dismissal Order in Case No. PUF960015, WGL had entered into a treasury lock hedge agreement in September of 1998. That agreement contracted for the forward sale of $40 million of 10-year U.S. Treasury securities on July 1, 1999, in connection with the planned issuance of a comparable amount of authorized Securities to be sold in the form of medium-term notes on that same date. Applicant, further stated that it may desire to employ similar interest rate hedging instruments in connection with the subsequent issuance and sale of any of the Securities authorized in this case. Applicant, therefore, requested that its authority in this case be amended to permit WGL to enter into financial derivative transactions in connection with the issuance and sale of the Securities, including the completion of the previously noted September 1998 hedge to be exercised on July 1, 1999.

THE COMMISSION, upon consideration of Applicants' request and having been advised by Staff, is of the opinion and finds that the prospective use of Treasury Lock or similar interest rate hedging instruments in connection with the issuance of the Securities authorized in this Case would not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) WGL is hereby authorized to enter into financial derivative transactions for the purpose of hedging interest rates in connection with the issuance and sale of the Securities authorized by Commission Order dated September 23, 1998.

2) WGL's reports of action in accordance with the September 23, 1998 Order shall: i) include a detailed description of the type and structure of each hedge employed in the reporting period; ii) identify the associated issue(s) of the Securities for which each hedge is employed; iii) explain the methodology used to allocate the cost of a hedge associated with more than one issue of the Securities authorized.

3) All other provisions of the September 23, 1998 Order shall remain in full force and effect.

CASE NO. PUF980025
JULY 7, 1999

APPLICATION OF
TOLL ROAD INVESTORS PARTNERSHIP II, L.P.

For approval of refinancing

DISMISSAL ORDER

By Order Approving Refinancing entered November 24, 1998 ("Refinancing Order"), the Commission approved Toll Road Investors Partnership II, L.P.'s ("Partnership") plan for refinancing the debt incurred in the construction of the Dulles Greenway. The Commission directed the Partnership to file within sixty (60) days of the closing of the refinancing a report of the details of the transaction and any changes in the Partnership.

On June 28, 1999, the Partnership filed with the Clerk of the Commission its report. According to the report, the refinancing closed on April 29, 1999. The Partnership issued zero coupon bonds and senior current interest bonds with total original principal amount of $332,782,516 divided into several series. The bonds will mature between 2003 and 2035, and the approximate yield to maturity ranges from 6.100 percent to 7.300 percent. Payment of principal at maturity and interest are guaranteed by financial guaranty insurance policies issued by MBIA Insurance Corporation. The net proceeds from the refinancing totaled $296,137,268.73.

As authorized by the Refinancing Order, the net proceeds were used to repay indebtedness incurred in the original financing and to retire notes subsequently issued. Some of the proceeds were used to settle various outstanding claims.

As required by the Refinancing Order, the Partnership also reported on changes in its composition. One of the two general partners, Autostrade International Equity, Inc., a Virginia corporation, has withdrawn as general partner and converted its interests into limited partnership interests. The other

general partner, Shenandoah Greenway Corporation, a Delaware corporation, has converted a portion of its interests to limited partnership interests, and it remains the sole general partner. According to the report, Shenandoah Greenway Corporation engages in no other business.

The Commission has considered the report and finds that the actions of the Partnership appear to be in accordance with the authority granted by the Refinancing Order. Accordingly,

IT IS ORDERED THAT this matter be dismissed from the Commission's docket.

CASE NO. PUF980032
JANUARY 25, 1999

APPLICATION OF
APPALACHIAN POWER COMPANY

For authority to incur long-term indebtedness

ORDER GRANTING AUTHORITY

On December 3, 1998, Appalachian Power Company ("APCO", or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue long-term debt securities. In addition, APCO requested authority to utilize interest rate management techniques by entering into various Interest Rate Management Agreements ("IRMAs"). By letter dated January 8, 1999, APCO submitted an amendment to limit the scope of authority for IRMAs. Applicant has paid the requisite fee of $250.

APCO proposes to issue up to $400 million of secured or unsecured promissory notes ("Notes") from time to time through December 31, 1999. The Notes may be issued in the form of either First Mortgage Bonds, Senior or Subordinated Debentures (including Junior Subordinated Debentures), or other promissory notes. APCO further proposes to issue $30,000,000 of pollution control revenue bonds ("Series K Bonds").

Applicant requests the flexibility to set specific terms and conditions of the proposed securities, such as maturity and interest rate, based on market conditions at the time of issuance. As set out in its application, however, Applicant outlines broad parameters under which the issuance of the debt securities will occur.

The proceeds from the issuance of the $400,000,000 in Notes will be used to redeem, directly or indirectly, long-term debt, to refund, directly or indirectly, preferred stock, to repay short-term debt, to reimburse APCO's treasury for construction program expenditures, and for other proper corporate purposes. The proceeds from the issuance of the $30,000,000 in Series K Bonds will be used for the early redemption of a like amount of Series G pollution control revenue bonds. In conjunction with the issuance of the proposed securities, Applicant requests authority to enter into one or more interest rate management agreements to manage the interest rate costs on the proposed financings.

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. We will approve the application subject to the terms and conditions detailed herein. The hedging arrangements proposed by Applicant are approved only as part of the issuance of debt securities in this proceeding. Such approval shall not, however, be deemed a general grant of authority to enter into interest rate swaps, caps, collars, treasury locks, or similar IRMA's with banks or other financial institutions.[1] The Commission is of the further opinion and finds that Applicant's proposed treatment of costs to refinance outstanding debt with the debt proposed in this application should not be authorized in this case. The proper treatment of such costs is more appropriately considered in the broader context of a rate related proceeding. Therefore, any such cost of refunded debt will be addressed within the context of APCO's next rate related proceeding. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue and sell up to $400,000,000 of long-term debt, from time to time through December 31, 1999, for the purposes and under the terms and conditions set forth in the application.

2) Applicant is hereby authorized to incur long-term indebtedness in the form of pollution control revenue bonds of up to $30,000,000, through January 1, 2000, for the purposes and under the terms and conditions set forth in the application.

3) Applicant is authorized to enter into the hedging agreements proposed in its application only in conjunction with the issuance of the debt securities approved herein and only for purposes consistent the those set out in APCO's Board of Director's Resolution dated January 29, 1997.

4) The authority granted herein shall have no implications for ratemaking purposes.

5) Applicant shall submit a preliminary Report of Action within seven days after the issuance of any debt pursuant to this Order to include the issuance date, the amount of the issue, the interest rate, the maturity date, and any securities retired.

6) Within 60 days after the end of each calendar quarter in which any debt is issued pursuant to this Order, Applicant shall file a more detailed Report of Action with respect to the debt to include: the type of debt issued, the date and amount of each series, the interest rate, the maturity date, net proceeds to Applicant, an itemized list of expenses to date associated with each issue, a description of how the proceeds were used, a list of any securities retired, accompanied by an analysis demonstrating the cost savings associated with the refunding, and a balance sheet reflecting the actions taken.

[1] We note that we held, in Case No. PUF970019, that interest rate swap agreements come within the purview of Chapter 3 of Title 56 of the Code of Virginia and, as such, require prior approval from the Commission.

7) Applicant's Final Report of Action shall be due on or before March 14, 2000, to include a summary of all information filed in the Reports of Action pursuant to Ordering Paragraph 5, in addition to the information, if required, pertaining to any issuance of debt between October 1, 1999 and January 1, 2000.

8) This matter shall remain under the continued review, audit, and appropriate action of this Commission.

CASE NO. PUF990001
MARCH 11, 1999

APPLICATION OF
GTE SOUTH INCORPORATED

For authority to incur short-term indebtedness

ORDER GRANTING AUTHORITY

On February 16, 1999, GTE South, Incorporated ("GTE South", or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to incur short-term indebtedness in an amount not exceeding $400,000,000 in the aggregate through December 31, 1999. The amount of short-term debt proposed in this application is in excess of twelve percent of total capitalization as defined in Section 56-65.1 of the Code of Virginia. Applicant has paid the requisite fee of $250.

The proposed short-term indebtedness will be in the form of demand notes to GTE Funding Corporation, an affiliate. GTE Funding Corporation issues commercial paper and provides cash management services on behalf of Applicant and several other GTE Telephone Operating Companies. Applicant states that such affiliate borrowing is within the authority granted by Commission order dated September 9, 1996, in Case No. PUF960010. Interest rates will vary daily depending on market conditions.

Applicant states that the short-term borrowings will be used to reimburse its treasury for past operational and construction expenditures, to fund ongoing operations and construction programs, to meet 1999 capital expenditure and working capital requirements, and to redeem certain maturiting long-term debt.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to incur total short-term indebtedness in excess of twelve percent of total capitalization in an aggregate amount not to exceed $400,000,000 at any one time from the date of this order through December 31, 1999, for the purposes and under the terms and conditions set forth in the application.

2) Approval of this application does not preclude the Commission from applying the provision of Sections 56-78 and 56-80 of the Code of Virginia hereafter.

3) 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) Approval of this application shall have no implications for ratemaking purposes.

5) On or before February 15, 2000, Applicant shall file a report of action taken pursuant to the authority granted herein, to include: a schedule of the daily balance of all short-term borrowings and repayments of short-term debt from January 1, 1999, through December 31, 1999; an indication of the source of such borrowings; and the corresponding interest rates on all reported short-term debt transactions.

6) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF990002
APRIL 5, 1999

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

For authority to incur short-term indebtedness from affiliates or banks and lend short term funds to affiliates

ORDER GRANTING AUTHORITY

On February 24, 1999, United Telephone-Southeast, Inc. ("Applicant" or "the Company") filed an application with the Commission under Chapters 3 and 4 of Title 56 of the Code of Virginia for authority to incur up to $51,000,000 of short-term debt from January 1, 1999, through December 31, 1999. The proposed amount of short-term debt is in excess of 12% of total capitalization as defined in § 56-65.1. Applicant also requests authority to lend

up to $25,000,000 in short-term funds on open account to Sprint Corporation ("Sprint") or an affiliate of Sprint through December 31, 1999. Applicant has paid the requisite fee of $250.

Applicant states that the borrowings will consist of advances from its parent company, Sprint Corporation ("Sprint"), or Sprint affiliates through an intercompany financing arrangement and bank loans through existing bank lines of credit. Short-term loans and advances under the intercompany financing arrangement will bear the same rate of interest based on the prior month's average 30-day commercial paper rate plus 15 basis points. Bank loan rates will be based on the lending bank's prime rate at the time of the loan.

By letter dated March 4, 1999, Applicant provided information requested by Staff regarding short-term borrowings for the period commencing January 1, 1999, through February 24, 1999.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that prospective approval of the authority requested will not be detrimental to the public interest. Based on information provided by Applicant to our Staff, it appears that the Company incurred short-term debt in excess of twelve (12) percent of its capitalization, at certain times in 1999, without obtaining the prior approval of this Commission. Such action violates the statutory requirement of § 56-59.

The Commission is also of the opinion that further action against Applicant for these violations is not warranted at this time. Nevertheless, Applicant is admonished that any future violations will be subject enforcement action pursuant to § 56-71 of the Code of Virginia, as well as, more stringent reporting requirements. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue short-term debt in an aggregate amount not to exceed $60,000,000 at any one time to banks, Sprint or Sprint affiliates from the date of this Order through the period ending December 31, 1999, under the terms and conditions, and for the purposes as set forth in the application.

2) Applicant is also hereby authorized to lend up to a maximum aggregate amount of $30,000,000 on open account to Sprint or Sprint affiliates from the date of this Order through December 31, 1999, all in the manner, under the terms and conditions, and for the purposes as set forth in the application.

3) Applicant shall file a final report of action on or before March 1, 2000, concerning actions taken pursuant to this Order for the 1999 calendar year with such report to include the daily outstanding balance and respective interest rate of funds borrowed under the intercompany financing arrangement and funds borrowed from banks, a separate accounting of the daily outstanding balance and respective interest rate of funds advanced to Sprint or Sprint affiliates, the maximum aggregate amount of short-term borrowings and advances outstanding each month, the amount and an explanation of any fees paid in connection with short-term borrowings, a balance sheet as of December 31, 1999.

4) Approval of this application shall have no implications for ratemaking purposes.

5) Approval of this application shall not preclude the Commission from applying § 56-78 and § 56-80 of the Code of Virginia hereafter.

6) The Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in conjunction with the approval granted herein, pursuant to § 56-79 of the Code of Virginia.

7) Any future requests for authority to incur short-term indebtedness, as defined in § 56-65.1, or to lend short-term funds to an affiliate for periods of time that overlap, shall be filed as a single combined application.

8) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF990003
APRIL 5, 1999

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For authority to incur short-term indebtedness from affiliates or banks and lend short term funds to affiliates

ORDER GRANTING AUTHORITY

On February 24, 1999, Central Telephone Company of Virginia ("Applicant" or "the Company") filed an application with the Commission under Chapters 3 and 4 of Title 56 of the Code of Virginia for authority to incur up to $60,000,000 of short-term debt from January 1, 1999, through December 31, 1999. The proposed amount of short-term debt is in excess of 12% of total capitalization as defined in § 56-65.1. Applicant also requests authority to lend up to $30,000,000 in short-term funds on open account to Sprint Corporation ("Sprint") or an affiliate of Sprint through December 31, 1999. Applicant has paid the requisite fee of $250.

Applicant states that the borrowings will consist of advances from its parent company, Sprint Corporation ("Sprint"), or Sprint affiliates through an intercompany financing arrangement and bank loans through existing bank lines of credit. Short-term loans and advances under the intercompany financing arrangement will bear the same rate of interest based on the prior month's average 30-day commercial paper rate plus 15 basis points. Bank loan rates will be based on the lending bank's prime rate at the time of the loan.

By letter dated March 4, 1999, Applicant provided information requested by Staff regarding short-term borrowings for the period commencing January 1, 1999, through February 24, 1999.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that prospective approval of the authority requested will not be detrimental to the public interest. Based on information provided by Applicant to our Staff, it appears that the Company incurred short-term debt in excess of twelve (12) percent of its capitalization at certain times in 1999, without obtaining the prior approval of this Commission. Such action violates the statutory requirement of § 56-59. The Commission recently considered similar violations by the Company in Case No. PUF970016, and will consider the above referenced matter in Case No. PUF990007. Applicant is hereby admonished that any further violations will result in further enforcement action as well as more stringent reporting requirements. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue short-term debt in an aggregate amount not to exceed $60,000,000 at any one time to banks, Sprint or Sprint affiliates from the date of this Order through the period ending December 31, 1999, under the terms and conditions, and for the purposes as set forth in the application.

2) Applicant is also hereby authorized to lend up to a maximum aggregate amount of $30,000,000 on open account to Sprint or Sprint affiliates from the date of this Order through the period ending December 31, 1999, all in the manner, under the terms and conditions, and for the purposes as set forth in the application.

3) Applicant shall file a final report of action on or before March 1, 2000, concerning actions taken pursuant to this Order for the 1999 calendar year with such report to include the daily outstanding balance and respective interest rate of funds borrowed under the intercompany financing arrangement and funds borrowed from banks, a separate accounting of the daily outstanding balance and respective interest rate of funds advanced to Sprint or Sprint affiliates, the maximum aggregate amount of short-term borrowings and advances outstanding each month, the amount and an explanation of any fees paid in connection with short-term borrowings, a balance sheet as of December 31, 1999.

4) Approval of this application shall have no implications for ratemaking purposes.

5) Approval of this application shall not preclude the Commission from applying § 56-78 and § 56-80 of the Code of Virginia hereafter.

6) The Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in conjunction with the approval granted herein, pursuant to § 56-79 of the Code of Virginia.

7) Any future requests for authority to incur short-term indebtedness, as defined in § 56-65.1, or to lend short-term funds to an affiliate for periods of time that overlap, shall be filed as a single combined application.

8) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF990004
APRIL 20, 1999

APPLICATION OF
SHENANDOAH TELEPHONE COMPANY
and
SHENANDOAH TELECOMMUNICATIONS COMPANY

For authority to make loans to parent

ORDER GRANTING AUTHORITY

On February 22, 1999, Shenandoah Telephone Company ("Shenandoah Telephone") and its parent, Shenandoah Telecommunications Company ("Telecommunications"), filed an application under Chapter 4 of Title 56 of the Code of Virginia requesting authority for Shenandoah Telephone to make loans to an affiliate. Shenandoah Telephone proposes to make short-term loans to Telecommunications and its subsidiaries as necessary up to a maximum outstanding amount of $2,000,000 through December 31, 1999.

Shenandoah Telephone represents that the proposed transactions may occur when it has excess funds and Telecommunications and its subsidiaries have the need for funds. Shenandoah Telephone indicates that any such loans would be evidenced by promissory notes of Telecommunications. Notes will have maturities of less than twelve months from the date of issuance and will bear interest payable monthly at a rate no less than the New York prime rate as published in the Wall Street Journal.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Shenandoah Telephone is hereby authorized to make short-term loans to Telecommunications up to a maximum outstanding amount of $2,000,000 through December 31, 1999.

2) Approval of this application shall have no implications for ratemaking purposes.

3) The authority granted herein shall not preclude the Commission from applying the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

4) The Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to § 56-79 of the Code of Virginia.

5) On or before February 15, 2000, Shenandoah Telephone shall file with the Commission a final report pursuant to this Order to include: a schedule of each loan made to Telecommunications during the previous calendar year showing the date of the note, amount, maturity, actual interest rate, comparable prime rate, the use of loan proceeds; and a copy of one of the promissory notes.

6) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF990005
MARCH 30, 1999

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to issue medium-term notes

ORDER GRANTING AUTHORITY

On March 5, 1999, Virginia Electric and Power Company ("Virginia Power" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue medium-term notes ("Notes"). Applicant has paid the requisite fee of $250.

Virginia Power proposes to issue and sell up to $400,000,000 in aggregate principal amount of unsecured medium-term notes. The notes will be registered with the Securities and Exchange Commission ("SEC") under a shelf registration. Applicant proposes to issue the notes, from time to time, over an indefinite period, with maturities from nine (9) months to thirty (30) years, as the financial markets and the needs of the Applicant warrant.

Applicant proposes to determine the interest rate and redemption provisions on each Note at the time of sale on the basis of the maturity chosen and the current financial market condition. Applicant will have the ability to sell the Notes denominated in U.S. dollars or in foreign currency units. If non-U.S. dollar denominated Notes are issued, Applicant will enter into currency exchange agreements to protect against currency exchange risks.

The proceeds from the sale of the Notes will be used for meeting a portion of the Company's capital requirements. Such capital requirements consist of construction, operating and maintenance expenditures, and 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. However, the authority should be granted for a limited period of time, or through September 30, 2001. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue and sell medium-term notes up to an aggregate maximum principal of $400,000,000, under the terms and conditions and for the purposes set forth in the application provided that the issuance of any Notes for the purpose of refunding outstanding securities prior to maturity results in cost savings to Applicant.

2) Applicant shall promptly file with the Commission a copy of the SEC registration statement in its final form.

3) Applicant shall submit a preliminary report of action within seven (7) days of any issuance pursuant to this Order, to include date of the issue, amount issued, the coupon rate, the maturity date.

4) Within sixty (60) days after the end of each calendar quarter in which any Note is issued pursuant to this Order, Applicant shall file a more detailed report with respect to all Notes sold during the calendar quarter to include the information in ordering paragraph three (3) and net proceeds to Applicant, use of proceeds, comparable Treasury security rates for each issue, an explanation for the timing of the issue, type of currency involved and, for Notes denominated in non-U.S. currency, an analysis of U.S. and comparable non-U.S. currency rates, a comparison of the effective rates on the new Notes with any refunded issues to demonstrate savings to Applicant, and a balance sheet reflecting the actions taken.

5) Applicant shall file a final report of action, on or before November 30, 2001, to include the information required in Ordering Paragraph 4 for the third quarter of 2001, then-current actual expenses and fees paid in connection with the financings, and an explanation of any variances from the estimated expenses in the March 5, 1999, application.

6) Approval of this application shall have no implications for ratemaking purposes.

7) This matter shall be continued, subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF990005
APRIL 8, 1999

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to issue medium-term notes

CORRECTING ORDER

In an Order entered on March 30, 1999, the Commission granted Virginia Electric and Power Company ("Virginia Power" or "Applicant") authority to issue and sell up to $400,000,000 in aggregate principal amount of unsecured medium-term notes ("Notes"). In summarizing Applicant's proposal, the Order incorrectly described the proposed maturities of the Notes as being from nine (9) months to thirty years. Applicant actually proposed to issue the Notes in maturities of not less than 9 months from their respective dates of issuance but did not otherwise seek to limit such maturities.

In consideration of this matter, we will correct our Order of March 30, 1999, to reflect the correct proposed maturities for the Notes. Accordingly,

IT IS ORDERED THAT:

1) The description of the Notes for which authority is granted shall be corrected to reflect proposed maturities of not less than 9 months from their respective dates of issuance but not otherwise limited as to maturity.

2) This matter shall be continued subject to the continuing review, audit and appropriate directive of the Commission.

CASE NO. PUF990007
MAY 7, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CENTRAL TELEPHONE COMPANY OF VIRGINIA,
Defendant

SETTLEMENT ORDER

Section 56-65.1 of the Code of Virginia ("Code") requires a public service company to seek Commission approval to exceed short-term debt levels in excess of twelve percent (12%) of its capitalization. Section 56-71 of the Code provides for fines and penalties for failure to seek the required approval.

In Case No. PUF970016, Central Telephone Company of Virginia ("Centel-Va" or "the Company") acknowledged exceeding the authority granted by the Commission in Case No. A-563, as subsequently amended. In an order dated December 17, 1997, the Commission accepted the Company's offer of $24,394 to settle all matters arising from violations of § 56-65.1 and the Company's proposal to file control procedures designed to monitor its § 56-65.1 requirements, actual short-term debt requirements and actual short-term debt outstanding on a daily basis.

In Case No. PUF970033, the Commission approved the Company's application seeking authority to extend the short-term borrowing and lending authority granted in Case No. PUF970010 through December 31, 1998, and directed the Company to explain its financing policy regarding short-term versus long-term debt should it request continuation of short-term debt authority in 1999. In the December 17, 1997, Order, in Case No. PUF970016, the Commission also directed the Company to file any requests for short-term debt authority during 1999 by October 30, 1998.

By application filed on February 24, 1999, in Case No. PUF990003, Centel-Va requested authority to incur up to $60,000,000 of short-term indebtedness in an aggregate amount not to exceed $60,000,000 for the 1999 calendar year retroactive to January 1, 1999.

In an action brief filed on April 6, 1999, in Case No. PUF990003, Staff noted Centel-Virginia's violation of the requirements of § 56-65.1 by incurring short-term debt obligations in excess of twelve (12%) of its total capitalization for fifty (50) days of the fifty-five (55) day period commencing January 1, 1999, through February 24, 1999. Staff also noted that, pursuant to its review of the short-term debt authority granted to the Company by Order issued on December 17, 1997, in Case No. PUF970003, the Company exceeded that authorized short-term debt limit for a period of nine (9) days in the calendar year 1998.

Centel-Va acknowledges exceeding the authority granted by the Commission in Case No. PUF970003. The Company also acknowledges that it violated the statutory requirements of § 56-65.1 by not seeking and obtaining prior approval of short-term indebtedness in excess of twelve (12%) of its total capitalization for the period commencing January 1, 1999, through February 24, 1999. Centel-Va acknowledges that the Commission is vested with authority to impose fines and penalties against public service companies under Code § 56-71 for violations of authority granted by the Commission and violations of § 56-65.1.

As an offer to settle all matters arising from the above-described unauthorized borrowings, Centel-Va undertakes that:

(1) Centel-Va will reimburse the Commission $644.00 as an appropriate amount for its investigative costs relating to this matter. Payment will be made by check payable to the Treasurer of the Commonwealth of Virginia and directed to the attention of the Director of the Commission's Division of Economics and Finance.

(2) Centel-Va will pay a fine of $59,356.00. Payment will be made by check payable to the Treasurer of the Commonwealth of Virginia and directed to the attention of the Director of the Commission's Division of Economics and Finance.

THE COMMISSION, being fully advised in the premises and finding sufficient basis 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 the offer of settlement should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the authority granted the Commission by § 12.1-15 of the Code of Virginia, the offer of settlement made by Centel-Va be, and it hereby is, accepted.

(2) Pursuant to § 56-71, Centel-Va shall make payment in the amount of $60,000, as set out above.

(3) The sum of $60,000 tendered contemporaneously with this Order is accepted.

(4) There being nothing further to be done in this matter, it hereby is dismissed from the Commission's docket of active cases and the papers placed in the file for ended causes.

CASE NO. PUF990010
JUNE 21, 1999

APPLICATION OF
KENTUCKY UTILITIES, d/b/a OLD DOMINION POWER COMPANY
and
LG&E ENERGY CORP.

For authority to incur short-term indebtedness and participate in a Money Pool

ORDER GRANTING AUTHORITY

On May 4, 1999, Kentucky Utilities d/b/a Old Dominion Power Company ("KU" or "Applicant") and LG&E Energy Corp. ("LG&E Energy"), filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia requesting authority to incur short-term indebtedness and to participate in a money pool arrangement ("Money Pool"). The amount of short-term debt authority requested in the application is in excess of twelve (12) percent of total capitalization as defined in § 56-65.1 of the Code of Virginia. Applicant has paid the requisite fee of $250.

In its application, KU proposes entering into the following transactions: 1) to issue short-term debt in excess of 12% of capitalization in the form of unsecured promissory notes and/or commercial paper not to exceed $250,000,000 during 1999 and 2000, and 2) to participate in a proposed Money Pool to loan excess funds to, or borrow on a short term basis up to its short-term debt limit from, KU's affiliates.

Regarding the short-term debt portion of the application, the Company indicates that the unsecured promissory notes will be issued through various banks, will have maturities of not more than twelve months from the date of issuance, and will carry interest rates depending on the market conditions at the time of issuance. KU indicates that the commercial paper will be issued through authorized commercial paper dealers, will have maturities of not more than nine months from the date of issuance, and will carry market interest rates. The proceeds from the issuance of any notes and/or commercial paper will be added to KU's general funds and used temporarily to meet capital requirements.

KU also requests authority to participate in a Money Pool. The parties to the agreement will include KU, LG&E, LG&E Energy Corp. and LG&E Capital. KU, LG&E, and LG&E Capital are all wholly-owned subsidiaries of the holding company, LG&E Energy, and each carries a commercial paper rating of A-1/P-1 by Standard & Poor's/Moody's Investors Service. KU and LG&E are public utility companies while LG&E Capital is a non-regulated subsidiary engaged primarily in the development and operation of merchant power plants. Each of the parties to the agreement can choose to participate or not participate in the Money Pool at any time. Under the proposed agreement, the cost of money for all borrowings from the Money Pool and the investment rate for all moneys deposited in the Money Pool will be the same (the "Money Pool Rate"). The Money Pool Rate will be determined monthly and will be equal to the greater of: 1) the weighted average rate of return on short-term investments of the participating companies outstanding on the last day of the prior month, or if no short-term investments are outstanding, the previous month's rate of return earned by the Financial Square Fund managed by Goldman Sachs, or 2) the weighted average rate of any commercial paper issued by participating companies outstanding on the last day of the prior month, or if no commercial paper is outstanding, the commercial paper rates of similarly rated companies for the prior week as published in the Federal Reserve Statistical Release H.15.

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, Staff has advised us of its concern about the possibility that the utility subsidiaries of LG&E Energy, through the Money Pool, may fund LG&E Capital with lower cost money than would be available through external financing sources. While KU's ratepayers in Virginia should be no worse off in this scenario, Staff has noted that a lower cost of money for LG&E Capital may give it an unfair advantage in a competitive marketplace simply because of its affiliation with the monopoly utilities. In its application in this case, the Company argues that due to the parity in credit quality between KU and the other Money Pool participants, loans to other participating companies are no riskier than if KU retained those funds and reinvested them directly in its operations. Staff agrees that the parity in credit quality should minimize the possibility that LG&E Capital may gain an unfair advantage through its Money Pool participation.

For the Commission to determine whether the Money Pool arrangement does or does not afford LG&E Energy's unregulated subsidiaries lower cost money than is otherwise available in the market, we will direct Staff to monitor LG&E Capital's cost of short-term debt, specifically the Money Pool Rates compared to external market rates. Staff is to advise the Commission if its review reveals that the non-regulated subsidiary is receiving below market

rates and, in that event, to recommend appropriate action. Further, because of the potential impact of a credit rating change on external borrowing rates for any of the participating companies, we find that the authority granted herein should be contingent upon each Money Pool participant maintaining its current credit rating.

Finally, we consider a time limit for the Money Pool authority to be appropriate. As such, the time period for the Money Pool shall mirror that of the short-term debt authority requested as part of this application (i.e., 1999 and 2000). Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to enter into the following financial transactions:

   a) to issue short-term debt in excess of 12% of capitalization in the form of unsecured promissory notes and/or commercial paper not to exceed $250,000,000, and

   b) to participate in a proposed Money Pool to loan excess funds to, or borrow on a short term basis up to its short-term debt limit from, the affiliates specified in the Company's application, conditioned upon each participant maintaining its current credit rating,

through December 31, 2000, in all the manner, and under the terms and conditions, and for the purposes set forth in the application, except where modified herein.

2) Approval of this application shall have no implications for ratemaking purposes.

3) The authority granted herein shall not preclude the Commission from applying the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

4) The Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to § 56-79 of the Code of Virginia.

5) The Commission Staff shall monitor the Money Pool Rate and the external borrowing rate available to LG&E Capital to determine whether the Money Pool allows the non-regulated subsidiary cheaper capital than if it borrowed externally. If its appears that the non-regulated subsidiary is receiving below market rates, the Staff shall recommend appropriate action to this Commission.

6) Applicant shall notify the Commission within 10 days if any of the companies participating in the Money Pool is placed on CreditWatch or has its credit rating downgraded.

7) Applicant shall file quarterly reports of action within 60 days of the end of each calendar quarter following the date of this order, to include:

   a) a daily schedule of Money Pool transactions, segmented by participant to include; the Money Pool interest rate for the transaction, the comparable external borrowing or lending rate for each transaction, each type of allocated fee, and an explanation of how both the Money Pool Rate and any allocated fees have been calculated;

   b) a daily schedule of the participating companies' borrowings (balances and rates) through any short-term debt instrument other than the Money Pool; and

   c) the maximum amount of KU's short-term debt outstanding at any one time during the quarter.

8) Applicant shall file a final report of action on or before February 28, 2001, to include data for the fourth quarter of 2000, as prescribed in ordering paragraph (5) herein.

9) This matter shall be continued, subject to the continued review, audit and appropriate directive of the Commission.

CASE NO. PUF990011
JUNE 25, 1999

APPLICATION OF
DELMARVA POWER AND LIGHT COMPANY

For authority to issue up to $53.5 million of tax-exempt refunding bonds

ORDER GRANTING AUTHORITY

On May 26, 1999, Delmarva Power and Light Company ("Applicant" or the "Company") filed an application for authority under Chapter 3 of Title 56 of the Code of Virginia to issue up to $53.5 million of tax-exempt refunding bonds. Applicant's application was completed on June 4, 1999, with the additional filing of its financing summary. Applicant paid the requisite fee of $250.

Applicant requests authority to borrow the proceeds of up to $53.5 million of tax-exempt facility refunding revenue bonds (the "Refunding Bonds") issued by the Delaware Economic Development Authority ("the Authority") on or before December 31, 2000. The proceeds of the Refunding Bonds will be used to redeem up to $53.5 million of the outstanding Delaware Economic Development Authority Revenue Bonds Collateralized Series 1989 and 1985 Bonds, consisting of $20 million of outstanding 7.5% Pollution Control Revenue Bonds due October 1, 2017, and $33.5 million of outstanding 7.3% Pollution Control Revenue Bonds due September 1, 2015 (collectively, the "Outstanding Series").

The Refunding Bonds may be issued and sold publicly or in private placements through one or more underwriters or placement agents. The arrangements between the Company and the Authority relating to the Refunding Bonds will be set forth primarily in one or more financing agreements. Under the financing agreement(s), the Company will be obligated to pay amounts sufficient to satisfy, when due, the principal of, premium, if any, and interest on the Refunding Bonds. The Company anticipates that the Refunding Bonds will be applied to redeem the Outstanding Series issued on behalf of the Company. In addition, the Company will provide a substitute Credit Facility or Letters of Credit as security for the payment of interest and principal on the Refunding Bonds, or alternatively purchase credit enhancement insurance should the Company deem it necessary or desirable 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. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to do the following under the terms and conditions and for the purposes set forth in the application:

(a) direct the Authority to issue up to $53.5 million of tax-exempt Refunding Bonds;

(b) borrow the proceeds of up to $53.5 million of the Refunding Bonds to be issued by the Authority on or before December 31, 2000; and

(c) at the election of the Company, provide a credit facility or letter of credit as security for the payment of interest and principal on the Refunding Bonds, or purchase insurance to provide credit enhancement and lower the effective interest cost of the Refunding Bonds.

2) Applicant shall submit a Preliminary Report of Action within seven (7) days after the issuance of any securities pursuant to Ordering Paragraph (1), to include the type of security, the issuance date, amount of the issue; the interest rate, the maturity date, a brief explanation for the maturity and issuance date chosen; and a brief cost/benefit analysis for any existing securities refunded from the proceeds.

3) Within sixty (60) days after the end of each calendar quarter in which any Refunding Bonds are issued pursuant to Ordering Paragraph (1), Applicant shall file with the Commission a detailed Report of Action with respect to all Refunding Bonds issued and sold during the calendar quarter to include:

(a) The issuance date, type of security, amount issued; interest rate, date of maturity, underwriters' names; underwriters' fees, other issuance expenses realized to date, and net proceeds to Applicant;

(b) A copy of any terms or conditions not previously provided (e.g., indenture amendments, charter amendments, etc.) which were executed for the purpose of issuing the Refunding Bonds pursuant to Ordering Paragraph (1);

(c) The cumulative principal amount of Refunding Bonds issued under the authority granted herein and the amount remaining to be issued;

(d) A schedule showing any associated losses incurred to reacquire the Outstanding Series, along with a calculation of the effective cost rate on the Refunding Bonds after inclusion of any related losses on reacquired debt, and overall cost savings from the refunding; and

(e) A balance sheet that reflects the capital structure following the issuance of the Refunding Bonds.

4) Applicant shall file a final Report of Action on or before June 30, 2001, to include all information required in Ordering Paragraph (3) and a detailed account of all the actual expenses and fees paid to date for the Refunding Bonds, with an explanation of any variances from the estimated expenses contained in the Financing Summary attached to the application.

5) Approval of the application shall have no implications for ratemaking purposes.

6) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF990012
JUNE 17, 1999

APPLICATION OF
PRINCE GEORGE ELECTRIC COOPERATIVE

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On May 28, 1996, Prince George Electric Cooperative ("Prince George" or "Applicant) filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to incur long-term indebtedness with the Rural Utilities Services ("RUS") and the National Rural Utilities Cooperative Finance Corporation ("CFC"). Applicant has paid the requisite fee of $250.

Applicant requests authority to incur a total of $3,840,000 in indebtedness, $2,688,000 to the RUS and $1,152,000 to CFC. The proceeds of the loans will be used to reimburse Applicant for a portion of the construction expenditures in the first two years of a three-year construction work plan.

Prince George indicates that the RUS and CFC loans will have maturities of thirty-five years from the date of the loan. Applicant expects to execute the loan agreements and promissory notes on June 28, 1999. CFC and RUS approved the loans in April 1999. Prince George states that the rate on

the RUS portion of the loan will be the Municipal Loan Rate subject to a 7.00% maximum while the CFC portion of the loan may be borrowed at either a fixed or variable rate, depending on the CFC rates available on the date the funds are advanced.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to borrow up to $2,688,000 from RUS and to borrow up to $1,152,000 from CFC, under the terms and conditions and for the purposes set forth in the application.

2) Within thirty (30) days of the date of any advance of funds from either RUS or CFC, Applicant shall file with the Commission's Division of Economics and Finance a Report of Action which shall include the amount of the advance, the interest rate selected, and the interest rate maturity.

3) Approval of this application shall have no implications for ratemaking purposes.

4) There being nothing further to be done, this matter is hereby dismissed.

CASE NO. PUF990013
JUNE 16, 1999

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to make periodic investments in a Limited Liability Company

ORDER GRANTING AUTHORITY

On May 28, 1999, Washington Gas Light Company ("WGL" or "Applicant") filed an application under Chapter 4 of Title 56 of the Code of Virginia for authority to invest up to $100 million for retained earnings in a Limited Liability Company ("LLC").

Applicant's investment of up to $100 million will be made over a five year period commencing with the later of (1) the date of incorporation of the LLC or (2) the receipt of all necessary regulatory approvals. The LLC will be organized to acquire and own a company or companies providing products and services throughout Virginia, Maryland, the District of Columbia, and in other jurisdictions. Such products and services will be non-regulated activities.

The Company further represents that it will not acquire more than 50% of the voting shares of the LLC. The remaining 50% of the voting shares of the LLC will be owned by another investor(s). WGL also states that it may acquire and own an interest in non-voting securities of the LLC. WGL also represents that it may name a number of individuals to serve on the Board of Directors, some of which may be employees of WGL, but WGL will not name more than half of the voting Directors of the LLC. Beyond the capital investments and potential employee Board members, WGL will provide no other goods and services.

THE COMMISSION, upon consideration of the Company's application, subsequent representations of the Company and having been advised by its Staff is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Washington Gas Light is authorized to invest up to $100 million in the LLC under the terms and conditions as detailed in the application.

2) There appearing nothing further to be done in this case, it is hereby dismissed.

CASE NO. PUF990014
JULY 14, 1999

APPLICATION OF
NORTHERN NECK ELECTRIC COOPERATIVE

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On June 21, 1999, Northern Neck Electric Cooperative ("Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to incur long-term indebtedness from the Federal Financing Bank ("FFB") in the amount of $750,000. Applicant has paid the requisite fee of $25.

Applicant originally received authority through Case No. PUF980005 (the "Original Loan") to borrow from the Rural Utilities Services ("RUS") in the amount of $1,729,000 and from the National Rural Utilities Cooperative Finance Corporation ("CFC") in the amount of $741,000. The Original Loan was divided into two parts, the amount of the first part totaled $1,720,000, and the amount of second part totaled $750,000. Applicant states that it is

receiving timely financing under the first part of the Original Loan. Applicant represents that the length of time required to obtain financing under the second part of the Original Loan is unacceptable and has sought a RUS guaranteed loan from FFB.

The FFB loan will have a 35-year maturity. Other terms of the FFB loan are nearly identical to the Original Loan with one minor exception. The interest rate on the FFB loan will be the yield on the comparable maturity U.S. Treasury security plus 0.125%. Applicant requests authority to determine both the interest rate and interest rate term at the time of the first advance.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to borrow up to $750,000 from the Federal Financing Bank, under the terms and conditions and for the purposes set forth in the application.

2) Within thirty (30) days of the date of the first advance of funds from the FFB, Applicant shall file with the Commission's Division of Economics and Finance a Report of Action which shall include the amount of the advance, the interest rate selected, and the interest rate term.

3) Approval of this application shall have no implications for ratemaking purposes.

4) There being nothing further to be done, this matter is hereby dismissed.

CASE NO. PUF990015
AUGUST 31, 1999

APPLICATION OF
PEOPLES MUTUAL TELEPHONE COMPANY

For authority to guarantee debt

ORDER GRANTING AUTHORITY

On July 26, 1999, Peoples Mutual Telephone Company ("Peoples Mutual" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to guarantee total debt of up to $1,632,245 on certain loan agreements between the Virginia PCS Alliance, L.C. ("PCS Alliance"), a limited liability company, and the Rural Telephone Finance Cooperative ("RTFC"). Applicant is an investor in the PCS Alliance and has paid the requisite fee of $250.

The purpose of the PCS Alliance is to operate a Personal Communications Service ("PCS") system in Virginia. In order to finance the build-out and operation of the PCS system, the PCS Alliance entered into two loan agreements with the RTFC. RTFC required that each investor company execute a guaranty as security for the loan payments on a pro-rata basis. By Order dated May 9, 1997, in Case No. PUF970009, Peoples Mutual was granted authority to guarantee a total of $800,000 in loans.

In order to refinance certain of its existing payment obligations to RTFC and to further develop and improve its PCS system, the PCS Alliance plans to execute an Amended and Restated Loan Agreement with RTFC that includes the original loan of $75,000,000 ("Primary Loan"), a new loan of $36,000,000 ("New Loan"), and a new line of credit of $35,000,000. The PCS Alliance also plans to execute an Amended and Restated Reimbursement and Security Agreement with Motorola, Inc. ("Motorola").

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to guarantee payment of loans obtained by the PCS Alliance from RTFC up to $1,632,245, under the terms and conditions and for the purposes set forth in the application.

2) Applicant is also authorized to guarantee up to $795,809 on the Primary Loan and the New Loan if Motorola is required to make payments to RTFC pursuant to Motorola's guaranty, under the terms and conditions and for the purposes set forth in the application.

3) Should terms or conditions of any guaranty change from those contained in the application, Applicant shall be required to obtain Commission approval for such changes.

4) The approval granted herein shall not preclude the Commission from exercising the provisions of § 56-78 and § 56-80 of the Code of Virginia.

5) The Commission reserves the right, pursuant to § 56-79 of the Code of Virginia, to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by this Commission.

6) The authority granted herein shall have no implications for ratemaking purposes.

7) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUF990016
AUGUST 19, 1999

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to issue short-term debt and sell securities to affiliates

ORDER GRANTING AUTHORITY

On August 2, 1999, Washington Gas Light Company ("WGL" or "Applicant") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia requesting authority to issue short-term debt and sell a portion of those debt securities to certain affiliates. The proposed amount of short-term debt is in excess of the twelve percent of capitalization as defined in § 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 issue up to $300 million aggregate principal amount of short-term debt securities outstanding at any one time in the form of bank notes or commercial paper during the fiscal year October 1, 1999, through September 30, 2000. Applicant also requests authority to sell a portion of its commercial paper, up to $20 million outstanding at any one time, to affiliated companies. The bank notes and commercial paper will be issued at the prevailing market rates at the time of issuance. The interest rate applied to the sales to affiliates will be the same rate that WGL would pay to other purchasers of its commercial paper of the same maturity and denomination, less the commercial paper dealer commission. The proceeds of the commercial paper sales will be used to finance seasonal requirements and increases in WGL's working capital.

THE COMMISSION, upon consideration of the application and representations of the Company and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) WGL is hereby authorized to issue up to $300 million aggregate principal amount of short-term debt securities in the form of bank notes and/or commercial paper from October 1, 1999, through September 30, 2000, under the terms and conditions and for the purposes set forth in the application.

2) WGL is authorized to sell up to $20 million of its authorized short-term debt in the form of commercial paper to two affiliated companies, Crab Run Gas Company and Hampshire Gas Company, under the terms and conditions and for the purposes set forth in the application.

3) Approval of the application does not preclude the Commission from applying the provisions of § 56-78 and § 56-80 of the Code of Virginia hereafter.

4) The Commission, pursuant to § 56-79 of the Code of Virginia, 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.

5) Approval of this application shall have no implications for ratemaking purposes.

6) Applicant shall, pursuant to the authority granted herein, file a report of action, on or before December 31, 2000, showing WGL's daily short-term debt activity from October 1, 1999, through September 30, 2000. Such report shall 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, 2000.

7) This matter shall be continued subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF990017
AUGUST 19, 1999

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY
and
SHENANDOAH GAS COMPANY

For authority to make and receive cash advances

ORDER GRANTING AUTHORITY

On August 2, 1999, 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 requesting authority for WGL to make and Shenandoah to receive interest bearing cash advances on open account. Applicants have paid the requisite fee of $250.

WGL proposes to advance up to $52 million outstanding at any one time on open account to Shenandoah, a wholly owned subsidiary, from October 1, 1999, through September 30, 2000. The advances will be used to finance construction programs, gas purchases, and for other proper corporate purposes of Shenandoah. The interest rate on the cash advances will be determined based on WGL's consolidated embedded cost of debt, excluding non-utility subsidiaries and calculated monthly.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) WGL is hereby authorized to make up to $52 million outstanding at any one time in open account cash advances to its affiliate, Shenandoah, from October 1, 1999, through September 30, 2000, under the terms and conditions and for the purposes set forth in the application.

2) Shenandoah is also authorized to receive open account advances under the terms and conditions and for the purposes set forth in the application.

3) The cost rate on the cash advances shall reflect the methodologies approved in WGL's most recent general rate case based on WGL's consolidated embedded cost of debt (including short-term debt, long-term debt and preferred stock), excluding non-utility subsidiaries.

4) Approval of the application does not preclude the Commission from applying the provisions of § 56-78 and § 56-80 of the Code of Virginia hereafter.

5) The Commission, pursuant to § 56-79 of the Code of Virginia, reserves the right to examine the books and records of any affiliate in connection with the authority granted herein, whether or not such affiliate is regulated by this Commission.

6) Approval of this application shall have no implications for ratemaking purposes.

7) Applicant shall, pursuant to the authority granted herein, file a report of action, on or before December 31, 2000. Such report shall include a schedule of advances showing the beginning outstanding balance on September 30, 1999, the amount(s) and date(s) of subsequent advances, the corresponding interest rates, any repayments made by Shenandoah, and the maximum outstanding balance during each month.

8) This matter shall be continued subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF990018
AUGUST 25, 1999

APPLICATION OF
VIRGINIA NATURAL GAS, INC.
and
CONSOLIDATED NATURAL GAS COMPANY

For authority to issue short-term debt, long-term debt, and common stock to an affiliate

ORDER GRANTING AUTHORITY

On August 4, 1999, Virginia Natural Gas, Inc. ("VNG"), and its parent, Consolidated Natural Gas Company ("CNG") (collectively, "Applicants"), filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia requesting authority for VNG to participate in the CNG System Money Pool ("Money Pool") and to issue and sell common stock and long-term debt to CNG. The amount of short-term debt proposed in the application exceeds twelve percent of capitalization as defined in § 56-65.1 of the Code of Virginia. Applicants have paid the requisite fee of $250.

VNG requests authority to borrow and invest in the Money Pool with aggregate borrowings not to exceed $100,000,000 for the period commencing September 1, 1999, through August 31, 2001. VNG represents that the requested level of Money Pool borrowings is needed to cover its working capital needs. Any Money Pool borrowings or investments will bear the same interest rate as CNG's weighted average effective cost rate on its short-term borrowings. If no such borrowings are outstanding, interest will be paid at the daily composite Federal Funds rate.

VNG also requests authority to issue up to $20,000,000 of common stock and up to $50,000,000 of long-term debt to CNG on or before August 31, 2001. VNG represents that the proceeds from the common stock and long-term debt issuances will be used to reduce borrowings incurred under the Money Pool, to pay or refinance VNG's other obligations, or to accomplish other public utility purposes. Up to 506 shares of common stock will be issued at a price equal to VNG's book value per share as determined by the most recent monthly balance sheet immediately prior to the issuance. The terms and conditions of the proposed debt will mirror those of the CNG debt issue occurring closest to VNG's debt issuance. If CNG does not issue long-term debt within one year from the date of a VNG issuance, the rate of interest will be determined utilizing the Salomon Brothers, Inc., Bond Market Roundup for bonds with the same rating and maturity, dated nearest to the time of a loan take down under this application.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. However, we are aware of the uncertainty surrounding VNG's future financing sources and needs as a result of the pending merger between CNG and Dominion Resources. If, in the future, VNG seeks financing from a source other than CNG, then it will need to request separate authority from this Commission. Further, the authority granted herein should be effective commencing September 1, 1999, through August 31, 2001, as requested, unless VNG ceases to receive external financing from CNG prior to August 31, 2001. Accordingly,

IT IS ORDERED THAT:

1) VNG is hereby authorized to participate in the Money Pool and to incur short-term indebtedness in excess of twelve percent of capitalization not to exceed $100,000,000 under the terms and conditions and for the purposes set forth in the application, as modified herein.

2) VNG is hereby authorized to issue and sell up to $20,000,000 of common stock and up to $50,000,000 of long-term debt to CNG, under the terms and conditions and for the purposes set forth in the application, as modified herein.

3) The authority granted in Ordering Paragraphs (1) and (2) shall extend from September 1, 1999, through August 31, 2001, subject to the limitation detailed herein. That limitation shall apply in the event that VNG obtains its financing from a source other than CNG prior to the August 31, 2001, expiration date. In such an event, VNG shall seek the necessary approvals from the Commission pursuant to the requirements of Chapter 3 of Title 56 of the Code of Virginia.

4) Approval of this application shall have no implications for ratemaking purposes.

5) Approval of this application does not preclude the Commission from applying the provisions of § 56-78 and § 56-80 of the Code of Virginia hereafter.

6) The Commission, pursuant to § 56-79 of the Code of Virginia, 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.

7) VNG shall, pursuant to the authority granted herein, file a report of action regarding its annual Money Pool activity, on or before February 29, 2000, and February 28, 2001. Such report shall include a schedule of advances from and loans to the Money Pool for the prior calendar year, the respective date and interest rate for each transaction, the daily aggregate balance of all advances, a schedule of repayments, and a pro forma schedule of anticipated borrowings in the upcoming year.

8) VNG shall within ten (10) days after the issuance of any common stock or long-term debt pursuant to the authority granted herein submit a preliminary report. Such report shall include the date of issuance, type of security, amount issued, and the respective interest rate, date of maturity, and other terms and conditions of any issuance.

9) VNG shall within sixty (60) days of the end of each calendar quarter in which common stock or long-term debt securities are issued pursuant to the authority granted herein submit a more detailed report. Such report shall include a summary of the information noted in Ordering Paragraph (8), the cumulative amount of securities issued to date for each type of security and the amount of authority remaining, a general statement concerning the purposes for which the securities were issued, and a balance sheet reflecting the actions taken.

10) VNG shall file a final report of action on or before September 30, 2001, to include all of the information outlined in Ordering Paragraph (7) for VNG's Money Pool activity during calendar year 2001 and a summary of all financings authorized pursuant to Ordering Paragraph (2).

11) This matter shall be continued subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF990019
OCTOBER 5, 1999

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For authority to issue long-term indebtedness

ORDER GRANTING AUTHORITY

On August 24, 1999, Central Telephone Company of Virginia ("Central Telephone" or "Applicant"), filed an application under Chapter 3 of Title 56 of the Code of Virginia for authority to issue long-term debt to its parent, Sprint Corporation ("Sprint"). On September 14, 1999, Applicant paid the requisite fee of $250.

Central Telephone proposes to issue up to $50,000,000 in long-term debt to Sprint in the form of a promissory note (the "Note"). The Note will have a 30-year maturity from the date of issuance. The interest rate will be fixed for the life of the Note and will be established three business days prior to the date the Note is issued. The interest rate will be based on the 30-year U.S. Treasury yield plus 147 basis points. The Note will be unsecured and callable subject to the yield maintenance premium as defined in the promissory note agreement with Sprint. The net proceeds from the Note will be used to pay down short-term debt outstanding and accumulated since 1993.

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. We will, therefore, grant approval of such application pursuant to Chapter 3 of Title 56 of the Code of Virginia. We also find that it is in the public interest to grant approval of this application pursuant to Chapter 4 of Title 56 of the Code of Virginia. Accordingly,

IT IS ORDERED THAT:

1) Central Telephone hereby is authorized to issue up to $50,000,000 in long-term debt in the form of a promissory note, to its parent, Sprint Corporation, all in a manner, under the terms and conditions and for the purposes set forth in the application.

2) Approval of this application does not preclude the Commission from applying the provisions of Sections 56-78 and 56-80 of the Code of Virginia hereafter.

3) The Commission reserves the right pursuant to Section 56-79 of the Code of Virginia 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.

4) Approval of this application shall have no implications for ratemaking purposes.

5) Central Telephone shall submit a report of action within thirty days after the issuance of the Note. Such report shall include the date, amount, 30-year U. S. Treasury yield, calculated interest rate, and the proceeds received by Central Telephone.

6) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF990020
OCTOBER 5, 1999

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

For authority to issue long-term indebtedness

ORDER GRANTING AUTHORITY

On August 24, 1999, United Telephone-Southeast, Inc. ("United Telephone" or "Applicant"), filed an application under Chapter 3 of Title 56 of the Code of Virginia for authority to issue long-term debt to its parent, Sprint Corporation ("Sprint"). On September 14, 1999, Applicant paid the requisite fee of $250.

United Telephone proposes to issue up to $35,000,000 in long-term debt to Sprint in the form of a promissory note (the "Note"). The Note will have a 30-year maturity from the date of issuance. The interest rate will be fixed for the life of the Note and will be established three business days prior to the date the Note is issued. The interest rate will be based on the 30-year U.S. Treasury yield plus 147 basis points. The Note will be unsecured and callable subject to the yield maintenance premium as defined in the promissory note agreement with Sprint. The net proceeds from the Note will be used to pay down short-term debt outstanding and accumulated since 1993.

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. We will, therefore, grant approval of such application pursuant to Chapter 3 of Title 56 of the Code of Virginia. We also find that it is in the public interest to grant approval of this application pursuant to Chapter 4 of Title 56 of the Code of Virginia. Accordingly,

IT IS ORDERED THAT:

1) United Telephone hereby is authorized to issue up to $35,000,000 in long-term debt in the form of a promissory note, to its parent, Sprint Corporation, all in a manner, under the terms and conditions and for the purposes set forth in the application.

2) Approval of this application does not preclude the Commission from applying the provisions of Sections 56-78 and 56-80 of the Code of Virginia hereafter.

3) The Commission reserves the right pursuant to Section 56-79 of the Code of Virginia 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.

4) Approval of this application shall have no implications for ratemaking purposes.

5) United Telephone shall submit a report of action within thirty days after the issuance of the Note. Such report shall include the date, amount, 30-year U. S. Treasury yield, calculated interest rate, and the proceeds received by United Telephone.

6) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF990021
SEPTEMBER 23, 1999

APPLICATION OF
RAPPAHANNOCK ELECTRIC COOPERATIVE

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On September 3, 1999, Rappahannock Electric Cooperative ("Rappahannock" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to incur long-term indebtedness with the National Rural Utilities Cooperative Finance Corporation ("CFC"). Applicant has paid the requisite fee of $250.

Applicant requests authority to obtain financing from CFC in the amount of $1,161,887.81. The proceeds will be used to reimburse Rappahannock's treasury for funds spent to retire loans to the National Rural Electric Cooperative Association. The CFC loan will have a seven-year maturity and may have a variable or fixed interest rate depending on market conditions at the time of the advance.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to borrow up to $1,161,887.81 from CFC, under the terms and conditions and for the purposes set forth in the application.

2) Within thirty (30) days of the date of any advance of funds from CFC, Applicant shall file a Report of Action that shall include the amount of the advance, the interest rate selected, and the interest rate maturity.

3) Applicant shall seek Commission approval to convert to variable interest rates on the CFC notes once a fixed rate is selected.

4) Approval of this application shall have no implications for ratemaking purposes.

5) There being nothing further to be done, this matter is hereby dismissed.

CASE NO. PUF990022
SEPTEMBER 23, 1999

APPLICATION OF
RAPPAHANNOCK ELECTRIC COOPERATIVE

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On September 3, 1999, Rappahannock Electric Cooperative ("Rappahannock" or "Applicant") filed a completed application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to incur long-term indebtedness with the National Rural Utilities Cooperative Finance Corporation ("CFC"). Applicant has paid the requisite fee of $250.

Applicant requests authority to obtain financing from CFC in the amount of $61,000,000, which may be drawn down over a period of five years under CFC's PowerVision loan program. The proceeds will be used to fund new construction and system extensions and improvements. The loan will be secured and each note drawn under the loan agreement will have a thirty-five year maturity. The notes may have a variable or fixed interest rate depending on market conditions at the time of each drawdown.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to borrow up to $61,000,000 from CFC, under the terms and conditions and for the purposes set forth in the application.

2) Within thirty (30) days of the date of any advance of funds from CFC, Applicant shall file a Report of Action that shall include the amount of the advance, the interest rate selected, and the interest rate maturity.

3) Applicant shall seek Commission approval to convert to variable interest rates on the CFC notes once a fixed rate is selected.

4) Approval of this application shall have no implications for ratemaking purposes.

5) There being nothing further to be done, this matter is hereby dismissed.

CASE NO. PUF990023
OCTOBER 12, 1999

APPLICATION OF
CRAIG-BOTETOURT ELECTRIC COOPERATIVE

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On September 21, 1999, Craig-Botetourt Electric Cooperative ("Craig-Botetourt" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to incur long-term indebtedness up to $1,000,000 from the Federal Financing Bank ("FFB"). Applicant has paid the requisite fee of $25.

By Commission Order dated January 8, 1998, in Case No. PUF970040, Craig Botetourt was given authority to borrow up to a total of $2,500,000; $1,750,000 from the Rural Utilities Service ("RUS") and $750,000 from the National Rural Utilities Cooperative Finance Corporation ("CFC"). In that Order, the case was dismissed, and Craig-Botetourt was ordered to file Reports of Action directly with the Commission's Division of Economics and Finance. Pursuant to its Report of Action dated March 19, 1999, the Cooperative borrowed a total of $1,500,000 ($1,050,000 from RUS and $450,000 from CFC).

Because of Congressional cutbacks to its municipal rate loan program, RUS has now recommended that Craig-Botetourt borrow the remaining $1,000,000 through the Federal Financing Bank ("FFB") loan fund rather than RUS and CFC. Thus, in the current application, Applicant proposes to borrow the remaining funds through an RUS-guaranteed FFB loan. The proceeds of the loan will be used to complete the funding of the construction projects planned in Applicant's 1996 – 1999 workplan. The loan will have a maturity of thirty-five (35) years, and the interest rate will be based on the yield on the comparable maturity U.S. Treasury security plus a 0.125% fee.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Craig-Botetourt is hereby authorized to borrow up to $1,000,000 from the FFB loan fund, under the terms and conditions and for the purposes set forth in the application.

2) Within thirty (30) days of the date of any advance of funds from the FFB, Applicant shall file with the Commission's Division of Economics and Finance a Report of Action that shall include the amount of the advance and the interest rate.

3) Approval of this application shall have no implications for ratemaking purposes.

4) There being nothing further to be done, this matter is hereby dismissed.

CASE NO. PUF990024
NOVEMBER 1, 1999

APPLICATION OF
GTE SOUTH INCORPORATED

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On September 28, 1999, GTE South Incorporated ("GTE South" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue long-term debt. Applicant has paid the requisite fee of $250.

GTE South proposes to issue and sell up to $300,000,000 of notes or debentures ("New Debt") through December 31, 2002. The proposed financing will be filed as a shelf registration with the Securities and Exchange Commission. Applicant states that the net proceeds from the sale of the New Debt will be used to: 1) repay short-term obligations used to finance the Company's construction program; 2) retire approximately $166 million of long-term debt maturing before December 31, 2002; and/or 3) fund changes in its working capital requirements[1].

Applicant indicates that the securities will be issued at prevailing interest rates at the time of issuance. The interest rate will be fixed to maturity and maturities will be up to forty years. GTE South would like the flexibility to choose private placement, negotiated sale through underwriters, or public offering via competitive bidding as the method for selling or marketing the 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 THAT:

1) Applicant is hereby authorized to issue and sell up to $300,000,000 of New Debt through December 31, 2002, all in the manner, and under the terms and conditions, and for the purposes set forth in the application.

2) Applicant shall submit a preliminary Report of Action within ten (10) days after the issuance of any New Debt pursuant to this authority, to include the date(s) of the issuance, the amount of debt issued, the interest rate, and the maturity.

3) Within sixty days (60) of the end of any calendar quarter in which debt is issued, Applicant shall submit a more detailed Report of Action related to the New Debt issued by GTE South to include: all terms and conditions of the New Debt, an itemized listing of all fees and/or issuance expenses associated with the New Debt, net proceeds to Applicant, a list describing any filings, contracts, or agreements executed in conjunction with the New Debt, and a GTE South balance sheet reflecting the actions taken.

---

[1] We note that Applicant previously redeemed high coupon bonds with short-term debt prior to maturity, thereby incurring a significant call premium. The short-term debt was subsequently refinanced with long-term debt (see Case Nos. PUF950017 and PUF950024). The purposes for which the funds may be used are listed here; Staff is directed to scrutinize carefully GTE South's adherence to the specifics of this Order.

4) On or before February 28, 2003, Applicant shall file a Final Report of Action to include the information in ordering paragraph (3) above, as appropriate, plus a cumulative total of debt issued pursuant to this authority and a cumulative total of issuance expenses to date.

5) Approval of this application shall have no implications for ratemaking purposes.

6) This matter shall be continued, subject to the continued review, audit and appropriate directive of the Commission.

CASE NO. PUF990025
NOVEMBER 1, 1999

APPLICATION OF
GTE SOUTH INCORPORATED

For authority to incur short-term indebtedness

ORDER GRANTING AUTHORITY

On September 28, 1999, GTE South Incorporated ("GTE South" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to incur short-term indebtedness in an amount not exceeding $400,000,000 in the aggregate through December 31, 2000. The amount of short-term debt proposed in this application is in excess of twelve percent of total capitalization as defined in Section 56-65.1 of the Code of Virginia. Applicant has paid the requisite fee of $250.

The proposed short-term indebtedness will be in the form of demand notes to GTE Funding Corporation, an affiliate. GTE Funding Corporation issues commercial paper and provides cash management services on behalf of Applicant and several other GTE Telephone Operating Companies. Applicant states that such affiliate borrowings are within the authority granted by Commission order dated September 9, 1996, in Case No. PUF960010. Interest rates will vary daily depending on market conditions.

Applicant states that the short-term borrowings will be used to reimburse its treasury for past operational and construction expenditures, to fund ongoing operations and construction programs, to meet 2000 capital expenditures and working capital requirements, and to redeem certain maturing long-term debt[1].

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to incur total short-term indebtedness in excess of twelve percent of total capitalization in an aggregate amount not to exceed $400,000,000 at any one time from January 1, 2000, through December 31, 2000, for the purposes and under the terms and conditions set forth in the application.

2) Approval of this application shall have no implications for ratemaking purposes.

3) On or before February 15, 2001, Applicant shall file a report of action taken pursuant to the authority granted herein, to include: a schedule of the daily balance of all short-term borrowings and repayments of short-term debt from January 1, 2000, through December 31, 2000; an indication of the source of such borrowings; and the corresponding interest rates on all reported short-term debt transactions.

4) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

[1] We note that Applicant previously redeemed high coupon bonds with short-term debt prior to maturity, thereby incurring a significant call premium. The short-term debt was subsequently refinanced with long-term debt (see Case Nos. PUF950017 and PUF950024). The purposes for which the funds may be used are listed here; Staff is directed to scrutinize carefully GTE South's adherence to the specifics of this Order.

CASE NO. PUF990027
NOVEMBER 2, 1999

APPLICATION OF
KENTUCKY UTILITIES COMPANY, d/b/a OLD DOMINION POWER COMPANY

For authority to execute a cross-border lease

ORDER GRANTING AUTHORITY

On October 12, 1999, Kentucky Utilities Company, d/b/a Old Dominion Power Company ("KU" or "Applicant"), filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to execute a lease of its interest in two combustion turbines pursuant to a cross-border sale and leaseback transaction. Applicant has paid the requisite fee of $250.

KU, a Virginia public service company doing business as Old Dominion Power Company, is a regulated utility subsidiary of LG&E Energy Corp. ("LG&E Energy"). LG&E Capital Corp. is an unregulated subsidiary of LG&E Energy. LG&E Capital Corp. initially constructed the two combustion turbines ("CTs") that are subject to the proposed sale and leaseback in the current application. Effective July 23, 1999, LG&E Capital Corp. transferred title to the two CTs to LG&E Energy. Also effective July 23, 1999, LG&E Energy transferred a 62% interest in the CTs to KU. The two CTs began commercial operation on August 8, 1999, and August 11, 1999, respectively. On October 15, 1999, KU filed a separate application requesting approval of the transfer of the interest in the CTs from LG&E Energy Corp. to KU pursuant to Chapter 4 of Title 56 of the Code of Virginia.

In the current application, KU proposes to execute a lease of its 62% interest in the two 164 MW CTs at the E.W. Brown Generating Station in Mercer County, Kentucky, pursuant to a cross-border sale and leaseback transaction. Applicant states that the sole purpose of the proposed transaction is to share in tax benefits available under the laws of certain European countries. The proposed transaction involves three steps which will occur either simultaneously or in immediate succession: 1) KU will transfer legal title of its interest in the CTs to a resident of either the Kingdom of Sweden or the Federal Republic of Germany ("Lessor"); 2) KU will lease the CTs back for a maximum term of 18 years; and 3) KU will defease its obligations under the lease.

KU will effectively transfer legal title to its interest in the CTs to the Lessor for the Transaction Price (not to exceed $77.5 million). The present value of the payments under the Lease (the rental payments plus any amount KU must pay at the end of the lease to reacquire title) will be set at between $2.7 million and $3.9 million less than the Transaction Price.

Applicant indicates that Generally Accepted Accounting Principles allow for the proposed transaction to be recorded as a sale of an intangible tax asset. KU will receive the up-front payment from the Lessor of between $2.7 million and $3.9 million for engaging in the proposed transaction. Applicant states that this payment represents the monetization of the tax benefits available to the Lessor in its home country. Because the lease will be defeased, KU will receive the up-front payment without any continuing obligations for future payments. LG&E Energy will assume any contingent obligations. KU states that whether the ultimate lessor is a resident of Germany or Sweden the net result of the proposed transaction will be substantially the same.

Applicant contends that the proposed transaction will have no direct affect on KU's customers and no direct or indirect affect on the quality of service or on KU's ability to satisfy customer demand. It notes that engaging in the proposed transaction will benefit all customers because it will reduce future financing needs and increase the financial strength of KU. KU further states that the proposed transaction will not affect KU's ability to unbundle functionally as required under Chapter 23 of Title 56 of the Code of Virginia.

Applicant further contends that it is not exposing itself to greater business risk as a result of the proposed transaction in large part because of defeasing certain outstanding liabilities. Upon execution of the lease, KU will defease its obligation to pay both scheduled rent payments and contingent liabilities under the lease. Specifically, KU will defease its obligations with respect to rent payments, option price, and any termination payment to an affiliate of the Lessor or of the Lessor's lender.

KU will defease any contingent obligations to its parent, LG&E Energy. In consideration for LG&E Energy assuming responsibility for contingent liabilities, KU will pay a fee to LG&E Energy equal to 0.21% of the present value of the assumed obligations. Applicant anticipates that this fee will not exceed $186,000. KU states that this payment will be made in accordance with Section 4.4 of its Services Agreement approved by the Commission in Case No PUA970048.

KU is secondarily responsible or liable with respect to contingent obligations, but the Lessor could only look to KU if LG&E Energy failed to make that payment. LG&E Energy has an implied rating from S&P of "A". Applicant states that because of the high credit quality of LG&E Energy the risk that KU would be required to make a payment as a result of the occurrence of a remote contingency is *de minimis*.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. The Commission is aware that approval of the transfer of the interest in the CTs from LG&E Energy to KU pursuant to Chapter 4 of Title 56 is pending in a separate docket. Approval of the application in this proceeding does not represent an approval of the currently pending Chapter 4 application. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to execute a lease of its 62% interest in the two 164 MW CTs at the E.W. Brown Generating Station in Mercer County, Kentucky, pursuant to a cross-border sale and leaseback transaction, under the terms and conditions and for the purposes set forth in the application.

2) On or before January 31, 2000, Applicant shall file a Report of Action regarding any action taken pursuant to the authority granted herein. Such report shall include the accounting entries reflecting the transaction with actual amounts, copies of all executed agreements or contracts related to the transaction, and other significant details of the transaction to include the Transaction Price, the net payment to KU, the fee paid to LG&E Energy for assuming contingent liabilities, and the findings of the Kentucky Revenue Cabinet.

(3) Approval of this application shall have no implications for ratemaking purposes.

4) This matter shall be continued generally subject to the continuing review and appropriate directive of this Commission.

CASE NO. PUF990029
OCTOBER 26, 1999

APPLICATION OF
BARC ELECTRIC COOPERATIVE

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On October 5, 1999, BARC Electric Cooperative ("Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to incur long-term indebtedness from the Federal Financing Bank ("FFB") in the amount of $2,072,000. Applicant has paid the requisite fee of $25.

Applicant requests authority to borrow $2,072,000, representing loan proceeds to fund the second part of a three-year work plan originally approved by the Rural Utilities Services ("RUS") in 1996. Applicant received authority to borrow the first part of the loan in Case No. PUF970014 and borrowed $3,728,000 in a combination loan from RUS and the National Rural Utilities Cooperative Finance Corporation ("CFC"). Applicant represents that the length of time required to obtain financing from the RUS for the second part of the work plan is unacceptable and wishes to obtain a RUS guaranteed loan from FFB.

The FFB loan will have a 35-year maturity. The interest rate on the FFB loan will be based on the yield on the comparable maturity U.S. Treasury security plus 0.125%. Applicant requests authority to determine both the interest rate and interest rate term at the time of the first advance.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to borrow up to $2,072,000 from the Federal Financing Bank, under the terms and conditions and for the purposes set forth in the application.

2) Within thirty (30) days of the date of the first advance of funds from the FFB, Applicant shall file with the Commission's Division of Economics and Finance a Report of Action which shall include the amount of the advance, the interest rate selected, and the interest rate term.

3) Approval of this application shall have no implications for ratemaking purposes.

4) There being nothing further to be done, this matter is hereby dismissed.

CASE NO. PUF990030
NOVEMBER 16, 1999

APPLICATION OF
A&N ELECTRIC COOPERATIVE

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On October 20, 1999, A&N Electric Cooperative ("Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to incur long-term indebtedness from the Federal Financing Bank ("FFB"). On October 26, 1999, Applicant paid the requisite fee of $25.

Applicant requests authority to borrow up to $3,042,000, from FFB representing loan proceeds to fund the second part of a $6,000,000 loan originally approved ("Original Loan") by the Commision in an order dated July 31, 1997, in Case No. PUF970018. Applicant states it has already drawn down $2,958,000 of the Original Loan, borrowing $2,071,000 from the Rural Utilities Service ("RUS") and borrowing $887,000 from the National Rural Electric Cooperative Finance Corporation ("CFC"). Applicant represents that the length of time required to obtain financing from the RUS for the second part of the Original Loan under the terms approved in Case No. PUF970018 is unacceptable. Applicant requests authority to borrow the remaining loan funds of $3,042,000 from a different source with slightly different terms and conditions.

Applicant wishes to obtain a loan from FFB guaranteed by the RUS. The FFB loan will have a 35-year maturity. The interest rate on the FFB loan will be based on the yield of a comparable maturity U.S. Treasury security plus 0.125%. The term of the interest rate can vary between one and thirty years. Applicant requests authority to determine the term of interest rate at the time of each advance from FFB.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to borrow up to $3,042,000 in long-term debt from the Federal Financing Bank, under the terms and conditions and for the purposes set forth in the application.

2) Within thirty (30) days of the date of the first advance of funds from the FFB, Applicant shall file with the Commission's Division of Economics and Finance a Report of Action which shall include the amount of the advance, the interest rate selected, and the interest rate term.

3) Approval of this application shall have no implications for ratemaking purposes.

4) There being nothing further to be done, this matter is hereby dismissed.

CASE NO. PUF990031
NOVEMBER 15, 1999

APPLICATION OF
CENTRAL VIRGINIA ELECTRIC COOPERATIVE

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On October 26, 1999, Central Virginia Electric Cooperative ("CVEC" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to incur long-term indebtedness from the Federal Financing Bank ("FFB") loan fund. Applicant has paid the requisite fee of $25.

CVEC requests authority to borrow $10,800,000 through an FFB loan over the next two years. Applicant states that the proceeds from the loan will be used to finance distribution and transmission plant construction within CVEC's service territory. Applicant further indicates that the loan will have a maturity of 35 years and will carry an interest rate based on a comparable maturity U.S. Treasury security plus 1/8 percent.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) CVEC is hereby authorized to borrow up to $10,800,000 from the FFB loan fund, under the terms and conditions and for the purposes set forth in the application.

2) Within thirty (30) days of the date of any advance of funds from the FFB, Applicant shall file with the Commission's Division of Economics and Finance a Report of Action that shall include the amount of the advance and the interest rate.

3) Approval of this application shall have no implications for ratemaking purposes.

4) There being nothing further to be done, this matter is hereby dismissed.

CASE NO. PUF990032
DECEMBER 15, 1999

APPLICATION OF
DELMARVA POWER AND LIGHT COMPANY

For authority to borrow up to $275 million in short-term indebtedness through a system money pool

ORDER GRANTING AUTHORITY

On November 12, 1999, Delmarva Power and Light Company ("Delmarva", or "Applicant") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia requesting authority to incur short-term indebtedness through a money pool agreement with its parent, Conectiv ("Conectiv Money Pool"). The amount of short-term debt proposed in this application is in excess of twelve percent of total capitalization as defined in § 56-65.1 of the Code of Virginia. Applicant has paid the requisite fee of $250.

Applicant proposes to borrow short-term debt up to $275,000,000 through December 31, 2002. Applicant requests authority to borrow through Conectiv's Money Pool currently being operated by Conectiv Resource Partners Inc., also a wholly owned subsidiary of Conectiv. The proposed short-term indebtedness will be in the form of demand notes to the Conectiv Money Pool. Conectiv will issue commercial paper on behalf of the Conectiv Money Pool, and Conectiv Resource Partners Inc. will provide cash management services on behalf of Applicant and several other Conectiv subsidiaries. Applicant states that such affiliate borrowings were originally authorized in Case No. PUA970040 by Commission order dated June 18, 1998. Interest rates will vary depending on market conditions.

Applicant states that the short-term borrowings will be used for interim or bridge financings to meet long-term capital requirements, as well as other proper corporate purposes.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. However, we find that the authority granted herein should be limited to a period of one year, or a lesser time as detailed below.

We are aware that on November 17, 1999, Conectiv filed Form U-1/A Post-Effective Amendment No. 8 in File No. 70-9095 with the Securities and Exchange Commission ("SEC") requesting changes to the Conectiv Money Pool being approved herein. These changes could have a material impact on the terms and conditions currently contained in the Conectiv Money Pool. Therefore, we are of the further opinion and find that Delmarva should file an application seeking authority to continue participation in the Conectiv Money Pool within 30 days of an entry of an order by the SEC in File No. 70-9095 if the SEC approves any changes to the Conectiv Money Pool. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to incur total short-term indebtedness through the Conectiv Money Pool in excess of twelve percent of total capitalization in an aggregate amount not to exceed $275,000,000 at any one time from January 1, 2000, through December 31, 2000, for the purposes and under the terms and conditions set forth in the application.

2) Applicant shall file an application with this Commission for continued participation in the Conectiv Money Pool within 30 days of an entry of a final order in File No. 70-9095 if the SEC approves any changes to the Conectiv Money Pool.

3) Approval of this application does not preclude the Commission from applying the provision of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

4) The Commission reserves the right pursuant to § 56-79 of the Code of Virginia 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.

5) Approval of this application shall have no implications for ratemaking purposes.

6) Applicant shall file semi-annual reports of action on or before August 30, 2000, and March 1, 2001, for the preceding semi-annual period to include:

a) a daily schedule of Conectiv Money Pool transactions, segmented by participant to include: the Conectiv Money Pool interest rate for each transaction, the comparable external borrowing or lending rate for each transaction, each type of allocated fee, and an explanation of how both the Conectiv Money Pool interest rate and any allocated fees have been calculated;

b) a daily schedule of the participating companies' borrowings (balances and rates) through any short-term debt instrument other than the Conectiv Money Pool; and

c) the maximum amount of Delmarva's short-term debt outstanding at any one time during each month during the semi-annual period.

7) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF990033
DECEMBER 9, 1999

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to issue Extendible Commercial Notes

ORDER GRANTING AUTHORITY

On November 18, 1999, Virginia Electric and Power Company ("Virginia Power" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to incur long-term indebtedness in the form of Extendible Commercial Notes ("ECNs"). Applicant has paid the requisite fee of $250.

Virginia Power requests authority to issue and sell up to $200,000,000 in senior unsecured notes designated as ECNs. The ECNs will be issued in denominations of $250,000 and integral multiples of $1,000 in excess of $250,000. Each ECN will have a set maturity of 390 days and an initial redemption date set at not more than 90 days from the date of issuance. Each ECN will be sold at a discount rate based on market conditions at the time of the sale. If the Company does not redeem the ECN at the initial redemption date, it will accrue interest during the extended period at a pre-determined spread over the London Interbank Offering Rate (LIBOR). Each ECN would be redeemable at any time during the extended period upon written notice.

Applicant states that the proceeds from the issuance will be used for general corporate purposes, including meeting a portion of working capital requirements.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. However, the authority should be granted for a limited period of time, through December 31, 2001. Accordingly,

IT IS ORDERED THAT:

1) Virginia Power is hereby authorized to issue and sell up to $200,000,000 in senior unsecured notes designated as ECNs through December 31, 2001, under the terms and conditions and for the purposes set forth in the application.

2) Applicant shall promptly file with the Commission a copy of the executed Dealer Agreement(s), Calculation Agent Agreement, and Issuing and Paying Agency Agreement.

3) On or before January 31, 2001, and January 31, 2002, Applicant shall file a report of action for the ECN program for the previous calendar year. Such report shall contain, for each month, the monthly average outstanding balance of ECNs, the monthly average discount rate and interest rate beyond the initial redemption date, and Applicant's comparable commercial paper rate.

4) The authority granted herein shall have no implications for ratemaking purposes.

5) This matter shall be continued subject to the continuing review, audit and directive of the Commission.

CASE NO. PUF990034
DECEMBER 15, 1999

APPLICATION OF
ATMOS ENERGY CORPORATION

For authority to incur short-term indebtedness

ORDER GRANTING AUTHORITY

On November 18, 1999, Atmos Energy Corporation ("Atmos" or "Applicant") filed an application under Chapters 3 of Title 56 of the Code of Virginia requesting authority to incur short-term indebtedness, not to exceed an aggregate maximum of $300,000,000 at any time during the calendar year 2000. The amount of short-term debt proposed in this application is in excess of twelve percent of capitalization as defined in Code § 56-65.1. By letter dated December 1, 1999, Atmos amended its application to further request Chapter 4 authority to lend and/or to borrow short-term debt between Atmos and its affiliates up to a maximum outstanding balance of $30,000,000 during the calendar year 2000, all within the aggregate short-term debt limit of $300,000,000. Applicant has paid the requisite fee of $250.

Atmos proposes to borrow the short-term funds my making draw-downs under existing credit facilities or through the use of its commercial paper program. Under the credit facilities, the interest rate may be either negotiated at the time of draw-down or based on the then-prevailing LIBOR rate. Under the commercial paper program, the interest rate is set daily based upon market conditions.

The interest rate on the proposed affiliate transactions will be based on the lender's borrowing rate plus a mark-up; in no case, will the rate be less than the cost of those funds to the lending company.

Applicant states that the funds will be used to provide working capital and for the extension, improvement, construction, and/or acquisition of facilities until financial market conditions are appropriate for entering into long-term financing arrangements.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue short-term debt in excess of twelve percent of capitalization in an aggregate amount not to exceed $300,000,000 at any one time for the calendar year ended December 31, 2000, under the terms and conditions and for the purposes set forth in the application.

2) Applicant is hereby authorized to lend and borrow short-term debt between it and its subsidiaries up to an aggregate amount of $30,000,000 for the calendar year ended December 31, 2000, under the terms and conditions and for the purposes set forth in the application.

3) Applicant shall file within 60 days of the end of each calendar quarter commencing on May 30, 2000, a report regarding short-term debt financing to include the date, amount, interest rate of each draw-down, interest coverage ratios calculated in accordance with Applicant's indenture agreement, the use of the proceeds, the average monthly balances, the monthly maximum amount outstanding, the associated costs, and a balance sheet reflecting actions taken as well as a report describing the source, amount, date, interest rate, and the schedule of repayment for each affiliate loan/borrowing.

4) The authority granted herein shall not preclude the Commission for applying the provisions of § 56-78 and § 56-80 of the Code of Virginia hereafter.

5) The Commission reserves the right pursuant to § 56-79 of the Code of Virginia to examine the books and records of any affiliate in connection with the authority granted herein, whether or not such affiliate is regulated by this Commission.

6) The authority granted herein shall have no implications for ratemaking purposes.

7) This matter shall remain under the continued review, audit and appropriate directive of the Commission.

CASE NO. PUF990035
DECEMBER 17, 1999

APPLICATION OF
APPALACHIAN POWER COMPANY

For authority to issue debt securities

ORDER GRANTING AUTHORITY

On November 23, 1999, Appalachian Power Company ("APCO" or "Applicant") filed an application for authority under Chapter 3 of Title 56 of the Code of Virginia to issue and sell long-term indebtedness through December 31, 2000. In addition, APCO requests authority to utilize interest rate risk management techniques by entering into certain interest rate hedging arrangements ("Treasury Hedge Agreements"). Applicant paid the requisite fee of $250.

Applicant requests authority to issue up to a maximum aggregate amount of $400,000,000 of secured or unsecured promissory notes, in the form of either first mortgage bonds, senior or subordinated debentures, including junior subordinated debentures, or other unsecured promissory notes ("Taxable Debt"). Applicant further proposes to issue up $27,500,000 of pollution control revenue bonds ("Tax-Exempt Debt", collectively, "Debt Securities"). Proceeds from issuances of the Debt Securities will be used to reimburse APCO's treasury for expenditures in connection with its construction program, to redeem outstanding securities prior to maturity, and for other proper corporate purposes. Applicant requests authority to refinance certain higher cost outstanding debt if market conditions are favorable. Applicant states that refinancing outstanding securities prior to maturity will only occur if interest savings will be realized. The Company is currently authorized to issue long-term debt for similar purposes in Case No. PUF980032 through December 31, 1999.

Depending on capital market conditions at the time of issuance, Applicant proposes to issue the Debt Securities via competitive bidding, negotiated sale with underwriters or agents, or direct placement with a commercial bank or other institutional investor. The Debt Securities will be issued with maturities between nine months and fifty years. Applicant also states that the effective cost on any of the Debt Securities issued will not exceed 300 basis points above the comparable maturity U.S. Treasury securities at the time of issuance, excluding issuance costs.

In conjunction with the issuance of the proposed Debt Securities, Applicant requests authority to enter into one or more interest rate risk management agreements to hedge the interest rates on the proposed financings. Proposed Treasury Hedge Agreements could include, but are not limited to, a treasury lock agreement, treasury put option, or interest rate collar agreement to protect against future interest rate movements in connection with the issuance on the Debt Securities. Each Treasury Hedge Agreement will correspond to one or more issuances of Debt Securities issued pursuant to this application. Accordingly, the aggregate corresponding principal amounts of all Treasury Hedge Agreements cannot exceed $427,500,000. The term of any Treasury Hedge Agreement cannot exceed 90 days.

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. We will approve the application subject to the terms and conditions detailed herein. The Treasury Hedge Agreements proposed by Applicant are approved only as part of the issuance of Debt Securities in this proceeding. Such approval shall not, however, be deemed a general grant of authority to enter into interest rate swaps, caps, collars, treasury locks, or similar interest rate risk management techniques with banks or other financial institutions.[1] Accordingly,

IT IS ORDERED THAT:

1) Applicant is authorized to issue and sell Taxable Debt securities up to an aggregate maximum amount of $400,000,000, from the period January 1, 2000, through December 31, 2000, all in a manner, under the terms and conditions, and for the purposes as set forth in the application, provided that any securities issued to refund outstanding debt prior to maturity result in cost savings to Applicant.

2) Applicant is authorized to issue and sell Tax-Exempt Debt securities up to an aggregate maximum amount of $27,500,000, from January 1, 2000, through December 31, 2000, 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.

3) 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 prospectus filed with the SEC, and a list describing any other filings, contracts, or agreements in conjunction with the issuance, including a detailed description of any affiliation, direct or indirect, through directors, stockholders, or ownership of securities between Applicant and the agent.

4) 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, coupon interest rate, and yield on the comparable maturity US Treasury security.

5) Within sixty (60) days after the end of each calendar quarter in which any Debt 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, coupon interest 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);

[1] We note that we held, in Case No. PUF970019, that interest swap agreements come within the purview of Chapter 3 of Title 56 of the Code of Virginia and, as such, require prior approval from the Commission.

(c) the cumulative principal amount issued under the authority granted herein;

(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, 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; and

(e) a balance sheet as of the respective quarter ended.

6) Approval of the application shall have no implications for ratemaking purposes.

7) Applicant shall file a final Report of Action on or before March 31, 2001, 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.

8) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF990036
DECEMBER 21, 1999

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On November 30, 1999, Virginia-American Water Company ("Virginia-American" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue long-term debt. Applicant has paid the requisite fee of $250.

Virginia-American proposes to issue and sell $2.3 million in general mortgage bonds through a private placement to Mutual of Omaha, an institutional investor. Applicant estimates that the bonds will be issued on February 15, 2000, with a maturity of February 1, 2030. The bonds will bear interest at a fixed rate of 7.92% per year, payable semi-annually. The proceeds from the bonds, net of the cost of issuance, will be used to pay sinking funds for 2000, to construct additional utility plant, and to fund the acquisition of United Water Virginia.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Virginia-American is hereby authorized to issue and sell $2.3 million in general mortgage bonds, under the terms and conditions and for the purposes set forth in the application.

2) On or before March 31, 2000, Applicant shall file a report of action regarding the issuance of the general mortgage bonds. Such report shall contain the issuance date, the amount issued, the coupon rate, date of maturity, net proceeds to Applicant, an itemized list of all expenses to date associated with the issuance, and a balance sheet reflecting the actions taken.

3) The authority granted herein shall have no implications for ratemaking purposes.

4) This matter shall be continued subject to the continuing review, audit, and directive of the Commission.

CASE NO. PUF990037
DECEMBER 27, 1999

APPLICATION OF
SOUTHSIDE ELECTRIC COOPERATIVE

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On December 2, 1999, Southside Electric Cooperative ("Southside" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to incur long-term indebtedness from the Federal Financing Bank ("FFB") loan fund. On December 14, 1999, Applicant paid the requisite fee of $25.

By Commission Order dated February 19, 1999, in Case No. PUF980002, Southside was given authority to borrow up to $17,045,000 from the Rural Utilities Service ("RUS") and to borrow up to $7,305,000 from the National Rural Utilities Cooperative Finance Corporation ("CFC"). In that Order, the case was dismissed, and Southside was ordered to file Reports of Action directly with the Commission's Division of Economics and Finance. Pursuant

to its Reports of Action, the Cooperative has borrowed $11,970,000 from RUS and $5,130,000 from CFC, leaving $7,250,000 remaining under the authority granted in Case No. PUF980002.

Due to cutbacks and delays related to the RUS municipal rate loan program, Southside requests authority to borrow the remaining $7,250,000 through the FFB loan fund rather than RUS and CFC. The proceeds from the loan will be used to reduce Southside's short-term line of credit and to replenish its operating funds. Applicant plans to make draws from the FFB loan over the next three years. Applicant indicates that the loan will have a final maturity of 35 years, with an optional interim maturity. The loan will carry an interest rate based on a comparable maturity U.S. Treasury security plus a 0.125% fee.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Southside is hereby authorized to borrow up to $7,250,000 from the FFB loan fund, under the terms and conditions and for the purposes set forth in the application.

2) Within thirty (30) days of the date of any advance of funds from the FFB, Applicant shall file with the Commission's Division of Economics and Finance a Report of Action that shall include the amount of the advance, the chosen maturity, and the interest rate.

3) Approval of this application shall have no implications for ratemaking purposes.

4) There being nothing further to be done, this matter is hereby dismissed.

DIVISION OF SECURITIES AND RETAIL FRANCHISING

CASE NO. SEC980044
MAY 20, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
PARAMOUNT COMMUNICATIONS & COMPANY, INC.,
PARAMOUNT PAYPHONE SOUTHERN LLC,
PARAMOUNT PAYPHONE EASTERN LLC
PARAMOUNT PAYPHONE LLC
PARAMOUNT PAYPHONE SELECT LLC IV,
EDWARD MCCABE,
CHARLES SCHOOLCRAFT,
JAMES O. BAXTER, JR.,
and
ROBERT HAWKINS,
Defendants

FINAL ORDER

ON ANOTHER DAY the Commission ordered that a hearing on the Rule to Show Cause, issued against the Defendants, be held before a Hearing Examiner to receive evidence on the violations alleged.

The hearing was convened on October 15, 1998, with evidence being taken on that day. Defendants Schoolcraft and Baxter appeared pro se. No other Defendant filed any written response to the Rule or made an appearance, although all defendants were served with the Rule in accordance with law. The Division of Securities and Retail Franchising ("Division") was represented by staff counsel. After the Division presented its case, Defendant Baxter requested and was granted a continuance to subpoena witnesses. The hearing resumed on January 26, 1999, at which time the participating Defendants presented their cases.

On March 19, 1999, the Hearing Examiner filed his report. The Division filed Comments to the Report on the 14th day of April 1999. No other party filed Comments. After considering the evidence presented the Hearing Examiner found:

1. That the evidence presented establishes that the memberships in the Limited Liability Companies sold by the Defendants are securities which meet the standard articulated in Securities and Exchange Commission v. W. J. Howey Co., et al., 328 U.S. 293, 66 S. Ct. 1100 (1946);

2. That the evidence presented establishes that the Defendant, Robert Hawkins, sold a security to John Dunn by making omissions of material facts in violation of § 13.1-502(2) of the Code of Virginia;

3. That the evidence presented establishes that the Defendant, James O. Baxter, Jr. on two occasions, sold a security to Gloria Logan by making material omissions of fact in violation of § 13.1-502(2) of the Code of Virginia;

4. That the evidence presented establishes that the Defendant Charles Schoolcraft sold a security to Otis Lee by making omissions of material fact in violation of § 13.1-502(2) of the Code of Virginia;

5. That, pursuant to § 13.1-518 of the Code of Virginia, the Defendants Robert Hawkins, James O. Baxter, Jr. and Charles Schoolcraft should be held jointly and severally liable for the costs of the Division's investigation in this matter in the amount of $5,316;

6. That, pursuant to § 13.1-521 of the Code of Virginia, Defendant Hawkins should be penalized $5,000.00;

7. That, pursuant to § 13.1-521 of the Code of Virginia, Defendant Schoolcraft should be penalized $5,000.00;

8. That, pursuant to § 13.1-521 of the Code of Virginia, Defendant Baxter should be penalized $5,000.00 for each offense for a total of $10,000;

9. That, pursuant to § 13.1-519 of the Code of Virginia, Defendants Hawkins, Baxter and Schoolcraft should be permanently enjoined from committing such violations of law in the future; and

10. All other charges should be dismissed for lack of evidence.

Upon consideration of the Hearing Examiner's Report, the Comments thereto, the transcript of the hearing and the exhibits filed therewith, the Commission is of the opinion and so finds that the Hearing Examiner's Report, with the exception of the amount of the penalties imposed, should be adopted. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to § 13.1-518 of the Code of Virginia, the Defendants Robert Hawkins, James O. Baxter, Jr. and Charles Schoolcraft should be held jointly and severally liable for the costs of the Division's investigation in this matter in the amount of $5,316.

(2) Pursuant to § 13.1-521 of the Code of Virginia, Defendant Hawkins be, and he is hereby, penalized $1,000.00.

(3) Pursuant to § 13.1-521 of the Code of Virginia, Defendant Schoolcraft be, and he is hereby, penalized $1,000.00.

(4) Pursuant to § 13.1-521 of the Code of Virginia, Defendant Baxter be, and he is hereby, penalized $1,000.00 for each offense for a total of $2,000.00.

(5) Pursuant to § 13.1-519 of the Code of Virginia, Defendants Hawkins, Baxter, and Schoolcraft be, and they are hereby, enjoined from committing such violations of law in the future.

(6) All other alleged violations of law charged in the Rule to Show Cause be, and the same are hereby, dismissed.

(7) This case be removed from the Commission's docket of active cases.

CASE NO. SEC980046
FEBRUARY 18, 1999

S & Y CRAB, INC.,
Petitioner
v.
GIL YEON MAO,
Respondent

OPINION AND FINAL ORDER

On June 19, 1998, the Petitioner, S & Y Crab, Inc. filed a Petition with the Commission pursuant to § 59.1-86 (now § 59.1-92.10) of the Code of Virginia to cancel the service mark registration of Gil Yeon Mao, Respondent. By an order dated July 6, 1998, the Commission assigned the case to a Hearing Examiner and set the matter for hearing on October 15, 1998. The hearing was rescheduled to October 27, 1998. On that date the hearing was held and the parties presented evidence and argument. After considering this matter the Hearing Examiner issued his final report on December 8, 1998. The parties did not file comments to the report.

In his report the Hearing Examiner made the following findings:

1. That the evidence is insufficient to show that confusion or mistake occurs because of use of similar names for the restaurants; and

2. That more than five years elapsed between when Petitioner purchased his restaurant and the filing of the Petition allowing the Respondent to successfully plead the statute of limitations as provided in § 8.01-243B of the Code.

Based on these findings the Hearing Examiner recommended that the Commission should deny the Petition.

A review of the record shows that both the Petitioner and the Respondent operate restaurants in Northern Virginia, which use the name "Ernie's Original Crab House." From the evidence elicited at the hearing, it is apparent that the genesis for both restaurants was "Ernie's Original Crab House" located in Bladensburg, Maryland in the early 60's, which was operated by Ernie DelVecchio. Sometime prior to 1972 a former employee of Mr. DelVecchio, Joe Jarboe, and Mr. DelVecchio's nephew, opened a restaurant in Northern Virginia (Alexandria), also named "Ernie's Original Crab House." The Petitioner eventually purchased this restaurant.

At some latter date Mr. Jarboe sold the Alexandria restaurant and opened another Restaurant called "Ernie's Original Crab House" located in Fairfax, Virginia, some 13 to 15 miles distant. Mr. Jarboe sold this restaurant to the Respondent in 1985. The Petitioner did not purchase the Alexandria restaurant until 1993, there having been three or four intervening owners. Both restaurants were originally started by Mr. Jarboe and used the name "Ernie's Original Crab House." The record does not show that any of the owners abandoned the name. However, in 1993 it appears that the Petitioner constructed a new sign and, in so doing, ran afoul of the zoning ordinances of the City of Alexandria. The size limitations imposed by ordinance only allowed him to use the name "Ernie's." Use of the name "Ernie's Original Crab House" on menus and advertisements continued.

When the Respondent bought the business from Mr. Jarboe in 1985, he purchased the name "Ernie's Original Crab House" as part of the purchase agreement.[1] Within the year he had registered the name "Ernie's" with the Commission pursuant to the Virginia Trademark and Service Mark Act (Act). He renewed the registration in 1996. The records of the Commission indicate that the Respondent only registered the name "Ernie's" under the Act, but he did file a menu displaying "Ernie's Original Crab House" as a specimen with the application. The Petitioner registered "Ernie's Original Crab House" as a fictitious name with the Circuit Court of Alexandria, Virginia in 1993; no attempt was made to register that name with the Commission.

After reviewing the pleadings and evidence presented in this case the Commission is of the opinion that the record is insufficient to show that the Respondents registered service mark, "Ernie's," is subject to cancellation under § 59-86 (now § 59-92.10). First, the evidence indicates the dispute is over

[1] The same is true of the Petitioner, i.e., when he purchased the Alexandria location he also was sold the name in the purchase agreement from an intervening owner.

the name "Ernie's Original Crab House," not the registered service mark "Ernie's." Secondly, there is no showing that the use of the registered mark, "Ernie's", causes a substantial likelihood of confusion between the two restaurants.

In view of the above findings there is no need to address the Hearing Examiner's finding that the provisions of § 8.01-243 B would bar the Petition in this case. Therefore, the Commission specifically declines to rule on that issue.

IT IS THEREFORE ORDERED THAT:

(1) The Petition be, and the same is hereby, denied.

(2) This case is dismissed from the Commission's Docket of Active Proceedings.

CASE NOS. SEC980073, SEC980074, SEC980075, SEC980076, and SEC980077
MAY 21, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
B L B FINANCIAL, INC.,
BRIAN NOEL JOHANSON,
CECIL E. SMITH, JR.,
BRENT FOUCH,
and
JARON NUNEZ,
Defendants

FINAL ORDER

On November 24, 1998, the Commission entered an Order Accepting Offer of Settlement in the above cases. That order, among other things, imposed monetary penalties upon all defendants in these cases, but suspended such penalties and made the penalties subject to remission if defendant B L B Financial, Inc. offered and made restitution to Virginia purchasers of certain securities. As reported by the Staff in the companion case of Commonwealth ex rel. Commission v. The Highland Funding Group, Inc., Case No. SEC980080, evidence has been presented of substantial compliance with the restitution requirements. Accordingly,

IT IS ORDERED THAT:

(1) The monetary penalties previously imposed upon the defendants in these cases are remitted and vacated.

(2) All undertakings and provisions of a continuing nature set forth in the prior order remain in full force and effect.

(3) Entry of this order shall not effect any duty or obligation to disclose the existence or nature of this matter, or of any order entered herein.

(4) This case is dismissed.

(5) The papers herein shall be filed among the ended cases.

CASE NO. SEC990004
JANUARY 13, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
JOSEPH J. DREANO,
Defendant

ORDER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising has instituted an investigation of the Defendant, Joseph J. Dreano, pursuant to §13.1-518 of the Code of Virginia.

As a result of its investigation, the Division alleges that (i) Joseph J. Dreano violated §13.1-504 A of the Code of Virginia by transacting business as an unregistered agent of Nationwide Capital Corporation; and (ii) Dreano, in violation of §13.1-507 of the Code of Virginia, offered for sale and sold in the Commonwealth unregistered, non-exempt securities in the form of units of limited partnerships organized by Nationwide Capital Corporation. The Defendant neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Order of Settlement.

As a proposal to settle all matters arising from the allegations made against him, the Defendant has offered, and agreed to comply with, the following terms and undertakings:

(1) Joseph J. Dreano will be permanently enjoined from directly or indirectly violating §13.1-504 A, and §13.1-507 of the Code of Virginia.

(2) Joseph J. Dreano will submit to the Commission simultaneously with the entry of this Order, a copy of his bankruptcy discharge order, plus an affidavit stating that he is financially incapable of making restitution to investors or of paying a monetary penalty to the Commonwealth of Virginia.

The Division has recommended that the Defendant's offer be accepted pursuant to the authority granted to the Commission in §12.1-15 of the Code of Virginia.

NOW, THEREFORE, IT IS ORDERED:

(1) That, pursuant to the authority granted to the Commission in §12.1-15 of the Code of Virginia, the Defendant's offer of settlement is accepted;

(2) That, pursuant to §13.1-519 of the Code of Virginia, Joseph J. Dreano is permanently enjoined from violating §13.1-504 A and §13.1-507 of the Code of Virginia;

(3) That the aforementioned bankruptcy discharge order and affidavit submitted contemporaneously with the entry of this Order is accepted and made a part of the record in this case; and

(4) That this case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. SEC99008
FEBRUARY 18, 1999

APPLICATION OF
ELCA ENDOWMENT FUND POOLED TRUST

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated January 28, 1999, with exhibits attached thereto, of ELCA Endowment Fund Pooled Trust (the "Trust"), requesting that interests in an investment fund of the Trust, the ELCA Endowment Fund "A" (the "Fund"), be exempted from the securities registration requirements of the Securities Act (§ 13.1-501 et seq. of the Code of Virginia) and that certain individuals representing the Trust in effecting investments in 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 Trust was established by the Evangelical Lutheran Church in America ("ELCA"), a nonprofit Minnesota corporation, to allow for the collective long-term investment of funds belonging to the ELCA, its congregations, synods and seminaries, and other eligible affiliated entities; the Trust is organized and operated not for private profit but exclusively for religious and charitable purposes; the principal activity of the Trust is the operation of the Fund; and, investment interests in the Fund will be offered and sold by employees of ELCA who will not be compensated on the basis of the number or value of investments made by investors in this Commonwealth.

THE COMMISSION, based on the facts asserted by the Trust in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of § 13.1-514.1 B of the Code of Virginia, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and ELCA's employees who solicit on behalf of the Trust be, and they hereby are, exempted from the agent registration requirement of said Act.

CASE NO. SEC990011
JUNE 2, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
PETER J. PIZZINO,
Defendant

DISMISSAL ORDER

ON A FORMER DAY the Staff reported to the Commission that no reason exists for this case to remain in open status. Accordingly,

IT IS ORDERED THAT:

(1) This case is dismissed.

(2) The papers herein shall be placed among the ended causes.

(3) All provisions of a continuing nature contained in any order previously entered in this case remain in full force and effect.

CASE NO. SEC990012
MARCH 22, 1999

APPLICATION OF
CHURCH DEVELOPMENT 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 February 9, 1999, with exhibits attached thereto, as subsequently amended, of Church Development Fund, Inc. ("CDF") located at 1065 Pacificenter Drive, Suite 190, Anaheim, CA 92806, requesting that certain unsecured debt instruments be exempted from the securities registration requirements of the Securities Act (§ 13.1-501 et seq. of the Code of Virginia) pursuant to § 13.1-514.1 B of the Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: CDF is a California Religious Nonprofit Corporation operating not for private profit but exclusively for religious, educational and benevolent purposes; CDF intends to offer and sell unsecured debt instruments in an approximate aggregate amount of $155,000,000.00 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 registered agents of CDF; 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 CDF in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of § 13.1-514.1 B of the Code of Virginia, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act.

CASE NO. SEC990013
MARCH 15, 1999

APPLICATION OF
NATIONAL COVENANT PROPERTIES

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 26, 1999, with exhibits attached thereto, of National Covenant Properties ("NCP"), requesting that certain securities to be issued by NCP be exempted from the securities registration requirements of the Securities Act (§ 13.1-501 et seq. of the Code of Virginia) and that certain officers of NCP 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: NCP is a nonprofit corporation organized under the laws of the State of Illinois exclusively for religious purposes; NCP intends to offer and sell up to $18,000,000.00 in aggregate principal amount of 5-Year Fixed Rate Renewable Certificates (Series A), Variable Rate Certificates (Series G), and Individual Retirement Account Certificates (together, the "Certificates") on terms and conditions as more fully described in the Offering Circular filed as a part of the application; and, the Certificates will be offered and sold by officers of NCP 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 finds, and does hereby ADJUDGE AND ORDER that, pursuant to § 13.1-514.1 B of the Code of Virginia, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and the officers of NCP who offer and sell the Certificates be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NOS. SEC990018 and SEC990019
MARCH 30, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
GOLD ASSET MANAGEMENT, INC.
and
MARC LEWIS GOLD,
Defendants

JUDGMENT AND CONTINUANCE ORDER

The Commission's Division of Securities and Retail Franchising has instituted an investigation of the Defendants, Gold Asset Management, Inc. ("Company") and Marc Lewis Gold ("Gold"), pursuant to Virginia Code § 13.1-518.

As a result of its investigation, the Division alleges that (i) the Company transacted business in this Commonwealth as an unregistered investment advisor in violation of Virginia Code § 13.1-504A, (ii) Company employed Gold as an unregistered investment advisor representative in violation of

Virginia Code § 13.1-504C, (iii) Gold transacted business in this Commonwealth as an unregistered investment advisor representative for Company in violation of Virginia Code § 13.1-504A, (iv) Company and Gold made a misleading filing in the form of an ADV with the State Corporation Commission ("Commission") in violation of Virginia Code § 13.1-516, (v) Company failed to file a copy of an ADV with the Commission prior to providing advisory services in violation of Virginia Code § 13.1-521 and Rule 21 VAC 5-80-190 C, (vi) Company failed to keep a record of when and to whom prospective client disclosure documents were provided in violation of Virginia Code § 13.1-521 and Rule 21 VAC 5-80-160 A14, (vii) Company and Gold misrepresented the rate of advisory fees to be charged to clients in violation of Virginia Code § 13.1-521 and Rule 21 VAC 5-80-200 A8 and Rule 21 VAC 5-80-200 B8, (viii) Company and Gold charged unreasonable advisory fees in violation of Virginia Code § 13.1-521 and Rule 21 VAC 5-80-200 A 10 and Rule 21 VAC 5-80-200 B10, (ix) Company and Gold failed to enter into written contracts with clients in violation of Virginia Code § 13.1-521 and Rule 21 VAC 5-80-200 A16 and Rule 21 VAC 5-80-200 B16, (x) Company and Gold engaged in a practice or course of business which operated as a fraud upon clients by concealing the basis for fees charged and billing fees to third parties in violation of Virginia Code § 13.1-503A2, and (xi) in the solicitation of advisory clients Company and Gold made untrue statements of material facts by providing clients with disclosure documents which contained such untrue statements in violation of Virginia Code § 13.1-503B. The Defendants neither admit nor deny these allegations, but admit the Commission's jurisdiction and authority to enter this Order Accepting Offer of Settlement.

As a proposal to settle all matters arising from the allegations made against them, the Defendants have offered, and agreed to comply with, the following terms and undertakings:

(1) Company and Gold agree to employ an independent certified public accountant (who is acceptable to the Commission) to audit Company's records in order to determine how much in fees (from January 1, 1995 through March 31, 1997) the Company has charged its clients in excess of the fee schedule described in the ADV that was submitted to the Commission in January 1997. Company and Gold will make restitution pursuant to §§ 13.1-521 and 13.1-522 of the Act, of the advisory fees (plus interest at six (6) percent per year) which were collected in excess of the fee schedule that was submitted to the Commission in January 1997. Once the accountant has determined how much and to whom Company overcharged fees, Company and Gold will submit a payment plan to, and for, the Commission's approval by May 1, 1999. Such plan will include quarterly repayments, the amount owed to each client and the amount to be paid to each client per quarter; with the understanding that Company and Gold will have repaid all excess overcharges plus interest to all persons who are due such repayments by May 1, 2001. The accountant will certify in writing to the Commission 15 days after the end of each calendar quarter whether or not Company and Gold have made all necessary restitution payments for the previous quarter;

(2) Company and Gold further agree to employ the same accountant for three consecutive years from the date of this order with the understanding that he will examine Company's records and Gold's records in order to determine whether or not Company (or other entity under Gold's control) would qualify, as to assets under management, as a federal covered advisor. Company and Gold will also employ and require the same accountant to submit a statement to the Commission at the end of each calendar quarter during the 3-year period certifying the amount of assets that Company and Gold have under management per specifications of the United States Securities and Exchange Commission;

(3) Company and Gold will employ the same accountant for the same three year period to examine Company's records and Gold's records in order to determine whether or not the Company (or other entity under Marc Lewis Gold's control) is charging all clients the proper fees based on the latest written fee agreements with the clients. Company and Gold will require that the accountant submit a statement to the Commission within 21 days after the end of each calendar quarter certifying whether or not the fees charged by Company are in excess of the amount calculated in accordance with the latest written fee agreements with the clients;

(4) Company and Gold agree that said obligation to make restitution of overcharged fees shall not be discharged in bankruptcy, in whole or in part. Company and Gold will attach no condition to making restitution other than that each reimbursed client accept said restitution if fully performed by Company and Gold, in satisfaction of his, her or their rights under § 13.1-522 of the Act; provided, that no client shall be required to give up any rights he, she or they may have against Company or Gold under other law or under any judgment. Company and Gold agree that, in the event that either Marc Lewis Gold or the Company fail to make any restitution payment to clients, the full amount of all restitution owed to the clients shall become immediately due and payable;

(5) Gold and Company agree to enter into a written agreement with each current and future client of the Company, containing such matters as are required by law;

(6) Gold and Company agree to furnish a copy of this Order to each and every client that Company has had since January 1, 1995 or has now, and shall disclose the fact and substance of this Order to future clients as required by applicable federal or state law or regulation;

(7) Company will not transact business as an investment advisor without being registered with the Commission unless it qualifies as a federal covered advisor;

(8) Gold will not transact business in or from Virginia as an investment advisor representative unless registered with the Commission;

(9) Neither Gold nor Company will provide investment advisory services except under a written investment advisory contract with each client;

(10) Company will keep a record of when and to whom all material disclosures are made;

(11) Company will employ only registered investment advisor representatives to the extent covered by statute;

(12) Company will only charge fees that are disclosed to the client in the current ADV;

(13) Neither Gold nor Company will violate any of the provisions of § 13.1-503 of the Act;

(14) Company and Gold will make appropriate filings with the Commission when the law requires it;

(15) Neither the Company nor Gold will make a misleading filing with the Commission;

(16) Pursuant to Virginia Code § 13.1-518A, Marc Lewis Gold and Company will jointly pay to the Commission five thousand nine hundred and eighty four dollars ($5,984) to defray the cost of investigation of this case and, pursuant to Virginia Code § 13.1-521 judgment will be entered against Gold and Company jointly and severally, in favor of the Commonwealth in the sum of one million six hundred and one thousand dollars ($1,601,000), 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 Company and Gold shall make the restitution payments undertaken in this Order. Should Company and Gold fail to make any such payment, then the full amount owed to the clients overcharged shall become immediately due and payable, and the full penalty and interest herein imposed shall become immediately due and payable; and

(17) It is recognized and understood that if the Defendants or either of them, fail to comply with any of the foregoing terms and undertakings, then the Commission reserves the right to take whatever action it deems appropriate, including, but not limited to, instituting a show cause proceeding under the Virginia Securities Act or other applicable statutes based on such failure to comply, on the allegations contained herein and/or such other allegations as are warranted, and the Defendants will not contest the exercise of the right reserved.

The Division has recommended that the Defendants' offer of settlement be accepted pursuant to the authority granted to the Commission in Virginia Code § 12.1-15.

NOW, THEREFORE, IT IS ADJUDGED AND ORDERED:

(1) That, pursuant to the authority granted to the Commission in Virginia Code § 12.1-15, the Defendants' offer of settlement is accepted;

(2) That the Defendants fully comply with the aforesaid terms and undertakings of the settlement;

(3) That, pursuant to Virginia Code § 13.1-518A, the sum of five thousand nine hundred and eighty four dollars ($5,984) tendered by the defendants to defray the cost of investigation is accepted; and, pursuant to Virginia Code § 13.1-521, the Commonwealth shall recover from Gold and Company, jointly and severally, the sum of one million six hundred and one thousand dollars ($1,601,000) as a penalty, with interest thereon at the rate of nine percent per year from the date of this order until paid; provided that enforcement of said penalty and interest shall be suspended while Gold and Company comply with the restitution requirements described herein, and said penalty and interest shall be vacated upon full compliance by Gold and Company with said restitution requirements. Should Gold and Company fail to make such restitution, then the full amount of such restitution and the penalty and interest imposed herein shall become immediately due and payable;

(4) 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; and

(5) That this case is continued generally on the docket.

CASE NO. SEC990020
JUNE 22, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, In Re Amendments to Securities Act Rules

ORDER ADOPTING AMENDED RULES

On May 4, 1999, the Division of Securities and Retail Franchising ("Division") mailed notice of proposed amendments to the Commission's Securities Act Rules ("Rules") and forms to all issuer agents, broker dealers and investment advisors pending registration or registered under the Virginia Securities Act, § 13.1-501 et seq. of the Code of Virginia, and to other interested parties. Notice of the proposed amendments was also published in several newspapers in general circulation throughout Virginia, and in the "Virginia Register of Regulations" on May 10, 1999. The notices described the proposed amendments, and afforded interested parties an opportunity to file written comments or requests for a hearing.

Written comments were filed by the Securities Industry Association ("SIA"), the Investment Company Institute, American Express Financial Advisors, Inc., the Greater Richmond Chapter of the International Association for Financial Planning and DMR Investment Counsel. Only SIA requested a hearing. After considering the comments received, the Division modified the proposed amendments in various respects, and SIA withdrew its request for a hearing.

The Commission, upon consideration of the proposed amendments as modified, the written comments filed, the recommendations of the Division, and the record in this case, finds that the proposed modified amendments should be adopted. Accordingly,

IT IS ORDERED THAT:

(1) The evidences of mailing and publication of notice of the proposed Rules and forms amendments shall be filed in and made part of the record in this case.

(2) The proposed modified Rules and forms amendments are adopted effective July 1, 1999. A copy of the modified Rules and forms amendments is attached to and made part of this order.

(3) This matter is dismissed from the Commission's docket, and the papers herein shall be placed in the file for ended causes.

NOTE: A copy of Attachment A entitled "Securities Act 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. SEC990022
JUNE 22, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, In Re Amendments to Retail Franchising Act Rules

ORDER ADOPTING AMENDED RULES

On May 4, 1999, the Division of Securities and Retail Franchising ("Division") mailed notice of proposed amendments to the Commission's Retail Franchising Act Rules ("Rules") to all franchisors who had applications pending registration or registered under the Virginia Retail Franchise Act, § 13.1-557 et seq. of the Code of Virginia, and to other interested parties. Notice of the proposed amendments to the Rules was also published in several newspapers in general circulation throughout Virginia, and in the "Virginia Register of Regulations" on May 10, 1999. The notices described the proposed amendments, and afforded interested parties an opportunity to file written comments or requests for a hearing. No person filed any comments or request for hearing.

The Commission, upon consideration of the proposed amendments and the recommendations of the Division, finds that the proposed amendments should be adopted. Accordingly,

IT IS ORDERED THAT:

(1) The evidences of mailing and publication of notice of the proposed Rules amendments shall be filed in and made part of the record in this case.

(2) The proposed Rules amendments are adopted effective July 1, 1999. A copy of the Rules amendments is attached to and made part of this order.

(3) This matter is dismissed from the Commission's docket, and the papers herein shall be placed in the file for ended causes.

NOTE: A copy of Attachment A entitled "Franchise Act 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. SEC990024
APRIL 19, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SCHNEIDER SECURITIES, INC.,
Defendant

ORDER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising ("Division") has conducted an investigation of Defendant, Schneider Securities, Inc., pursuant to § 13.1-518 of the Code of Virginia. As a result of its investigation, the Division alleges that Defendant, a securities broker-dealer so registered under the Virginia Securities Act ("Act"), § 13.1-501 et seal. of the Code of Virginia, in violation of § 13.1-507 of the Act and through its agent, Edward Michael Powers, offered and sold unregistered securities issued by Advantage Marketing Systems and Telepartners, to one (1) Virginia resident in five (5) separate transactions.

As part of its investigation, the Division also learned the following relevant facts:

(1) That Advantage Marketing Systems and Telepartners were registered securities within the State of New York.

(2) That the Virginia resident referenced herein maintained an account with Defendant using a New York address and telephone number, and another account using a Virginia address and telephone number.

(3) That the transactions which are the subject of this Order of Settlement were executed in the account bearing the New York address.

Defendant neither admits nor denies the allegations set forth in paragraph one of this Order of Settlement, but admits the Commission's jurisdiction and authority to enter this Order. As a proposal to settle all matters arising from the allegations made against it, Defendant has proposed and agrees to comply with the following terms and undertakings:

(1) Defendant will refrain from any further conduct which constitutes a violation of the Act or the Rules promulgated thereunder.

(2) Defendant, pursuant to § 13.1-521 of the Act, will pay a penalty to the Commonwealth in the amount of five thousand dollars ($5,000.00).

(3) Defendant, pursuant to § 13.1-518 of the Act, will pay to the Commission the sum of one thousand three hundred forty-nine dollars ($1,349.00) as reimbursement for the costs of the Division's investigation.

(4) 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 Act or other applicable statute based on such failure to comply, on the allegations contained herein and/or on such 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 § 12.1-15 of the Code of Virginia.

NOW, THEREFORE, IT IS ORDERED:

(1) That, pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia, 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 § 13.1-521 of the Act, Defendant pay a penalty to the Commonwealth in the amount of five thousand dollars ($5,000.00) and the Commonwealth recover of and from Defendant said amount;

(4) That pursuant to § 13.1-518 of the Act, Defendant pay to the Commission the amount of one thousand three hundred forty-nine dollars ($1,349.00) for the cost of the Division's investigation;

(5) That proof of the sum of five thousand dollars ($5,000) was paid to the Commonwealth of Virginia and that the sum of one thousand three hundred forty-nine dollars ($1,349.00) tendered by Defendant contemporaneously with the entry of this Order is accepted; and

(6) That this matter is dismissed from the Commission's docket and the papers herein be placed in the file for ended causes.

CASE NO. SEC990025
JUNE 16, 1999

APPLICATION OF
AMERICAN GIFT FUND 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 3, 1999, with exhibits attached thereto, from American Gift Fund Pooled Income Fund ("PIF"), requesting that interests in PIF be exempted from the securities registration requirements of the Securities Act, § 13.1-501 et seq. of the Code of Virginia (the Act), and that certain individuals who solicit gifts for PIF 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: PIF was established by The American Gift Fund, a charity formed not for private profit but exclusively for charitable purposes; PIF is a pooled income fund within the meaning of Section 642 (c)(5) of the Internal Revenue Code of 1986; and, gifts to PIF will be solicited by its officers and employees who will not be compensated on the basis of the amount of gifts transferred to PIF.

THE COMMISSION, based on the facts asserted by PIF in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of § 13.1-514.1 B of the Act the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and American Gift Fund Pooled Income Fund's officers and employees who solicit on behalf of PIF be, and they hereby are, exempted from the agent registration requirement of said Act.

CASE NO. SEC990027
MAY 4, 1999

APPLICATION OF
VIRGINIA HIGHER EDUCATION TUITION TRUST FUND

For an official interpretation

OFFICIAL INTERPRETATION

THIS MATTER came before the Commission for consideration upon the letter-application, with exhibits, of the Virginia Higher Education Tuition Trust Fund ("Applicant" or "Fund") dated April 16, 1999, filed under § 13.1-525 of the Code of Virginia by its counsel, the Attorney General of Virginia. Payment of the statutory fee has been waived. Applicant has requested determinations that certain savings trust account agreements are exempt from the securities registration requirements of the Securities Act ("Act") § 13.1-501 et seq. of the Code of Virginia, pursuant to § 13.1-514 A 1 of the Act, and that its employees, officers and members of its Board are not investment advisors or investment advisor representatives in respect of their efforts on behalf of Applicant. The pertinent information contained in the application is summarized as follows:

Applicant was established by the Virginia General Assembly in 1994 as a special nonreverting fund, effective July 1, 1996, in the treasury of the Commonwealth. The statutes governing Applicant's creation and operation are codified at § 23-38.75 et seq. of the Code of Virginia. In the April 16, 1999, letter application, the Office of the Attorney General of Virginia opined that Applicant is an agency of the Commonwealth. The purpose of the Fund is to enhance the accessibility and affordability of higher education for the citizens of Virginia, initially through the sale of contracts for the prepayment of college tuition. See our official interpretation in Application of Virginia Higher Education Trust Fund, Case No. SEC960089 for a further description of these contracts. By legislation enacted in the 1999 Session of the General Assembly and signed by the Governor, effective July 1, 1999, the Fund may enter into savings trust account agreements with eligible persons ultimately resulting in distributions from the accounts to defray certain education-related expenses incurred by designated beneficiaries. The Applicant now seeks our interpretation of the securities registration, investment advisor registration and investment advisor representative registration provisions of the Act and our Rules as applicable to activities relating to creation and administration of these trust accounts.

The Commission, relying on the information provided by the Applicant and upon consideration of this matter, is of the opinion and finds that the Applicant is an agency or instrumentality of the Commonwealth of Virginia for purposes of § 13.1-514 A 1 of the Act and Rule 21 VAC 5-80-210 A 6 of the Commission's Securities Act Rules. No opinion is expressed on the question of whether any person or company must be registered as a broker-dealer or agent in order to solicit the sale of the trust accounts in Virginia. Accordingly,

IT IS ORDERED THAT:

(1) The trust accounts described above are exempt from the securities registration requirement of the Act pursuant to § 13.1-514 A 1 of the Act.

(2) The members of the Board, officers and employees of the Applicant are not investment advisors or investment advisor representatives as a result of their activities on behalf of the Applicant, provided their activities are restricted in accordance with Securities Act Rule 21 VAC 5-80-210 A 6.

CASE NO. SEC990029
DECEMBER 6, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
LYTLE EARL FOGLESONG,
Defendant

DISMISSAL ORDER

By Rule to Show Cause dated May 13, 1999, the Commission, among other things, assigned this case to a Hearing Examiner to conduct a hearing for the Commission. A hearing was held on July 8, 1999, after which the defendant was held in contempt of the Commission. The Hearing Examiner, however, deferred recommending penalties to afford the defendant an opportunity to produce subpoenaed documents. Thereafter, the Staff entered a nonsuit and moved that this case be dismissed without prejudice. The Hearing Examiner recommended to the Commission that said motion be granted. Upon consideration whereof,

IT IS ORDERED THAT:

(1) This case is dismissed without prejudice.

(2) The papers herein shall be placed among the ended cases.

CASE NOS. SEC990031 and SEC990032
MAY 19, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MAGIC CONCEPTS, INC.
and
STEVE SPILL,
Defendants

ORDER ACCEPTING OFFER OF SETTLEMENT

The Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of the Defendants, Magic Concepts, Inc. ("MCI"), and Steve Spill ("SPILL") pursuant to the Virginia Securities Act ("the Act"), § 13.1-501 et seq. of the Code of Virginia.

As a result of its investigation, the Division alleges that (i) SPILL transacted business in this Commonwealth as an unregistered agent in violation of § 13.1-504A of the Act, (ii) MCI employed unregistered agents in violation of §13.1-504B of the Act, (iii) MCI and SPILL offered and sold unregistered securities in the form of shares of common stock issued by MCI in violation of §13.1-507 of the Act. The Defendants neither admit nor deny these allegations, but admit the Commission's jurisdiction and authority to enter this Order Accepting Offer of Settlement.

As a proposal to settle all matters arising from the allegations made against them, the Defendants have offered, and agreed to comply with, the following terms and undertakings:

(A) Within thirty (30) days of the date of this Order Accepting Offer of Settlement, MCI will make, or cause to be made, a written offer of rescission to each Virginia investor. The rescission offer will include as a minimum 1) an explanation for the rescission offer pursuant to the terms of this order, 2) allow the investors thirty (30) days from date of receipt of the rescission offer to provide MCI written notification of their decision to accept or reject the offer, and 3) to pay the investors the full principal sum invested, together with an rate of interest thereon of at least six percent per annum compounded from date of investment till date of payment in full, less any return previously received, and to make all payments within ninety days (90) of receiving the investor's written notification of acceptance;

(B) In the event that the financial condition of MCI precludes their ability to make payment in full as specified above, MCI will provide the State Corporation Commission and each investor with 1) a copy of the companies financial statements for the last year and the most current quarter (to include quarterly updates until repayment in full is completed) certified by the President of MCI as to their correctness and including all footnotes and narrative explanation of the financial statements, and 2) provide each investor with a best effort repayment schedule which will include the largest monthly payments feasible within the company's financial capabilities;

(C) Evidence of compliance with the provisions of paragraph (A), above, will be filed with the Division by MCI within ninety (90) days from the date of this order; that such evidence will be in the form of an affidavit executed by the President of MCI containing the following information: (i) a statement affirming that a copy of this order and an offer of rescission was made to all Virginia investors, (ii) a copy of the acceptance letter received by MCI from each investor accepting the rescission offer, and (iii) the amount and date(s) of projected payments to each investor accepting the rescission offer, and description of the calculation of the sum to be remitted to each investor who accepts the rescission offer;

(D) MCI will employ, for purposes of offering or selling its securities in this Commonwealth, only agents who are registered under the Act, or exempt therefrom;

(E) SPILL will not, directly or indirectly, transact business in this Commonwealth as an agent unless so registered under the Virginia Securities Act, or exempt therefrom;

(F) That pursuant to § 13.1-521 of the Act, MCI will pay to the Commonwealth a penalty in the amount of five thousand dollars ($5000), and that pursuant to § 13.1-518 of the Act, MCI will pay to the Commission the sum of eight hundred dollars ($800) to defray the costs of the investigation; and

(G) That it is recognized and understood that if the Defendants fail to comply with any of the foregoing terms and undertakings, then the Commission reserves the right to take whatever action it deems appropriate, including, but not limited to, instituting a show cause proceeding under the Act or other applicable statutes based on such failure to comply, on the allegations contained herein and/or on such other allegations as are warranted and the Defendants will not contest the exercise of the right reserved.

The Division has recommended that the Defendants' offers of settlement be accepted pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia.

NOW, THEREFORE, IT IS ORDERED:

(1) That, pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia, the Defendants' offers of settlement are accepted;

(2) That the Defendants fully comply with the aforesaid terms and undertakings of the settlement;

(3) That, pursuant to § 13.1-521 of the Act, MCI pay to the Commonwealth the sum of five thousand five hundred dollars ($5000) and that, pursuant to § 13.1-518 of the Act, MCI pay to the Commission the sum of eight hundred dollars ($800) to defray the costs of the investigation, and that the Commonwealth and the Commission recover of and from the Defendants, said amounts;

(4) That a the sum of two thousand nine hundred dollars ($2,900) to be tendered by MCI contemporaneously with the entry of this order is accepted, and that the sum of two thousand nine hundred dollars ($2,900 be tendered by MCI within thirty days of the date of this order; 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 SEC990034
DECEMBER 15, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
OPTIONS INVESTMENT CO., INC., RICHARD J. KUDA,
and
JOHN FRASZ,
Defendants

JUDGMENT AND CONTINUANCE ORDER

By Rule to Show Cause dated May 18, 1999, 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 14, 1999 hearing, the Hearing Examiner issued her report setting forth her recommended findings of fact and conclusions of law. Upon consideration of the Report, filings, and the evidence received in this case, the Commission finds that:

(1) Responsive pleadings were filed for the defendants, but none of the defendants appeared at the hearing in person or by representative.

(2) Defendant Options Investment Co., Inc. (Options), was, at all relevant times, a corporation organized under the laws of the State of Illinois.

(3) Defendants Richard J. Kuda (Kuda) and John Frasz (Frasz) were, at all relevant times, employed as representatives of Options.

(4) On or about April, 1995, Kuda, acting on behalf of Options, solicited and offered investment advisory services to a Virginia resident named Raouf Roushdy (Roushdy) for compensation.

(5) As a result of the foregoing solicitation and offer, Roushdy entered into a contract with Options pursuant to which, for compensation, Options undertook to provide trading advice and investment management service relating to securities to Roushdy.

(6) Thereafter Frasz, on behalf of Options, traded securities for the account of, and using funds supplied by, Roushdy.

(7) In connection with the solicitation and offer of investment advisory services, the defendants represented that Options was a "Registered Advisory Service", but failed to disclose that Options was not registered under the Virginia Securities Act (Act), § 13.1-501 et seq. of the Code of Virginia.

(8) None of the defendants was registered in any capacity under the Act at any relevant time.

(9) These actions of the defendants constitute several violations of §§ 13.1-503 and 13.1-504 of the Act.

(10) The defendants should be penalized for their violations of law, permanently enjoined from the commission of like violations of law in the future, and ordered to pay the costs of the investigation of this case. Accordingly,

IT IS ORDERED THAT:

(1) The defendants shall, jointly and severally, pay the costs of investigation in this case in the sum of nine hundred dollars ($900), which sum the Commission shall recover from the defendants with interest at 9% per year until paid.

(2) The defendants are permanently enjoined from violation of the provisions of §§ 13.1-503 and 13.1-504 of the Act.

(3) Defendant Options is penalized, pursuant to § 13.1-521 of the Act, in the sum of one hundred forty thousand dollars ($140,000), which sum the Commonwealth shall recover from said defendant with interest at 9% per year until paid; provided that enforcement of one hundred thirty-nine thousand five hundred dollars ($139,500) of said penalty is suspended for a period of six months from the date of this order, and will be remitted or abated if within said six month period defendant Options complies with the provisions of ordering paragraph (6) of this order.

(4) Defendant Kuda is penalized, pursuant to § 13.1-521 of the Act, in the sum of twenty thousand dollars ($20,000), which sum the Commonwealth shall recover from said defendant with interest at 9% per year until paid; provided that enforcement of nineteen thousand five hundred dollars ($19,500) of said penalty is suspended for a period of six months from the date of this order, and will be remitted or abated if within said six month period defendant Kuda complies with the provisions of ordering paragraph (6) of this order.

(5) Defendant Fasz is penalized, pursuant to § 13.1-521 of the Act, in the sum of one hundred ten thousand dollars ($110,000), which sum the Commonwealth shall recover from said defendant with interest at 9% per year until paid; provided that enforcement of one hundred nine thousand five hundred dollars ($109,500) of said penalty is suspended for a period of six months from the date of this order, and will be remitted or abated if within said six month period defendant Frasz complies with the provisions of ordering paragraph (6) of this order.

(6) Within six months of the date of this order defendants shall (i) pay the costs of investigation assessed in ordering paragraph (1) of this order, (ii) pay the unsuspended portion of the penalty imposed upon each of them under ordering paragraphs (3), (4) and (5) of this order, and (iii) pay to Raouf Roushdy the sum of seven thousand four hundred ninety-eight dollars and thirty-two cents ($7,498.32) with interest at the rate of 6% per year from October 20, 1995 until paid.

(7) This case is continued pending further order of the Commission.

CASE NO. SEC990035
AUGUST 25, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ABBEY-ASHFORD SECURITIES, INC.
Defendant

FINAL ORDER AND JUDGMENT

By Rule to Show Cause dated June 4, 1999, the Commission, among other things, assigned this case to a Hearing Examiner to conduct further proceedings in this matter, including a hearing, on behalf of the Commission. At the conclusion of the hearing on July 12, 1999, the Hearing Examiner issued from the bench his Report setting forth his recommended findings of fact, conclusions of law, and sanctions. The Commission has been advised (i) that a copy of the Report was mailed to the Defendant on or about July 21, 1999, along with notice that it had fifteen (15) days from that date within which to file written comments upon the Report, and (ii) that no comments were filed within the allotted time, or subsequently submitted. Upon consideration of the Report and the evidence received in this case, the Commission is of the opinion and finds:

1. An attested copy of the aforesaid Rule to Show Cause was duly served upon the Defendant.

2. The Defendant acknowledged receipt of the Rule to Show Cause but did not appear in this matter and, therefore, is in default.

3. During 1997 and 1998, the Defendant, acting through two (2) of its agents, offered and sold certain securities in Virginia in several transactions with Virginia residents.

4. Neither of the agents was registered as an agent of the Defendant under the agent registration provisions of the Virginia Securities Act (the Act), § 13.1-501 et seq. of the Code of Virginia, at the time of five (5) security sales transactions.

5. The Defendant was not registered under the securities broker-dealer registration provisions of the Act at the time of two (2) security sales transactions.

6. The securities offered and sold in four (4) transactions were not registered under the securities registration provisions of the Act.

7. The evidence establishes that the Defendant committed eleven (11) violations of the Act, for which it should be sanctioned. Accordingly,

IT IS ORDERED THAT:

1. Pursuant to § 13.1-521 of the Act, the Defendant is penalized in the amount of thirty-three thousand dollars ($33,000), which sum the Commonwealth shall recover from the Defendant with interest at the rate of 9% per year until paid.

2. Pursuant to § 13.1-518 of the Act, the Defendant is assessed the amount of eight hundred dollars ($800) as costs of investigation, which sum the Commission shall recover from the Defendant with interest at the rate of 9% per year until paid.

3. Pursuant to § 13.1-519 of the Act, the Defendant is permanently enjoined from future violation of any provision of the Act.

4. This case is dismissed from the Commission's docket, and the papers herein shall be placed in the file for ended causes.

CASE NO. SEC990038
JUNE 24, 1999

APPLICATION OF
THE CANADA LIFE ASSURANCE COMPANY

For an official interpretation pursuant to § 13.1-525 of the Code of Virginia

OFFICIAL INTERPRETATION

THIS MATTER came on for consideration by the Commission upon the letter-application, with exhibits, of The Canada Life Assurance Company ("Applicant") dated April 16, 1999, filed under § 13.1-525 of the Securities Act, §§ 13.1-501 et seq. of the Code of Virginia ("the Act") 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 and agent registration requirements of the Act pursuant to § 13.1-514 B 15 of the Act. The pertinent information contained in the application is summarized as follows:

Applicant is a mutual life insurance company organized under the laws of Canada. Pursuant to a Conversion Proposal ("Conversion Proposal") governed in part by Canadian law, Applicant intends to convert from a mutual life insurance company to a stock life insurance company. All of the capital stock of the converted company will be owned by a newly-formed Canadian company ("Holding Company"). Under the Conversion Proposal, eligible policyholders of Applicant ultimately will receive either shares of common stock of the Holding Company or cash in exchange for their interest in the Applicant. The Conversion Proposal must be submitted to the Michigan Insurance Commissioner for approval, after notice and a public hearing, which administrative approval is subject to judicial review. If the Conversion Proposal is approved by the Michigan Insurance Commissioner, then the Conversion Proposal must be approved by not less than two-thirds of the votes cast by the voting policyholders of Applicant at a special meeting called for the purpose of voting on the Conversion Proposal.

Section 13.1-514 B 15 of the Act provides an exemption from the securities, broker-dealer and agent registration requirements of the Securities Act for "[a]ny transaction incident to a right of conversion or a statutory or judicially approved reclassification, recapitalization, reorganization, quasi-reorganization . . . merger . . . or exchange of securities[.]" This exemption recognizes that the benefits of registration under the Act are unnecessary in connection with a transaction that is controlled by a judicial proceeding or statute (e.g., the typical state corporate law) which affords adequate investor protection. The Conversion Proposal entails an element of judicial approval, or at least quasi-judicial oversight, as well as disclosure to the policyholders/ shareholders.

THE COMMISSION, upon consideration of this matter and in reliance upon the facts and representations contained in the application, is of the opinion and finds that the securities transactions involved in the proposed conversion are within the purview of § 13.1-514 B 15 of the Act; it is, therefore,

ORDERED that the proposed transactions described above be, and they hereby are, exempted from the securities and agent registration requirements of the Securities Act pursuant to § 13.1-514 B 15 of the Act. No opinion is expressed relating to the exemption from registration under Virginia law of the Initial Public Offering or private placement to be conducted in association with the demutualization.

CASE NO. SEC990039
JUNE 25, 1999

APPLICATION OF
SUN LIFE ASSURANCE COMPANY OF CANADA

For an official interpretation pursuant to § 13.1-525 of the Code of Virginia

OFFICIAL INTERPRETATION

THIS MATTER came on for consideration by the Commission upon the letter application, with exhibits, of Sun Life Assurance Company of Canada ("Applicant") dated April 16, 1999, filed under § 13.1-525 of the Securities Act, §§ 13.1-501 et seq. of the Code of Virginia ("the Act") 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 and agent registration requirements of the Act pursuant to § 13.1-514 B 15 of the Act. The pertinent information contained in the application is summarized as follows:

Applicant is a mutual life insurance company organized under the laws of Canada. Pursuant to a Conversion Plan ("Plan") governed in part by Canadian law, Applicant intends to convert from a mutual life insurance company to a stock life insurance company. All of the capital stock of the converted company will be owned by a newly-formed Canadian company ("Holding Company"). Under the Plan, eligible policyholders of Applicant ultimately will receive either shares of common stock of the Holding Company, cash or policy enhancements in exchange for their interest in the Applicant. The Plan must be submitted to the Michigan Insurance Commissioner for approval, after notice and a public hearing, which administrative approval is subject to judicial review, and be approved by Canada's Superintendent of Financial Institutions. If the Plan is so approved then the Plan must be approved by not less than two-thirds of the votes cast by the voting policyholders of Applicant at a special meeting called for the purpose of voting on the Plan.

Section 13.1-514 B 15 of the Act provides an exemption from the securities, broker-dealer and agent registration requirements of the Securities Act for "[a]ny transaction incident to a right of conversion or a statutory or judicially approved reclassification, recapitalization, reorganization, quasi-reorganization . . . merger . . . or exchange of securities[.]" This exemption recognizes that the benefits of registration under the Act are unnecessary in connection with a transaction that is controlled by a judicial proceeding or statute (e.g., the typical state corporate law) which affords adequate investor protection. The Plan entails an element of judicial approval, or at least quasi-judicial oversight, as well as disclosure to the policyholders/shareholders.

THE COMMISSION, upon consideration of this matter and in reliance upon the facts and representations contained in the application, is of the opinion and finds that the securities transactions involved in the proposed conversion are within the purview of § 13.1-514 B 15 of the Act; it is, therefore,

ORDERED that the proposed transactions described above be, and they hereby are, exempted from the securities and agent registration requirements of the Act pursuant to § 13.1-514 B 15 of the Act. No opinion is expressed relating to any exemption from registration under Virginia law of the Initial Public Offering to be conducted in association with the conversion.

CASE NO. SEC990051
NOVEMBER 29, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CHRISTOPHER KAZANA,
Defendant

DISMISSAL ORDER

By Rule To Show Cause dated September 3, 1999, the Commission, among other things, assigned this case to a Hearing Examiner to conduct a hearing for the Commission. Thereafter, the Hearing Examiner reported to the Commission that (1) the defendant was not served with the Rule To Show Cause; (2) the Staff has been unable to discover any current address at which the defendant may be served; and (3) counsel for the Staff has moved that this case be dismissed without prejudice. Upon consideration thereof,

IT IS ORDERED THAT:

(1) This case is dismissed without prejudice.

(2) The papers herein shall be placed among the ended cases.

CASE NO. SEC990052
OCTOBER 8, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BRANCH CABELL & CO., INC.,
Defendant

SETTLEMENT ORDER

The Commission's Division of Securities and Retail Franchising ("Division") has conducted an investigation of Defendant, Branch Cabell & Co., Inc., pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia.

As a result of its investigation, the Division alleges that Defendant, a broker-dealer so registered under the Act, has:

(A) In violation of § 13.1-507 of the Act, through its agent, Robert A. Mosby, offered and sold unregistered securities, to wit: shares of Q Med, Inc. common stock, from June 5, 1992 until April 27, 1995; and

(B) In violation of Commission Securities Act Rule 21 VAC 5-20-260 B, failed to exercise diligent supervision over the securities activities of its agents by allowing one of its agents to offer and sell unregistered securities in the Commonwealth.

Defendant neither admits nor denies the allegations, but admits the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters arising from the allegations made against it, Defendant has proposed and agrees to comply with the following terms and undertakings:

(1) Defendant will refrain from any conduct which constitutes a violation of the Act or the Rules promulgated thereunder.

(2) Defendant will file a written report with the Division by no later than ninety (90) days from the date of this Order setting forth the following:

(a) Procedures it has developed to ensure compliance with § 13.1-507 of the Act and Rule 21 VAC 5-20-260 B promulgated under the Act.

(b) Name(s) of the individual(s) overseeing compliance with the aforesaid statutes and rules.

(3) Defendant, pursuant to § 13.1-521 of the Act, will pay a penalty to the Commonwealth in the amount of fifty thousand dollars ($50,000.00).

(4) Defendant, pursuant to § 13.1-518 of the Act, will pay to the Commission the sum of three thousand one hundred sixty-four dollars ($3,164.00) as reimbursement for the costs of the Division's investigation.

(5) 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 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 § 12.1-15 of the Code of Virginia.

THEREFORE, IT IS ORDERED THAT:

(1) Pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia, Defendant's offer of settlement is accepted;

(2) Defendant shall fully comply with the aforesaid terms and undertakings of the settlement;

(3) Pursuant to § 13.1-521 of the Act, Defendant shall pay a penalty to the Commonwealth in the amount of fifty thousand dollars ($50,000) and the Commonwealth shall recover of and from Defendant said amount;

(4) Pursuant to § 13.1-518 of the Act, Defendant shall pay to the Commission the amount of three thousand one hundred sixty-four dollars ($3,164.00) for the cost of the Division's investigation;

(5) The sum of fifty-three thousand one hundred sixty-four dollars ($53,164.00) tendered by Defendant is accepted; and

(6) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding as described above, or taking such other action it deems appropriate, on account of Defendant's failure to comply with the terms and undertakings of the settlement.

CASE NO. SEC990053
SEPTEMBER 23, 1999

APPLICATION OF
THE METROPOLITAN COMMUNITY CHURCH OF WASHINGTON

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 1, 1999, with exhibits attached thereto, as subsequently amended, of The Metropolitan Community Church of Washington ("Metropolitan") located at 474 Ridge Street N.W., Washington, D.C. 20001, requesting that certain First Mortgage Bonds, Series 1999-B be exempted from the securities registration requirements of § 13.1-501 et seq. of the Code of Virginia ("Securities Act") pursuant to the Virginia Code § 13.1-514.1 B and that certain members of "Metropolitan" 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: "Metropolitan" is a District of Columbia Non-Profit Corporation operating exclusively for religious, educational and benevolent purposes; "Metropolitan" intends to offer and sell First Mortgage Bonds, Series 1999-B in an approximate aggregate amount of $700,000.00 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 "Metropolitan" who will not be compensated for their sales efforts; and said securities may also be offered by broker-dealers so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by "Metropolitan" in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to Virginia Code § 13.1-514.1 B, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and the members of the bonds sales committee be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC990059
NOVEMBER 10, 1999

APPLICATION OF
BOARD OF CHURCH EXTENSION AND HOME MISSIONS OF THE CHURCH OF GOD, INC.

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated July 19, 1999, with exhibits attached thereto, as subsequently amended, of the Board of Church Extension and Home Missions of the Church of God, Inc. (the "Board") requesting that certain securities be exempted from the securities registration requirements of the Securities Act (§ 13.1-501 et seq. of the Code of Virginia) and that members of the Board 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 Board is a not-for-profit Indiana corporation formed and operating exclusively for religious, educational, benevolent, and charitable purposes; the Board intends to offer and sell Investment Notes and Conditional Gifts in an approximate aggregate amount of $545,000 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 members of the Board who will not be compensated for their sales efforts.

THE COMMISSION, based on the facts asserted by the Board in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to § 13.1-514.1 B of the Code of Virginia, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and the members of the Board be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC990063
NOVEMBER 17, 1999

APPLICATION OF
JCM MANAGEMENT COMPANY

For an official interpretation under § 13.1-525 of the Code of Virginia

DISMISSAL ORDER

On July 8, 1999, the applicant, JCM Management Company, filed an application for an official interpretation, pursuant to § 13.1-525 of the Code of Virginia, and paid the required fee. The interpretation sought was that the applicant, based upon the representations contained in the application, was not an investment advisor subject to the registration requirements in the Virginia Securities Act, § 13.1-501 et seq. of the Code. Thereafter, the Division of Securities and Retail Franchising reported to the Commission that it is actively investigating the question of whether or not the applicant is subject to said registration requirements. The Commission concludes the issuance of the interpretation sought would be premature. Accordingly,

IT IS ORDERED THAT:

(1) This case is dismissed.

(2) The five hundred dollar ($500) application fee paid in this matter shall be refunded to the payor.

(3) The papers herein shall be placed among the ended cases.

CASE NO. SEC990064
NOVEMBER 18, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
THOMAS L. HAMILTON,
Defendant

SETTLEMENT ORDER

The Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of the Defendant, Thomas L. Hamilton ("Hamilton"), pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia.

As a result of its investigation, the Division alleges that (i) in violation of § 13.1-504A of the Act, Hamilton transacted business in this Commonwealth as an unregistered securities agent for ATM Capital Corporation and Sonora Investment Group, Inc., and (ii) in violation of § 13.1-507 of the Act, Hamilton offered for sale and sold in Virginia unregistered securities, to wit: promissory notes issued by ATM Capital Corporation and shares of preferred stock of Sonora Investment Group, Inc.

The Defendant, while not admitting these allegations, 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 and his past transactions in securities of ATM Capital Corporation or Sonora Investment Group, Inc. and for viatical settlement contracts for which the Division had express knowledge, the Defendant has offered, and agreed to comply with, the following terms and undertakings:

(A) Hamilton, for a period of five years from the date of this Order and after 30 days notice, agrees to provide documents requested by, and make statements under oath to, Division personnel relating to transactions involving any and all companies and individuals connected with all securities, as defined in the Act, offered, sold, or known about by him;

(B) Hamilton, for a period of five years from the date of this Order and after 30 days notice, agrees to provide evidence and testify under oath in proceedings before this Commission involving any and all companies and individuals connected with all securities, as defined in the Act, offered, sold or known about by him;

(C) Pursuant to § 13.1-521 of the Act, Hamilton will pay to the Commonwealth a penalty in the amount of fifty thousand dollars ($50,000) for those violations alleged above, but said penalty will be suspended pending Hamilton's performance of the above undertakings;

(D) Pursuant to § 13.1-518 of the Act, Hamilton will pay to the Commission the sum of one thousand five hundred dollars ($1,500) to defray the costs of the investigation;

(E) Hamilton will not, directly or indirectly, transact business in the Commonwealth as a securities agent unless in compliance with the Act;

(F) Hamilton will offer and sell in the Commonwealth, whether directly or indirectly, only securities that are in compliance with the Act; and

(G) 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 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 § 12.1-15 of the Code of Virginia. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia, the Defendant's offer of settlement is accepted;

(2) The Defendant shall fully comply with the aforesaid terms and undertakings of the settlement;

(3) Hamilton, pursuant to § 13.1-521 of the Act, is penalized in the amount of fifty thousand dollars ($50,000) and that the Commonwealth recover of and from him said sum, with interest thereon at the rate of nine percent (9%) per year until paid; provided that said penalty and interest are suspended upon the condition that Hamilton shall perform the undertakings listed under Items A and B listed above. If Hamilton fails to perform such undertakings, then the full penalty and interest thereon shall become immediately due and payable by Commission order;

(4) Hamilton, pursuant to § 13.1-518 of the Act, shall pay to the Commission the sum of one thousand five hundred dollars ($1,500) to defray the costs of investigation, and the Commission shall recover of and from Hamilton said amount;

(5) The sum total of one thousand five hundred dollars ($1,500) tendered by Hamilton contemporaneously with the entry of this Settlement Order is accepted; and

(6) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding as described above, or taking such other action it deems appropriate, on account of the Defendant's failure to comply with the terms and undertakings of the settlement.

CASE NO. SEC990065
NOVEMBER 18, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
LYTLE EARL FOGLESONG,
Defendant

SETTLEMENT ORDER

The Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of the Defendant, Lytle Earl Foglesong ("Foglesong"), pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia.

As a result of its investigation, the Division alleges that in the offer and sale of securities: (i) Foglesong omitted to state the risk of the investments which was a material fact in violation of § 13.1-502(2) of the Act, (ii) Foglesong omitted to provide investors with material disclosures in violation of § 13.1-502(2) of the Act, (iii) Foglesong omitted to state the material fact that some of the investors' money would be kept by Foglesong instead of being invested in violation of § 13.1-502(2) of the Act, (iv) Foglesong made numerous untrue statements of material facts in violation of § 131.502(2) of the Act, (v) Foglesong transacted business as an unregistered broker-dealer in violation of § 13.1-504A of the Act, (vi) Foglesong transacted business as an unregistered agent in violation of § 13.1-504A of the Act, (vii) Foglesong employed an unregistered agent in violation of § 13.1-504B of the Act, and (viii) Foglesong sold numerous unregistered securities in violation of § 13.1-507 of the Act.

As a proposal to settle all matters arising from the allegations made against him relating to his dealings with the investors named on the attachment hereto, the Defendant has offered, and agreed to comply with, the following terms and undertakings:

(1) Foglesong will reimburse investors the funds provided to him for investment that were not forwarded to others for investment, and funds the Defendant received in distributions but failed to forward to the investors, with interest at an annual rate of six percent calculated from the date of his receipt of the funds. Within twenty-one (21) days of the date of this Settlement Order, Foglesong will submit a detailed written monthly payment plan acceptable to the Division, showing who will be paid and in what amounts, each month with all investors to be paid within thirty-six (36) months of the date provided in this Settlement Order. A list of the names and principal amounts owed by the Defendant to each known investor is attached to this Order. The following terms apply to the repayment schedule:

(i) The Defendant agrees to make his first monthly payment by December 1, 1999. Subsequent payments will be due the first day of each succeeding month until all payments have been made.

(ii) In the event any monthly payment is not received by an investor by the fifteenth day of the month, the full unpaid balance owed that investor shall become immediately due and payable plus court costs and reasonable attorney's fees incurred in collecting the unpaid balance.

(iii) Because of his fiduciary relationship with the investors, the Defendant agrees that his payment obligations shall not be discharged in bankruptcy, in whole or in part.

(2) Evidence of compliance with the monthly payment plan described in paragraph (1) will be filed with the Division on December 1, 2000, December 1, 2001, and December 1, 2002. Such evidence will be in the form of an affidavit, executed by Foglesong showing the name of each investor, the amount of principal paid to each investor for the year, the amount of interest paid to each investor for the year, and copies of checks evidencing all payments.

(3) Pursuant to § 13.1-519 of the Act, Foglesong will be permanently enjoined from violating §§ 13.1-502(2), 13.1-504A, 13.1-504B, and 13.1-507 of the Act.

(4) Foglesong will provide all current investors and all former investors with a copy of this Settlement Order.

(5) Pursuant to § 13.1-521 of the Act, Foglesong will pay to the Commonwealth a penalty in the sum of eight hundred thousand dollars ($800,000), with interest thereon at the rate of nine percent per year until paid, provided that this penalty will be suspended and remitted upon the condition that Foglesong complies with the provisions of paragraphs (1), (2), (3), and (4) above. Should Foglesong fail to comply with paragraphs (1), (2), (3), or (4) above, then the full penalty and interest herein imposed shall become immediately due and payable.

(6) Defendant acknowledges that he has no claim to any money that he has forwarded for investment to James Malbaff, Thomas Gregory Cook, or Malbaff & Cook, the partnership.

(7) 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 Act or other applicable statutes based on such failure to comply, on the allegations contained herein and/or 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 § 12.1-15 of the Code of Virginia.

THEREFORE, IT IS ADJUDGED AND ORDERED THAT:

(A) Pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia, the Defendant's offer of settlement is accepted.

(B) The Defendant shall fully comply with the aforesaid terms and undertakings of the settlement.

(C) Pursuant to § 13.1-521 of the Act, Foglesong will pay to the Commonwealth a penalty of eight hundred thousand dollars ($800,000), with interest thereon at the rate of nine percent per year until paid; provided that this penalty will be suspended and remitted upon the condition that Foglesong complies with the provisions of paragraphs (1), (2), (3), and (4) above. Should Foglesong fail to comply with paragraphs (1), (2), (3), or (4) above, then the full penalty and interest herein imposed shall become immediately due and payable.

(D) Pursuant to § 13.1-519 of the Act, Foglesong is hereby permanently enjoined from violating §§ 13.1-502(2), 13.1-504A, 13.1-504B and 13.1-507 of the Act.

(E) The Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding as described above, or taking such other action it deems appropriate, on account of the Defendant's failure to comply with the terms and undertakings of the settlement.

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

CASE NOS. SEC990066, SEC990067, and SEC990068
DECEMBER 14, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FIRST FINANCIAL PLANNERS, INC.
FFP SECURITIES, INC.
FFP ADVISORY SERVICES, INC.,
Defendants

SETTLEMENT ORDER

The Commission's Division of Securities and Retail Franchising ("Division") participated in a nationwide investigation of First Financial Planners, Inc., along with its two wholly–owned subsidiaries, FFP Securities, Inc. and FFP Advisory Services, Inc. pursuant to the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia.

As a result of the cooperative effort between and among states, the Division finds:

1. First Financial Planners, Inc. ("FFP") is a Missouri corporation and the holding company and sole owner of FFP Securities, Inc. ("FFPS"), a Virginia registered broker-dealer, and FFP Advisory Services, Inc. ("FFPAS"), a Virginia registered investment advisor. FFP, FFPS and FFPAS (collectively, "FFP") have a home office address of 15455 Conway Road, Chesterfield, Missouri 63017-2022.

2. Roy Monroe Henry ("Henry") has, prior to the date hereof, been the president of FFP, FFPS and FFPAS and Chairman of the Board of Directors and majority shareholder of FFP. Henry is a registered agent in Virginia. Henry has an address of 2031 Kehrsboro Drive, Chesterfield, Missouri 63005.

3. FFP and/or its subsidiaries, have, to date, issued and sold certain subordinated notes ("FFP Subordinated Notes"), a list of which is attached hereto, incorporated herein by reference, and marked Schedule 1. FFP is registered to sell securities in the Commonwealth of Virginia.

4. FFP and/or its subsidiaries, have, to date, issued and sold certain subordinated notes, ("FFP Collateralized Notes"), a list of which is attached hereto, incorporated herein by reference and marked Schedule 2.

5. For purposes of this Order, the state securities administrators of the states of Missouri, Illinois, and South Dakota constitute the review committee ("Review Committee").

6. Between March 8-17, 1999, the Review Committee conducted an unannounced examination of the books and records at FFP's home office. In conjunction with the home office examination of FFP, Commonwealth of Virginia, and thirty-four (34) other states conducted examinations of FFP branch offices in their respective jurisdictions (hereinafter, the "Examination").

7. The Examination was conducted to examine, review, and inspect certain supervisory practices, compliance practices, operations, products, and sales practices of FFP ("Subject Matter of the Examination").

8. The Examination gave rise to the determination that a host of deficiencies and shortcomings existed with respect to the Subject Matter of the Examination.

9. As of March 8, 1999, FFP was registered to sell securities in all fifty (50) states and the District of Columbia and FFP's sales force included 755 registered agents.

10. In connection with the Subject Matter of the Examination, Henry entered into a Consent Order with the State of Missouri in which Henry admitted to, in Henry's role as president and Chief Supervisory Officer of FFP, FFPS and FFPAS, failing to supervise Henry's agents and employees, failing to fully disclose the risks involved with the investments in the FPP Subordinated Notes and FFP Collateralized Notes, recommending and selling unsuitable proprietary offerings to FFP clients and submitting false filings to Missouri Securities Division.

11. FFP, FFPS and FFPAS have taken steps to enhance its infrastructure by: (a) hiring in house-general counsel for FFP; (b) adding additional compliance officers; (c) retaining the service of a law firm to conduct an examination of its Compliance Department; (d) retaining a securities compliance expert to work with FFP's Compliance Department to enhance same; and (e) retaining independent certified public accounts to effectuate a comprehensive audit of all private securities products issued by FFP and its subsidiaries.

12. FFP and its subsidiaries have cooperated with and assisted the States participating in the Examination.

13. The State Corporation Commission ("Commission") has jurisdiction over this matter pursuant to the Virginia Securities Act § 13.1-501 et seq. of the Code of Virginia ("Act").

14. FFP and Henry, in violation of the Commission's Rules Pertaining to Rule 21 VAC 5-20-260 B and Rule 21 VAC 5-20-280 A 3 of the Act, failed to exercise diligent supervision over the securities activities of its agents, sold unsuitable securities, and in violation of § 13.1-502 of the Act, failed to fully disclose material risk associated with the investment(s).

15. FFP and the Division desire to settle the allegations and matters raised by the Division staff concerning FFP's activities.

16. FFP consents to the issuance of this Order, but neither admits nor denies the allegations contained herein, but admits to the jurisdiction and authority of the Commission to enter this Settlement Order.

As a proposal to settle all matters arising from this matter, FFP has offered, and agreed to comply with, the following terms and undertakings:

1. For a period of no less than two years from the date of this Order, FFP will hire and retain an in-house general counsel to enhance and maintain FFP's compliance and supervisory procedures.

2. For a period of no less than two years from the date of this Order, FFP will hire and maintain such additional compliance officers as are necessary to establish and enforce adequate compliance and supervisory procedures.

3. For a period of no less than two years from the date of this Order, FFP will hire and retain the services of a law firm to conduct an examination of FFP's Compliance Department and make such recommendations as necessary to enhance and improve FFP's compliance and supervisory procedures.

4. For a period of no less than two years from the date of this Order, FFP will hire and retain a securities compliance expert to work with and enhance FFP's Compliance Department.

5. For a period of no less than two years from the date of this Order, FFP will hire and retain independent certified public accountants to effectuate a comprehensive audit of all private securities products issued by FFP.

6. FFP shall keep and maintain a five (5) person Board of Directors, three (3) of which shall be wholly independent of FFP and its subsidiaries ("Outside Directors"). The Outside Directors must each be deemed not to be unacceptable by the Review Committee before the assumption of duties by each Outside Director. In the event a replacement Outside Director is required to be named, FFP shall submit the candidate to the Review Committee to determine whether the candidate is deemed not unacceptable by the Review Committee before the formal nomination and appointment of it to the FFP Board of Directors.

7. All meetings of FFP's Board of Directors, regular, special, or otherwise ("Board Meetings") shall be transcribed by an official Missouri licensed court reporter and the transcript of said Board meetings shall be made available to any state securities regulator upon request.

8. Until the principal and interest of all FFP Subordinated Notes have been satisfied, FFP shall cause to be deposited into a Subordinate Note Reserve Fund ("SNRF") such monthly sums as are set forth in the FFP Monthly SNRF Contribution Schedule attached hereto, incorporated herein by reference, and marked Schedule 3. Said monthly SNRF contribution requirements shall ease upon the payment into said SNRF of the outstanding principal due under FFP's Subordinated Notes as may from time to time remain outstanding.

9. FFP shall cause to be deposited into the SNRF the existing balance of any and all publicly traded securities or U.S. Treasury-issued zero coupon bonds that currently collateralize the principal of the FFP Subordinated Notes and FFP Collateralized Notes.

10. No later than sixty (60) days from the execution of this Order, FFP shall cause to be established a segregated Note Interest Reserve Account ("NIRA") in which FFP shall effectuate such monthly sums as are necessary to meet one month's interest due under the FFP Subordinated Notes and FFP Collateralized Notes. Said monthly NIRA contributions requirements shall cease upon payment into the NIRA of an amount equal to one month's interest due under all outstanding FFP subordinated Notes and FFP Collateralized Notes. The balance of NIRA shall not at any time following the establishment of same be less than that amount which is required to effectuate, in advance, full payment of one month's interest due under the FFP Subordinated Notes and FFP Collateralized Notes, as from time to time are due and owing under those notes remaining outstanding. FFP shall have thirty (30) day right to cure any deficiency in the advance balance of said NIRA once notified of same by any state securities regulator.

11. The SNRF and NIRA shall be administered by a trustee ("Trustee") deemed not unacceptable by the Review Committee and independent of FFP and Henry. The SNRF and NIRA shall be segregated from all other FFP funds and monies and kept maintained in an account held on behalf of FFP note holders and titled "FFP SNRF" and "FFP NIRA" with a federally insured bank ("Bank"). The Trustee shall cause future interest payments to holders of FFP Subordinated Notes and FFP Collateralized Notes to be effectuated through the FFP NIRA account.

12. The Review Committee shall be notified of the name and address of the Trustee, as well as the contact person at the Bank under whom the FFP SNRF and FFP NIRA accounts will be held. The Trustee shall inform the Review Committee, in writing, at least once annually as to the status and balance of the FFP SNRF and FFP NIRA accounts. Further, the Trustee and the Bank shall be authorized to release information to any state securities regulator about the status and balance of said FFP SNRF and FFP NIRA accounts upon request.

13. If FFP pays into the SNRF or NIRA accounts funds in excess of the amounts required under the SNRF or NIRA Contribution Schedules, FFP shall have the option of applying such funds as prepayment of specific future contributions (and to the extent of such prepayments, FFP will not be required to make such scheduled contributions), or to direct the Trustee to apply such excess funds for the redemption of any FFP Subordinated Notes outstanding, or to withdraw any such excess funds without obligation to replace such excess funds.

14. The Trustee shall invest the funds in the SNRF and NIRA accounts only in such eligible investments as defined in the list attached hereto, incorporated herein by reference, and marked Schedule 4. The interest earned on the investment of the funds in the SNRF and NIRA accounts shall be retained in the SNRF and NIRA accounts and credited against the scheduled contributions required of FFP.

15. Upon the future refinancing of FFP's corporate headquarters building, the first $1.2 million arising out of such refinancing, being that amount borrowed in excess of the outstanding mortgage on the same, shall be used by FFP solely for either paying off or down the FFP Subordinated Notes or for contribution into the FFP SNRF account.

16. Priority shall be given to note holders other than Henry and Henry's immediate family, as well as FFP's employees and agents, upon any and all requests for early redemption made pursuant to the terms of the FFP Subordinated Notes.

17. FFP and its subsidiaries shall not, at any time prior to the satisfaction in full of any and all obligations due to current FFP Subordinated Note holders, cause to be issued, registered or sold any subordinated notes. FFP and its subsidiaries shall not cause to be registered, issued or sold any privately-issued collateralized notes of any kind or nature unless the collateral for the principal of said notes be in the form of publicly-traded securities or U.S. Treasury-issued zero coupon bonds that are segregated and held in a separate account(s) with restrictions thereon mandating the use of said collateral solely for the purpose of satisfaction of obligations under said notes.

18. FFP and its subsidiaries shall provide the Review Committee with written notice of any non-compliance with the terms hereof immediately upon ascertainment of same, or as soon thereafter as is reasonably practicable under the circumstances, by disclosing the date of non-compliance, incident of non-compliance, parties involved in the non-compliance, and sending same, via overnight delivery or via facsimile to the state securities administrators comprising the Review Committee.

19. This Order constitutes and includes a waiver based upon a finding of the good cause by the Commission of any and all limitations and disqualifications that may ensue form the entry of this Order or other state orders entered in this manner, restrict or limit the business of FFP, its subsidiaries and affiliated persons or entities, past and present, or their ability to participate in offering or avail themselves of exemptions, including, without limitation, the Uniform Limited Offering Exemption, as and to the extent now or hereafter adopted in the states participating herein, except to the extent specifically delineated in this Order.

20. FFP and its subsidiaries stipulate and agree that it waives any rights it may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order and, further, FFP and its subsidiaries, and their respective officers and directors specifically forever release and hold harmless the state securities administrators and all states participating in the Examination, and their respective representatives and agents, commissioners, and examiners, from any and all liability and claims arising out of, pertaining to, or relating to the Examination.

21. This Order represents the complete and final resolution of, and discharge of any basis for any civil or administrative proceeding by the Commission against FFP for violations arising as a result of, or in connection with, any actions or omissions by FFP, its officers, directors, shareholders, predecessors, subsidiaries, and/or any of its associated or affiliated persons or entities, past and present; provided, however, this release does not apply to facts not known by the Commission or Division staff or not otherwise provided by FFP to the Multi-State Examination participants or the Commission or Division staff as of the date of this Order; provided, further, that this release does not apply to the sales practices of an individual in relation to soliciting investors' trades or accounts.

22. This Order, except as to the parties hereto, does not limit or create any person's private remedies against FFP or others, or FFP or others' defenses thereto.

23. Except expressly provided in this Order, nothing herein is intended to or shall be construed to have created, comprised, settled, or adjudicated by claim, causes of action, or right of any person, other than as between the Commission and FFP in accordance with this Order.

24. FFP stipulates and agrees that FFP waives any rights FFP may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order and, further, FFP specifically forever releases and holds harmless the Commonwealth of Virginia and its representatives and agents from any and all liability and claims arising out of, pertaining to, or to this matter.

25. Execution of this Order by the Commission is without prejudice to the right of the Commission to take enforcement action against FFP if the Commission determines that FFP has not strictly complied with any of the terms and conditions set forth herein.

26. This Order is in the public interest and is binding on all successors and assigns.

NOW, THEREFORE IT IS ORDERED:

(1) That, pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia, the Defendants' offer of settlement is accepted;

(2) That FFP fully comply with the aforesaid terms and undertakings of the settlement; and

(3) That the Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding, as described above, or taking such other action it deems appropriate, on account of FFP's failure to comply with the terms and undertakings of this settlement.

NOTE: Copies of the Attachments are on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NOS. SEC990069 and SEC990070
DECEMBER 13, 1999

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
PROFITEK, INC.,
and
EDWARD GEORGE SMITH,
Defendants

SETTLEMENT ORDER

The Commission's Division of Securities and Retail Franchising has instituted an investigation of the Defendants, Profitek, Inc. ("Company") and Edward George Smith ("Smith"), pursuant to Virginia Code § 13.1-518.

As a result of its investigation, the Division alleges that (i) Company and Smith employed a scheme to defraud investment advisory clients in violation of Virginia Code § 13.1-503A1, (ii) in the solicitation of advisory clients Company and Smith made untrue statements of material fact and omitted to state a material fact in violation of Virginia Code § 13.1-503B, (iii) Company charged clients a termination fee that was an unreasonable advisory fee in light of the fees charged by other investment advisors providing essentially the same services in violation of Virginia Code § 13.1-503A4 and Rule 21 VAC 5-80-200A10, and (iv) Smith charged clients a termination fee that was an unreasonable advisory fee in light of the fees charged by other investment advisor representatives providing essentially the same services in violation of Virginia Code § 13.1-503A4 and Rule 21 VAC 5-80-200B10. The Defendants neither admit nor deny these allegations, but admit the Commission's jurisdiction and authority to enter this Settlement Order.

As a proposal to settle all matters arising from the allegations made against them, the Defendants have offered, and agreed to comply with, the following terms and undertakings:

(1) Within twenty-one (21) days of the date of this Settlement Order, Company and Smith will reimburse each Virginia client all termination fees plus six percent interest per annum that Company and Smith received from these clients from the date of receipt;

(2) Evidence of compliance with the provisions of paragraph (1) above will be filed with the Division by Smith within seven (7) days from the date payment is made to the clients; that such evidence will be in the form of an affidavit, executed by Smith which will contain the following information: (i) the date that the payment was made to each client, (ii) the amount in termination fees that was paid to each client, and (iii) the amount of interest that was paid to each client;

(3) Company and Smith will be permanently enjoined from violating §§ 13.1-503A1,13.1-503B and 13.1-503A4 of the Code of Virginia and Rules VAC 5-80-200A10 and VAC 5-80-200B10;

(4) Company and Smith will provide all current clients and all former Virginia clients with a copy of this Settlement Order;

(5) Company and Smith will provide each Virginia client, who was charged a termination fee but failed to pay the termination fee, a clearly delineated credit for the full amount of the termination fee plus any additional penalty charges, utilizing Company letterhead;

(6) Company and Smith will provide each Virginia client, who receives a credit as a result of paragraph (5) above, a statement that neither Company nor Smith will pursue the collection of these fees in the future;

(7) Evidence of compliance with the provisions of paragraphs (5) and (6) above will be filed with the Division by Smith within thirty (30) days of the date of this Order; that such evidence will be in the form of copies of the credits and statements that are sent to each client;

(8) Company and Smith will remove any judgment(s) that have been filed in any court against any client in the effort to collect any termination fees;

(9) Evidence of compliance with the provisions of paragraph (8) above will be filed with the Division by Smith within thirty (30) days of the date of this Order; that such evidence will be in the form of an affidavit, executed by Smith, which will contain the following information: (i) the name of each client against whom a judgment was entered, (ii) the court name and location in which a judgment was filed, (iii) the date on which a judgment was filed, (iv) the court name and location for which a petition was filed to remove the judgment, (v) the date on which the judgment was successfully removed, and (vi) a copy of the filing used for the removal of the judgment;

(10) Pursuant to § 13.1-521 of the Code of Virginia, Company will pay to the Commonwealth a penalty of sixty-five thousand dollars ($65,000), with interest thereon at the rate of nine percent per year until paid, and Smith will pay to the Commonwealth a penalty of sixty-five thousand dollars ($65,000), with interest thereon at the rate of nine percent per year until paid, provided that these penalties will be suspended and remitted upon the condition that Company and Smith comply with the provisions of paragraphs (1), (2), (4), (5), (6), (7), (8), and (9) above. Should Company and Smith fail to comply with paragraphs (1), (2), (4), (5), (6), (7), (8), and (9) above, then the full penalty and interest herein imposed shall become immediately due and payable; and

(11) It is recognized and understood that if the Defendants, or either of them, fail to comply with any of the foregoing terms and undertakings, then the Commission reserves the right to take whatever action it deems appropriate, including, but not limited to, instituting a show cause proceeding under the Virginia Securities Act or other applicable statutes based on such failure to comply, on the allegations contained herein and/or such other allegations as are warranted, and the Defendants will not contest the exercise of the right reserved.

The Division has recommended that the Defendants' offer of settlement be accepted pursuant to the authority granted to the Commission in Virginia Code § 12.1-15.

NOW, THEREFORE, IT IS ADJUDGED AND ORDERED:

(1) That, pursuant to the authority granted to the Commission in Virginia Code § 12.1-15, the Defendants' offer of settlement is accepted;

(2) That the Defendants fully comply with the aforesaid terms and undertakings of the settlement;

(3) That, pursuant to Virginia Code § 13.1-521, Company will pay to the Commonwealth a penalty of sixty-five thousand dollars ($65,000), with interest thereon at the rate of nine percent per year until paid, and Smith will pay to the Commonwealth a penalty of sixty-five thousand dollars ($65,000), with interest thereon at the rate of nine percent per year until paid, provided that these penalties will be suspended and remitted upon the condition that Company and Smith comply with the provisions of paragraphs (1), (2), (4), (5), (6), (7), (8), and (9) above. Should Company and Smith fail to comply with the foregoing provisions and undertakings, then the full amount of penalty and interest imposed herein shall become immediately due and payable; and

(4) 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.

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 1998 and 1999.

VIRGINIA CORPORATIONS

	1998	1999
Certificates of Incorporation issued	17,849	18,480
Corporations voluntarily terminated	2,236	2,464
Corporations involuntarily terminated	237	188
Corporations automatically terminated	11,214	15,336
Reinstatements of terminated corporations	2,694	4,070
Charters amended	3,116	3,065
Active Stock Corporations	135,316	136,347
Active Non-Stock Corporations	25,431	26,106
Total Active Virginia Corporations	160,747	162,453

FOREIGN CORPORATIONS

Certificates of Authority to do business in Virginia issued	4,706	4,819
Voluntary withdrawals from Virginia	1,051	1,064
Certificates of Authority automatically revoked	1,624	2,464
Certificates of Authority involuntarily revoked	30	52
Reentry of corporations with surrendered or revoked certificates	524	666
Charters amended	1,086	1,157
Active Stock Corporations	30,240	30,739
Active Non-Stock Corporations	1,811	1,828
Total Active Foreign Corporations	32,051	32,567
Total Active (Domestic and Foreign) Corporations	192,798	195,020

LIMITED PARTNERSHIPS

Limited Partnership Certificates filed	2,566	2,476
Limited Partnership Certificates amended	777	546
Limited Partnership Certificates voluntarily canceled	224	253
Limited Partnership Certificates involuntarily canceled	2,438	771
Total Active (Domestic and Foreign) Limited Partnerships	8,394	8,387

LIMITED LIABILITY COMPANIES

Articles of organization filed	9,974	12,130
Articles of organization amended	660	732
Articles of organization voluntarily canceled	447	638
Articles of organization involuntarily canceled	2,438	3,058
Total Active (Domestic and Foreign) Limited Liability Companies	26,674	35,582

LIMITED LIABILITY PARTNERSHIPS

Statements of registration as a Registered Limited Liability Partnership	73	66
Renewals of registration as a Registered Limited Liability Partnership	352	564
Total Active (Domestic and Foreign) Registered Limited Liability Partnerships	525	719

COMPARISON OF REVENUES DEPOSITED BY THE CLERK'S OFFICE FOR THE FISCAL YEARS ENDING JUNE 30, 1998, AND JUNE 30, 1999

General Fund	1998	1999	Difference
Security Registration Fee	$7,825.00	$5,800.00	($2,025.00)
Charter Fees	1,577,273.40	1,602,701.80	25,428.40
Entrance Fees	1,579,678.00	1,749,375.00	169,697.00
Filing Fees	809,867.00	815,445.00	5,578.00
Registered Name	1,340.00	1,400.00	60.00
Registered Office and Agent	0.00	0.00	0.00
Service of Process	27,270.00	20,070.00	(7,200.00)
Copy and Recording Fees	470,891.00	454,111.45	(16,779.55)
Annual Report Publication	10,019.50	3,800.00	(6,219.50)
Uniform Commercial Code Revenues	843,580.00	823,704.00	(19,876.00)
Excess Fees Paid into State Treasury	168,856.18	116,430.78	(52,425.40)
Miscellaneous Sales	0.00	2,030.02	2,030.02
TOTAL	$5,496,600.08	$5,594,868.05	$98,267.97
Special Fund			
Domestic-Foreign	$8,147,648.42*	$14,562,404.85	$6,414,756.43
Limited Partnership Registration Fee	400,010.00	403,780.00	3,770.00
Reserved Name - Limited Partnership	28,130.00	21,240.00	(6,890.00)
Certificate Limited Partnership	93,600.00	72,900.00	(20,700.00)
Application Reg. Foreign LP	23,900.00	23,700.00	(200.00)
Reinstatement LP	25,100.00	25,400.00	300.00
Registration Fee LLC	605,565.00	884,430.00	278,865.00
Application For Reg. LLC	90,400.00	119,100.00	28,700.00
Art of Org Dom. LLC	830,744.00	983,675.00	152,931.00
AJD, CANC, CORR. RAC, Etc. LLC	32,583.00	43,495.00	10,912.00
SCC Bad Check Fee	3,430.00	2,055.00	(1,375.00)
Interest on Del. Tax	95.00	0.00	(95.00)
Penalty on Non-Pay Taxes by Due Date	339,216.30	4,714,343.90	4,375,127.60
Miscellaneous Revenue	400.00	490.00	90.00
New Applications LLP	17,500.00	12,900.00	(4,600.00)
Renewals LLP	2,250.00	11,560.00	9,310.00
Statement of Partnership Authority GP Dom	4,025.00	5,225.00	1,200.00
Statement of Partnership Authority GP For	100.00	100.00	0.00
Statement of Amendments - GP	200.00	450.00	250.00
Statement of Reg. As For/Dom LLP	1,200.00	2,250.00	1,050.00
Statement of Amendment LLP	200.00	875.00	675.00
Reinstatement/Reentry LLC	15,600.00	35,550.00	19,950.00
Tape Sales, Misc. Fees	45,000.00	61,000.00	16,000.00
Copies, Recording Fees	18.50	0.00	(18.50)
Recovery of Prior Yr. Expenses	5,397.80	363.69	(5,034.11)
TOTAL	$10,712,313.02	$21,987,287.44	$11,274,974.42
Valuation Fund			
Corp Operations Rec. Of Copy and Cert. Fees	$10,439.60	$14,669.40	$4,229.80
Dual Pty Relay Asmts	5,000.00	0.00	(5,000.00)
Recovery of Prior Yr. Expenses	1,994.00	41,276.68	39,282.68
Dual Party Relay Assessments	0.00	0.00	0.00
TOTAL	$17,433.60	$55,946.08	$38,512.48
Trust & Agency Fund			
Fines Imposed and Collected by SCC	$1,512,207.73	$309,998.36	($1,202,209.37)
TOTAL	$1,512,207.73	$309,998.36	$(1,202,209.37)
Federal Funds			
Gas Pipeline Safety	$262,909.88	$103,555.00	($159,354.88)
TOTAL	$262,909.88	$103,555.00	($159,354.88)
GRAND TOTAL	$18,001,464.31	$28,051,654.93	$10,050,190.62

* The reduction in 1998 Domestic-Foreign Registration Fee Revenues is due to the 1997 Acts of the General Assembly, Chapter 216 effective on January 1, 1998, which replaced the April 1 due date for corporate registration fees and annual reports with the anniversary month the corporation was incorporated or authorized to transact business in Virginia.

COMPARISON OF FEES COLLECTED BY THE BUREAU OF FINANCIAL INSTITUTIONS FOR FISCAL YEARS ENDING JUNE 30, 1998, AND JUNE 30, 1999

	1997/1998	1998/1999
Banks	$6,635,897	$6,917,538
Savings Institutions and Savings Banks	34,393	40,778
Consumer Finance Licensees	664,536	671,236
Credit Unions	574,356	619,785
Trust subsidiaries and Trust Companies	84,026	97,144
Industrial Loan Associations	23,636	27,117
Money Order Sellers and Transmitters	8,250	13,400
Debt Counseling Agency Licensees	8,700	9,600
Mortgage Lenders and Mortgage Brokers	1,257,773	1,602,276
Miscellaneous Collections	5,820	14,646
TOTAL	$9,297,387	$10,013,520

COMPARISON OF FEES AND TAXES COLLECTED BY THE BUREAU OF INSURANCE FOR THE FISCAL YEARS ENDING JUNE 30, 1998, AND JUNE 30, 1999

Kind General Fund	1998	1999	Increase or (Decrease)
Gross Premium Taxes of Insurance Companies	$236,970,840.47	$244,909,995.27	$7,939,154.8
Fraternal Benefit Societies Licenses	500.00	500.00	0.00
Viatical Settlement Provider Lic. Fees	2,500.00	1,500.00	(1,000.00)
Viatical Settlement	450.00	2,100.00	1,650.00
Hospital, Medical, and Surgical Plans and Salesmen's Licenses	0.00	0.00	0.00
Interest on Delinquent Taxes	137,848.01	148,550.90	10,702.89
Penalty on non-payment of taxes by due date	212,627.20	130,551.38	(82,075.82)
Special Fund			
Company License Application Fee	29,000.00	25,000.00	(4,000.00)
Health Maintenance Organization License Fee	0.00	0.00	0.00
Automobile Club/ Agent Licenses	10,068.00	7,400.00	(2,668.00)
Insurance Premium Finance Companies Licenses	9,600.00	10,400.00	800.00
Agents Appointment Fees	7,983,084.00	8,453,448.00	470,364.00
Surplus Lines Broker Licenses	15,825.00	15,800.00	(25.00)
Agents License Application Fees	380,315.00	373,676.00	(6,639.00)
Recording, Copying, and Certifying Public Records Fee	65,780.00	60,494.50	(5,285.50)
Assessments To Insurance Companies for Maintenance of the Bureau of Insurance	5,504,922.63	5,529,064.44	24,141.81
Miscellaneous Revenue	0.00	0.00	0.00
Recovery of Prior Year Expenses	122,723.81	161,069.43	38,345.62
Fire Programs Fund	12,529,253.30	13,163,599.62	634,346.32
Licensing P&C Consultants	46,000.00	68,550.00	22,550.00
SCC Bad Check Fee	150.00	50.00	(100.00)
Administrative Penalty Payment	0.00	67,000.00	67,000.00
Fines Imposed by State Corporation Commission	1,249,400.00	1,127,624.00	(121,776.00)
Private Review Agents	13,000.00	(8,000.00)	(21,000.00)
Flood Assessment Fund	108,020.29	121,356.76	13,336.47
Heat Assessment Fund	979,951.87	1,046,767.92	66,816.05
Fraud Assessment Fund	0.00	3,002,801.00	3,002,801.00
Reinsurance Intermediary Broker Fees	1,500.00	1,000.00	(500.00)
Managing General Agent Fees	7,500.00	5,000.00	(2,500.00)
State Publication Sales	320.00	360.00	40.00
Debt Set Off Collections	18.00	0.00	(18.00)
TOTAL	$266,381,179.58	$278,425,659.22	$12,044,461.64

COMPARISON OF ASSESSMENT OF PUBLIC SERVICE COMPANIES FOR THE YEARS 1998 AND 1999

Class of Company	Value of all Taxable Property Including Rolling Stock 1998	1999	Increase or (Decrease)
Electric Light & Power Corporations	$14,592,502,779.00	$15,029,085,594.00	$436,582,815.00
Gas Corporations	1,230,587,035.00	1,288,780,001.00	58,192,966.00
Motor Vehicle Carriers (Rolling Stock only)	1,707,230.33	43,695,464.31	1,988,233.98
Telecommunications Companies	7,574,775,785.00	7,858,558,949.00	283,783,164.00
Water Corporations	101,865,480.00	98,184,604.00	(3,680,876.00)
TOTAL	$23,541,438,309.33	$24,318,304,612.31	$776,866,302.98

COMPARISON OF ASSESSMENT OF STATE TAXES OF PUBLIC SERVICE COMPANIES FOR THE YEARS 1998 AND 1999

Class of Company	The Yearly License Tax 1998	1999	Increase or (Decrease)
Electric Light & Power Corporations	$90,719,941.86	$89,658,572.73	($1,061,369.13)
Gas Corporations	17,533,092.67	15,258,186.39	(2,274,906.28)
Water Corporations	794,023.01	826,768.74	32,745.73
TOTAL	$109,047,057.54	$105,743,527.86	($3,303,529.68)

COMPARISON OF ASSESSMENT OF ADDITIONAL ANNUAL STATE TAX FOR VALUATION AND RATE MAKING OF CERTAIN CLASSES OF UTILITY COMPANIES FOR THE YEARS 1998 AND 1999

Class of Company	1998	1999	Increase or (Decrease)
Electric Light & Power Corporations	$6,022,530.09	$6,126,856.38	$104,326.29
Gas Corporations	964,766.98	839,335.00	(125,431.98)
Motor Vehicle Carriers	28,800.83	28,715.71	(85.12)
Railroad Companies	634,932.59	628,039.03	(6,893.56)
Telecommunications Companies	3,610,290.45	3,975,833.23	365,542.78
Virginia Pilots Association	15,199.04	15,646.58	447.54
Water Corporations	43,671.24	45,472.24	1,801.00
TOTAL	$11,320,191.22	$11,659,898.17	$339,706.95

Railroad Companies assessed at seven-hundredths of one percent and all other companies at eleven-hundredths of one percent.

COMPARATIVE STATEMENT OF ASSESSED VALUES OF PROPERTIES OF PUBLIC SERVICE CORPORATIONS AS ASSESSED BY THE STATE CORPORATION COMMISSION

Cities	1998	1999	Increase or (Decrease)
Alexandria	$531,128,048	$525,817,282	$(5,310,766)
Bedford	8,331,176	9,539,027	1,207,851
Bristol	10,375,298	9,603,738	(771,560)
Buena Vista	7,315,585	9,360,119	2,044,534
Charlottesville	104,688,284	116,782,697	12,094,413
Chesapeake	654,419,156	664,723,274	10,304,118
Clifton Forge	7,854,135	7,893,553	39,418
Colonial Heights	27,067,906	28,280,989	1,213,083
Covington	13,066,761	12,993,596	(73,165)

Danville	37,610,524	46,119,673	8,509,149
Emporia	17,147,336	15,120,446	(2,026,890)
Fairfax	96,649,331	110,718,408	14,069,077
Falls Church	20,657,505	26,279,679	5,622,174
Franklin	8,452,451	9,235,778	783,327
Fredericksburg	58,358,500	64,624,721	6,266,221
Galax	11,256,397	11,368,821	112,424
Hampton	228,754,094	231,587,241	2,833,147
Harrisonburg	46,032,124	48,332,409	2,300,285
Hopewell	62,986,545	66,563,432	3,576,887
Lexington	13,011,140	13,085,656	74,516
Lynchburg	147,838,034	162,585,743	14,747,709
Manassas	48,236,040	53,485,768	5,249,728
Manassas Park	11,540,899	13,098,431	1,557,532
Martinsville	22,019,188	24,911,955	2,892,767
Newport News	323,788,807	325,416,637	1,627,830
Norfolk	536,341,319	551,138,023	14,796,704
Norton	22,699,310	23,326,198	626,888
Petersburg	81,455,610	85,262,359	3,806,749
Poquoson	12,506,485	14,038,764	1,532,279
Portsmouth	164,759,950	180,629,738	15,869,788
Radford	14,747,289	14,617,626	(129,663)
Richmond	628,249,221	607,877,489	(20,371,732)
Roanoke	203,506,857	221,840,106	18,333,249
Salem	23,645,680	26,576,769	2,931,089
Staunton	50,881,645	54,107,994	3,226,349
Suffolk	131,535,507	135,759,821	4,224,314
Virginia Beach	648,909,817	672,130,505	23,220,688
Waynesboro	53,634,566	55,658,069	2,023,503
Williamsburg	38,273,550	41,045,440	2,771,890
Winchester	46,740,306	50,526,703	3,786,39
Total Cities	$5,176,472,376	$5,342,064,677	$165,592,301

COMPARATIVE STATEMENT OF ASSESSED VALUES OF PROPERTIES OF PUBLIC SERVICE CORPORATIONS AS ASSESSED BY THE STATE CORPORATION COMMISSION

Counties	1998	1999	Increase or (Decrease)
Accomack	$72,468,321	$74,056,409	$1,588,088
Albemarle	195,277,053	202,644,603	7,367,550
Alleghany	42,757,407	39,311,628	(3,445,779)
Amelia	19,060,672	18,429,080	(631,592)
Amherst	61,199,252	60,386,199	(813,053)
Appomattox	25,419,251	22,873,726	(2,545,525)
Arlington	894,703,648	885,368,804	(9,334,844)
Augusta	154,772,654	156,665,960	1,893,306
Bath	1,259,409,665	1,587,483,013	328,073,348
Bedford	146,142,057	177,754,079	31,612,022
Bland	12,883,482	13,012,038	128,556
Botetourt	113,395,174	114,345,735	950,561
Brunswick	37,462,855	34,789,484	(2,673,371)
Buchanan	49,239,819	53,347,944	4,108,125
Buckingham	43,965,207	43,236,459	(728,748)
Campbell	131,332,175	125,893,983	(5,438,192)
Caroline	91,380,835	89,706,206	(1,674,629)
Carroll	65,405,224	71,913,957	6,508,733
Charles City	28,904,047	28,388,766	(515,281)
Charlotte	30,777,324	31,552,574	775,250
Chesterfield	1,101,069,642	1,142,711,853	41,642,211
Clarke	30,929,765	30,618,440	(311,325)
Craig	9,737,352	9,361,469	(375,883)
Culpeper	94,659,778	93,139,783	(1,519,995)
Cumberland	27,062,649	26,307,220	(755,429)
Dickenson	28,291,195	29,411,537	1,120,342
Dinwiddie	69,781,455	73,847,538	4,066,083
Essex	30,555,023	29,799,296	(755,727)

Fairfax	2,450,950,104	2,524,038,437	73,088,333
Fauquier	154,230,628	154,232,808	2,180
Floyd	30,892,843	29,364,976	(1,527,867)
Fluvanna	128,130,174	124,203,968	(3,926,206)
Franklin	92,914,591	91,800,309	(1,114,282)
Frederick	176,391,905	186,775,509	10,383,604
Giles	112,556,295	134,729,163	22,172,868
Glouchester	74,021,609	71,995,152	(2,026,457)
Goochland	55,854,672	59,216,987	3,362,315
Grayson	28,036,847	25,094,879	(2,941,968)
Greene	20,665,251	22,311,454	1,646,203
Greensville	20,844,886	19,190,818	(1,654,068)
Halifax	1,070,622,832	988,195,701	(82,427,131)
Hanover	243,311,892	248,675,058	5,363,166
Henrico	710,430,428	705,496,158	(4,934,270)
Henry	96,276,505	96,982,393	705,888
Highland	15,032,291	15,341,059	308,768
Isle of Wight	77,753,977	83,723,846	5,969,869
James City	129,570,850	134,644,677	5,073,827
King George	41,108,380	44,153,169	3,044,789
King and Queen	19,362,492	18,379,874	(982,618)
King William	30,463,668	30,339,365	(124,303)
Lancaster	32,781,597	35,393,045	2,611,448
Lee	48,042,923	48,789,953	747,030
Loudoun	372,768,656	386,371,858	13,603,202
Louisa	1,918,714,986	1,945,864,652	27,149,666
Lunenburg	27,194,780	30,963,548	3,768,768
Madison	27,450,694	28,621,389	1,170,695
Mathews	19,109,797	20,925,725	1,815,928
Mecklenburg	91,038,548	87,576,346	(3,462,202)
Middlesex	31,280,497	32,754,798	1,474,301
Montgomery	94,733,061	118,855,081	24,122,020
Nelson	47,209,310	51,687,527	4,478,217
New Kent	48,153,725	47,475,556	(678,169)
Northampton	30,423,375	35,566,745	5,143,370
Northumberland	28,477,813	28,189,031	(288,782)
Nottoway	29,585,802	29,631,995	46,193
Orange	70,362,656	67,800,205	(2,562,451)
Page	47,808,773	48,021,304	212,531
Patrick	38,571,906	38,447,755	(124,151)
Pittsylvania	139,901,578	150,620,009	10,718,431
Powhatan	53,446,012	53,334,196	(111,816)
Prince Edward	34,869,902	34,196,796	(673,106)
Prince George	46,127,427	49,614,140	3,486,713
Prince William	822,804,359	827,743,042	4,938,683
Pulaski	85,925,886	81,399,531	(4,526,355)
Rappahannock	21,017,335	21,416,366	399,031
Richmond	46,969,869	45,042,534	(1,927,335)
Roanoke	165,232,667	180,205,590	14,972,923
Rockbridge	76,938,109	73,493,346	(3,444,763)
Rockingham	137,246,289	135,197,132	(2,049,157)
Russell	192,607,614	190,311,551	(2,296,063)
Scott	49,194,150	49,791,181	597,031
Shenandoah	97,855,315	99,952,758	2,097,443
Smyth	77,395,606	78,558,846	1,163,240
Southampton	37,747,084	37,740,225	(6,859)
Spotsylvania	182,774,206	189,129,061	6,354,855
Stafford	157,176,504	160,536,686	3,360,182
Surry	1,397,632,277	1,487,265,465	89,633,188
Sussex	33,931,385	34,946,699	1,015,314
Tazewell	61,295,775	60,797,880	(497,895)
Warren	45,316,730	45,808,758	492,028
Washington	81,814,109	83,449,755	1,635,646
Westmoreland	40,371,703	40,414,635	42,932
Wise	64,694,165	64,684,672	(9,493)
Wythe	72,972,462	72,757,349	(215,113)
York	448,825,185	425,956,212	(22,868,973)
Total Counties	$18,323,258,703	$18,932,544,471	$609,285,768
Total Cities & Counties	$23,499,731,079	$24,274,609,148	$774,878,069

COMPARISON OF FEES COLLECTED BY THE DIVISION OF SECURITIES AND RETAIL FRANCHISING FOR THE YEARS ENDING DECEMBER 31, 1998 AND DECEMBER 31, 1999

Kind	1998	1999	Increase or (Decrease)
Securities Act	$6,678,162	$7,203,096	$524,934
Retail Franchising Act	306,650	294,900	(11,850)
Trademarks-Service Marks	16,350	17,880	1,530
Fines	68,850	89,185	20,335
TOTAL	$7,070,012	$7,604,961	$534,949

PROCEEDINGS BY DIVISIONS DURING THE YEAR 1999

DIVISION OF PUBLIC UTILITY ACCOUNTING

The following statistical data summarizes Rate Cases, Certificate Cases, Annual Informational Filings, Earnings Tests, Allocation and Separations Studies, Fuel Factor Cases, Compliance Audits, and Special Studies made by the Division of Public Utility Accounting for the year 1999.

General Rate Cases	
Electric Companies (Investor Owned)	0
Electric Cooperatives	0
Gas Companies	4
Telephone Companies	0
Water and Sewer Companies	2
Total General Rate Cases	6
General Rate/Performance-Based Reviews	
Electric	1
Gas	0
Water	1
Total General Rate/Performance-Based Reviews	2
Expedited Rate Cases	
Electric Companies (Investor Owned)	0
Electric Cooperatives	0
Gas Companies	0
Telephone Companies	0
Water and Sewer Companies	0
Total Expedited Rate Cases	0
Certificate Cases	
Electric Companies (Investor Owned)	0
Gas Companies	1
Water and Sewer Companies	9
Total Certificate Cases	10
Annual Informational Filings/Earnings Tests	
Electric Companies (Investor Owned)	6
Gas Companies	13
Telephone Companies	2
Water and Sewer Companies	0
Total Annual Informational Filings	21
Allocation/Separations Studies - Telephone Companies	0
Fuel Factor Cases - Electric Companies	5
Compliance Audits	2
Depreciation Studies	1
Special Studies	8

During the year 1999 the Division of Public Utility Accounting received applications filed under the Public Utilities Affiliates Law and the Utility Transfers Act pertaining to public utilities for processing, analysis, and study. The number and type of written reports submitted to the Commission recommending action and orders drawn are as follows:

Number of Utility Transfer Act Cases	
Transfer of Assets	14
Transfer of Securities or Control	26
Number of Affiliates Act Cases	
Service Agreements	22
Lease Agreements	1
Merger Agreement	2
License Agreement	2
Pole Attachment Agreement	1
Site Agreement	1

Annual Report Extension	1
Transfer of Assets	2
Total Number of Cases	72

The Commission's Division of Public Utility Accounting consisted of the following personnel on December 31, 1999:

Filled	Vacant	Description
1		Director
2		Deputy Director
2		Manager of Audits
1		Administrative Supervisor
1		Systems Supervisor
1	1	Senior Office Technician
5		Principal Public Utility Accountant
4		Senior Public Utility Accountant
5	3	Public Utility Accountant
22	4	Total Authorized: 26

DIVISION OF COMMUNICATIONS

The Division of Communications assists the Commission in carrying out its duties as prescribed by the Code of Virginia. The Division monitors, enforces, and makes recommendations on certain rates, tariffs, and operating procedures of investor-owned telecommunications utilities. The Division enforces service standards, assures compliance with tariff regulations, coordinates extended area service studies, enforces pay telephone regulations, assists in carrying out provisions of the 1996 Telecommunications Act, 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 monitors developments at the federal level, and prepares Commission responses where appropriate.

At the end of 1999, there were under the supervision of the Division:

14	Incumbent Investor-owned Local Exchange Telephone Companies
6	Cooperative Local Exchange Telephone Companies
109	Competitive Local Exchange Telephone Companies
72	Long Distance Telephone Companies
542	Private Pay Telephone Providers

SUMMARY OF 1999 ACTIVITIES

Consumer complaints and protests investigated	4,004
Telephone inquiries received	13,750
Tariff revisions received:	
Incumbent Local Exchange Companies	144
Competitive Local Exchange Companies	149
Interexchange Companies	99
Tariff sheets filed:	
Incumbent Local Exchange Companies	987
Competitive Local Exchange Companies	3,714
Interexchange Companies	977
Cases in which staff members prepared testimony or reports	70
Certificates of Convenience and Necessity granted or amended:	
Competitive Local Exchange Companies	53
Interexchange Companies	27
Interconnection Agreements Approved	77
Depreciation studies completed	1
FCC comments filed	4
Extended Area Service studies completed or underway	14
Service Surveillance and Results Analysis Provided Monthly on:	
Access Lines	4,898,688
Switching Offices	429
Business Offices	37
Repair Centers	15
Pay Telephone Registration and Rules Enforcement provided on:	
Private pay telephone providers	542
Private pay telephones	19,444
Local Exchange Company pay telephones	34,879
Pay telephone audits	235

Visits to:	
Customer premises to resolve customer complaints	41
Company premises to resolve customer complaints	25
Company premises to review service performance	75
Company premises to inspect network reliability	37
Construction Program reviews	2

OTHER:

Participated in numerous Y2K related activities.

Assisted Commission in continued implementation of the Telecommunications Act of 1996.

Pursued various activities related to the Commission's alternative plans for regulating telephone companies, including the following:
- Evaluated filings for one addition to existing competitive services
- Reviewed proposed service classifications for new services and reclassifications for existing services
- Evaluated Individual Case Basis ("ICB") and Special Assembly price filings
- Assisted in gathering monitoring data

Assisted Commission counsel with respect to formal rate, service, or generic matters.

Participated in matters affecting communications policy with federal agencies.

Assisted with reports to the legislature and with developing telecommunications legislation.

Made presentations to trade and citizens groups, associations, and telephone companies.

Participated in matters affecting emergency 911 communications procedures with local government agencies and the Virginia Telephone Industry Association.

Provided guidance to the Atlantic Payphone Association.

Assisted payphone service providers in resolving operations issues with local exchange companies.

Responded to questionnaires from the National Association of Regulatory Utility Commissioners ("NARUC") and others with respect to telecommunications matters.

Reviewed construction budgets of major telephone companies.

Met with local governing bodies and citizens groups with respect to local calling areas and service problems.

Worked with Virginia Department for the Deaf and Hard of Hearing on monitoring Telecommunications Relay Service in Virginia.

Assisted in preparing a petition to the FCC on number conservation.

Staff member serves on the NARUC Staff Subcommittee on Depreciation.

Staff member serves on the NARUC Staff Subcommittee on Communications.

Staff member serves on the NARUC Staff Subcommittee on Service Quality.

DIVISION OF ECONOMICS AND FINANCE

The Division of Economics and Finance performs analysis and research on economic and financial issues pertaining to utility regulation. The Division also provides analytical and research support as needed by non-utility divisions within the Commission.

The Division has ongoing responsibility for:
- issuing monthly Fuel Price Index reports;
- maintaining and issuing monthly reports for the electric utility Fuel Monitoring System;
- issuing quarterly Natural Gas Price Index reports;
- analyzing and presenting testimony on capital structure, cost of capital, and other finance-related issues in utility rate cases;
- analyzing and presenting testimony on interest expense, appropriate earnings level and other finance-related issues in electric cooperative rate cases;
- monitoring the financial condition of Virginia utilities;
- monitoring the diversification activities of holding companies with utility subsidiaries operating in Virginia;
- reviewing annual financing plans of Virginia utilities;
- analyzing utility applications for the issuance of securities and providing the Commission with recommendations;
- conducting studies of intermediate/long range issues in electric, gas, and telecommunications utility regulations;
- acquiring and running analytic computer models used to simulate, project, and/or evaluate utility operations and regulatory issues;
- issuing annual and energy forecast reports;

- monitoring inter-LATA and intra-LATA telecommunications competition;
- monitoring the incumbent local exchange companies participating in the Alternative Regulatory Plans;
- monitoring competitive local exchange carriers;
- monitoring and maintaining files of electric utilities' operating forecasts;
- monitoring and maintaining files of gas utilities' Five Year Forecasts;
- providing statistical and graphic support for other SCC divisions;
- maintaining database management systems for preparation of economic and financial analysis in utility cases;
- maintaining a utility stock price database; and
- maintaining an electric energy market price database.

SUMMARY OF MAJOR ACTIVITIES DURING 1999

- Presented testimony on capital structure, cost of capital and other financial issues in four investor-owned utility rate cases.
- Presented testimony on financial issues in four utility merger cases.
- Completed 17 Annual Informational Filing reports for electric, gas, telephone, and water utilities.
- Analyzed and processed 35 applications of utilities seeking authority to issue securities.
- Prepared a report regarding the financial condition for 48 competitive local exchange carriers applying for certification.
- Prepared a report on an application for a certificate to construct a natural gas pipeline.
- Led an energy industry task force to develop interim rules governing electric and natural gas pilot programs to offer customers choice in Virginia.
- Prepared and presented testimony in two electric utility proposals for retail choice pilot programs.
- Prepared and presented testimony in three electric fuel factor proceedings.
- Prepared and presented testimony in one cogeneration rate proceeding.
- Reviewed and summarized the 1999 Five - Year Forecasts for each of the five investor-owned electric utilities in Virginia.
- Continued monitoring the status of electric and gas experimented demand – side programs.
- Monitored the status of two natural gas retail choice pilot programs.
- Prepared and completed a Commission survey regarding participants' perceptions of an existing natural gas retail choice pilot program.
- Actively participated in an energy industry initiative to establish Electronic Data Interchange guidelines to govern electronic communication among competitive service providers in Virginia.
- Participated in the efforts to establish a statewide consumer education plan to prepare customers for retail energy choice.
- Monitored bid evaluations resulting from requests for proposals to construct combustion turbine facilities in Virginia for both Virginia Power and Old Dominion Electric Cooperative.
- Prepared a report and proposed rules for the introduction of net metering.
- Assisted in the preparation of proposed revisions to the Commission's rules for filing rate cases.
- Monitored the successful refinancing of the Dulles Greenway toll road.
- Developed a forecast of budget items for the Bureau of Insurance.
- Developed a forecast of the Virginia Telecommunications Relay Service bank balance.
- Developed a forecast of the Clerk's office special fund collection.
- Developed a forecast of inflation adjustment factors to apply to the biennial budget.
- Obtained Y2K readiness statements from the five Virginia electric utilities and performed Y2K testing to ensure each utilities' fuel monitoring data is Y2K compliant with the Commission's Fuel Monitoring System.

DIVISION OF ENERGY REGULATION

Activities for Calendar Year 1999

The Division of Energy Regulation assists the Commission in fulfilling its statutory responsibilities pursuant to Title 56, Chapter 10 of the Code of Virginia. Activities include reviewing investor-owned electric, natural gas, and water/sewer utilities' cost of service studies; reviewing allocation methods, depreciation rates, and rate design philosophies; and providing expert testimony in that regard. The Division also provides expert testimony in certificate cases for service areas and major facility construction for these utilities and for independent power producers. Additional duties include the preparation and defense of prefiled testimony as it relates to electric cooperatives and other technical functions related to regulation of the cooperatives. It also has monitoring responsibilities relative to: the collection of gas costs by gas utilities, the incurrence of wholesale purchased power expenses by electric cooperatives, and the recovery of fuel expenses and the construction and operation of major facilities by the investor-owned utilities. It also reviews extraordinary costs and policies related to nuclear power, including decommissioning of nuclear power plants and the storage of spent nuclear fuel. The Division administers pipeline safety programs for intrastate jurisdictional gas and hazardous liquid companies in Virginia, including inspections of facilities, records, and construction activities to determine compliance with pipeline safety regulations. It administers the enforcement of the Underground Utility Damage Prevention Act; investigates all reports of violation of that Act; and makes enforcement recommendations to the Commission. The resolution of complaints/inquires received against regulated utilities and the maintenance of official records/maps of utility certificated areas are also duties of the Division. It provides the Commission with technical expertise in policy related issues and has provided testimony in several hearings required by the Public Utility Regulatory Policies Act and in other proceedings associated with restructuring of natural gas and electric utilities.

SUMMARY OF 1999 ACTIVITIES

Consumer Complaints, Letters of Protest, and Inquiries Received	4,382
Tariff Filings Received	486
Tariff Sheets Accepted	1,159
Safety Inspections (Person Days)	237
Testimony and Reports Filed by Staff	57
Certificates of Convenience and Necessity Granted, Transferred, or Revised	10
Special Reports	25

Gas Accident Investigations and Incident Reports	1
Electric On-Site Construction Inspections	0
Underground Utility Damage Reports Investigated	2,764

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, industrial loan associations, consumer finance licensees, money order seller/money transmitter licensees, mortgage lenders and brokers, debt counseling agencies, and check cashers. Financial institutions domiciled outside of Virginia that have deposit taking subsidiaries within the Commonwealth are also subject to the Bureau regulatory authority, as are out-of-state deposit taking subsidiaries of financial holding companies domiciled in Virginia.

During the calendar year, the Bureau of Financial Institutions received, investigated, and processed 1,442 applications for various certificates authority as shown below:

APPLICATIONS RECEIVED AND/OR ACTED UPON
BY THE BUREAU OF FINANCIAL INSTITUTIONS IN 1999

New Banks	5
Interim Banks	1
Bank Branches	84
Bank Branch Office Relocations	14
Relocate Bank Main Office	2
Bank EFT Facilities	4
Bank Mergers	18
Mergers Pursuant to the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994	4
Acquisitions Pursuant to Chapter 13 of Title 6.1	10
Acquisitions Pursuant to Chapter 15 of Title 6.1	6
Acquisitions Pursuant to The Savings Institutions Act	3
New Bank Conversion From National Bank	1
Subsidiary Trust Company	2
Engage in Trust Business (Bank)	2
Establish an Independent Trust Branch	1
Independent Trust Branch Move	1
Industrial Loan Office Move	2
Out of State Credit Union	1
Credit Union Mergers	1
Credit Union Service Facilities	3
Move a Credit Union Office	1
New Consumer Finance	3
Consumer Finance Offices	25
Consumer Finance Other Business	37
Consumer Finance Office Relocations	20
Acquire Money Order Seller/Transmitter	6
New Mortgage Brokers	223
New Mortgage Lenders	61
New Mortgage Lenders and Brokers	64
Mortgage Lender Broker Additional Authority	9
Acquisitions Pursuant to Section 6.1-416.1 of the Virginia Code	22
Mortgage Branches	416
Mortgage Office Relocations	364
New Money Order Sellers	11
Debt Counseling Additional Offices	10
New Check Cashers	5

At the end of 1999, there were under the supervision of the Bureau 113 banks with 1,338 branches, 55 Virginia bank holding companies, 16 non-Virginia bank holding companies with banking offices in Virginia, 2 independent trust companies, 4 savings institutions with 4 branches, 76 credit unions, 8 industrial loan associations, 33 consumer finance companies with 296 Virginia offices, 30 money order sellers, 12 non-profit debt counseling agencies, 33 check cashers, 119 mortgage lenders with 532 offices, 534 mortgage brokers with 878 offices, and 231 mortgage lender/brokers with 759 offices.

DIVISION OF INSURANCE REGULATION
ACTIVITIES FOR THE FISCAL YEAR ENDING JUNE 30, 1999

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 1999 ACTIVITIES

New insurance companies licensed to do business in Virginia	37
Insurance company financial statements analyzed	10,005
Financial examinations of insurance companies conducted	37
Property and Casualty insurance rules, rates, and form submissions	8,231
Life and Health insurance policy forms and rate submissions	8,470
Property and Casualty insurance complaints received	3,792
Life and Health insurance complaints received	3,977
Market conduct examinations completed by the Life and Health Division	10
Market conduct examinations completed by the Property and Casualty Division	9
Insurance agents and agencies licensed	82,903
Tax and Assessment Audits	6,450

NOTICE OF INSURANCE-RELATED ENTITIES IN RECEIVERSHIP

Pursuant to Virginia Code § 38.2—1517, please **TAKE NOTICE** that the following insurance-related entities are in receivership under authority of various provision of Title 38.2 of the Code of Virginia:

1. **Fidelity Banker Life Insurance Company d/b/a First Dominion Life Insurance Company (FBL/FD).** Date of receivership: May 13, 1991. It presently appears that the affairs of the receivership will be wound up in the latter part of 2001 and that the company will not resume the transaction of the business of insurance.

2. **HOW Insurance Company, a Risk Retention Group, Home Owners Warranty Corporation and Home Warranty Corporation (the HOW Companies).** Date of receivership: October 7, 1994. It presently appears that the affairs of the receivership will be wound up in the latter part of 2004 or early 2005 and that the company will not resume the transaction of the business of insurance.

3. **CHA Group Insurance Trust, in Receivership (CHA).** Date of receivership: March 17, 1989. It is presently expected that the affairs of the receivership will be wound up in late 2000 and that the Trust will conduct no further business.

The Commission is the Receiver, and Commissioner of Insurance Alfred W. Gross is the Deputy Receiver, of FBL/FD and the HOW Companies. Any inquiries concerning the conduct of the receivership of First Dominion Life Insurance Company and the HOW Companies may be directed to their Special Deputy Receiver, Patrick H. Cantilo, Esquire, Cantilo & Bennett, LLP, Suite 1700, 111 Congress Avenue, Austin, Texas 78701.

The Commission is the Receiver of CHA Group Insurance Trust, in Receivership. Any inquiries concerning the conduct of the receivership of CHA may be directed to the Deputy Receiver of CHA, C. William Waechter, Jr., Esquire, Williams, Mullen, Clark & Dobbins, Two James Center, 1021 East Cary Street, 16th Floor, Richmond, Virginia 23219.

STATE CORPORATION COMMISSION

RAILROAD REGULATION

The Division of Railroad Regulation investigates, at its own volition or upon complaint, rail services and compliance with rules and regulations by rail common carriers when intrastate aspects are involved; conducts inspections and surveillance of rail tracks in State to provide for safe track maintenance in accordance with Federal Track Safety Standards; and inspects locomotives and rail cars 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 59.1-92.1 through 59.1-92.21.
Virginia Retail Franchising Act, Virginia Code Sections 13.1-557 through 13.1-574.

UNDER THE VIRGINIA SECURITIES ACT:

14	qualification applications received
1,337	coordination applications received
3	notification applications received
1,442	filings for exemption from registration (Reg. D)
2,295	broker-dealer registrations renewed and granted
132	broker-dealer registrations denied, withdrawn, and terminated
140,596	agent registrations renewed and granted
18,250	agent registrations denied, withdrawn, and terminated
1,590	investment advisor registrations renewed and granted
68	investment advisor registrations denied, withdrawn, and terminated
7,029	investment advisor representative registrations renewed and granted
1,165	investment advisor representative registrations denied, withdrawn and terminated
1	orders filing and/or canceling surety bonds
18	orders granting exemptions and/or official interpretations
14	orders for subpoena of records by banks, corporations, and individuals
12	orders of show cause
48	judgments of compromise and settlement
10	final order and/or judgment

UNDER THE VIRGINIA TRADEMARK AND SERVICE MARK ACT:

475	applications for trademarks and/or service marks approved, renewed, or assigned
494	applications for trademarks and/or service marks denied, abandoned, expired, or withdrawn

UNDER THE VIRGINIA RETAIL FRANCHISING ACT:

1,170	franchise registration, renewal, or post-effective amendment applications received
228	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 Title 8.9 of the Uniform Commercial Code. It is charged with the duty of receiving, processing, indexing, and examining financing statements, continuation statements, amendments, assignments, releases and termination statements filed by nationwide financial and lending institutions, state and federal agencies, the legal profession, and the general public to perfect a security interest in collateral which secures payment or performance of an obligation. The Clerk's Office also is the Central Filing Office for Federal Tax Liens.

SUMMARY OF CALENDAR YEAR ACTIVITIES

	1998	1999
Financing/Subsequent Statements Filed	79,244	80,069
Federal Tax Liens/Subsequent Liens Filed	2,692	1,439
Reels of Microfilmed documents sold	214	580

INDEX OF LEADING MATTERS DISPOSED OF BY FORMAL ORDER

- A -

- B -

- C -

- D -

- E -

- F -

- G -

- H -

- I -

- J -

- K -

- L -

- M -

- N -

- O -

- P -

- Q -

- R -

- S -

- T -

- U -

- V -

- W -

- X - Y -

- Z -

LIST OF CASES ESTABLISHED IN 1999

BAN/BFI: BUREAU OF FINANCIAL INSTITUTIONS

BAN19990001 HOME LENDING, LC D/B/A AMERICAN MORTGAGE PARTNERS
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1445 DOLLEY MADISON BOULEVARD, MCLEAN, VA TO 8181 PROFESSIONAL PLACE, SUITE 160, LANDOVER, MD

BAN19990002 EQUITY ONE OF VIRGINIA, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 105 PONDEROSA DRIVE, CHRISTIANSBURG, VA

BAN19990003 EQUITY ONE CONSUMER DISCOUNT COMPANY, INC.D/B/A EQUITY ONE CONSUMER LOAN
TO OPEN A CONSUMER FINANCE OFFICE

BAN19990004 EQUITY ONE CONSUMER DISCOUNT COMPANY, INC.D/B/A EQUITY ONE CONSUMER LOAN
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE BROKERING WILL ALSO BE CONDUCTED

BAN19990005 EQUITY ONE CONSUMER DISCOUNT COMPANY, INC.D/B/A EQUITY ONE CONSUMER LOAN
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE SALES FINANCE BUSINESS WILL ALSO BE CONDUCTED

BAN19990006 EQUITY ONE CONSUMER DISCOUNT COMPANY, INC.D/B/A EQUITY ONE CONSUMER LOAN
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE LENDING WILL ALSO BE CONDUCTED

BAN19990007 EQUITY ONE CONSUMER DISCOUNT COMPANY, INC.D/B/A EQUITY ONE CONSUMER LOAN
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE PROPERTY INSURANCE BUSINESS WILL ALSO BE CONDUCTED

BAN19990008 CENTURA BANKS, INC.
TO ACQUIRE FIRST COASTAL BANKSHARES, INC.

BAN19990009 LONG BEACH MORTGAGE COMPANY D/B/A FINANCING USA
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 4601 SIX FORKS ROAD, SUITE 500, RALEIGH, NC TO 4601 SIX FORKS ROAD, SUITE 133, RALEIGH, NC

BAN19990010 LOAN CONSOLIDATION AND REFINANCING COMPANY, LLC
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7239 MECHANICSVILLE TURNPIKE, MECHANICSVILLE, VA TO 5001 WEST BROAD STREET, SUITE 311, RICHMOND, VA

BAN19990011 ALLIANCE CAPITAL PARTNERS, L.P.
TO ACQUIRE 25 PERCENT OR MORE OF ALLIANCE MORTGAGE COMPANY

BAN19990012 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 5601 SEMINARY ROAD, 2110 NORTH, FALLS CHURCH, VA TO 2010 CORPORATE RIDGE, SUITE 175, MCLEAN, VA

BAN19990013 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 10324 LADUE ROAD, ST. LOUIS, MO TO 721 EMERSON ROAD, CREVE COEUR, MO

BAN19990014 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 9501 W. 144TH PLACE, ORLAND PARK, IL TO 900 S. FRONTAGE ROAD, WOODRIDGE, IL

BAN19990015 FIRST VIRGINIA BANK - SOUTHWEST
TO MERGE INTO IT FIRST VIRGINIA BANK-CLINCH VALLEY

BAN19990016 FIRST VIRGINIA BANK - SOUTHWEST
TO MERGE INTO IT FIRST VIRGINIA BANK-PIEDMONT

BAN19990017 FIRST VIRGINIA BANK - SOUTHWEST
TO MERGE INTO IT FIRST VIRGINIA BANK - FRANKLIN COUNTY

BAN19990018 AMERIGROUP MORTGAGE CORPORATION (USED IN VA BY: MORTGAGE INVESTORS CORPORATION)
TO OPEN A MORTGAGE LENDER'S OFFICE AT 5700 CLEVELAND STREET, SUITE 321, VIRGINIA BEACH, VA

BAN19990019 BNC MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 486 INVESTORS PLACE, SUITE 200, VIRGINIA BEACH, VA

BAN19990020 MORTGAGE SOLUTIONS CORPORATION
FOR A MORTGAGE BROKER'S LICENSE

BAN19990021 COLUMBIA NATIONAL, INCORPORATED
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 763 MADISON ROAD, CULPEPER, VA TO 604 SOUTH MAIN STREET, CULPEPER, VA

BAN19990022 HOANG-GIAP THI DO T/A ATT MORTGAGE COMPANY
FOR A MORTGAGE BROKER'S LICENSE

BAN19990023 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 408 N. CEDAR BLUFF ROAD, SUITE 253, KNOXVILLE, TN

BAN19990024 CARDINAL MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 355 WEST RIO ROAD, SUITE 206B, CHARLOTTESVILLE, VA TO 257 RIDGE-MCINTIRE ROAD, CHARLOTTESVILLE, VA

BAN19990025 MONEY LENDERS, INC. D/B/A MOUNTAIN INVESTMENT MORTGAGE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 202 65TH STREET, VIRGINIA BEACH, VA

BAN19990026 MONEY LENDERS, INC. D/B/A MOUNTAIN INVESTMENT MORTGAGE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1910 HOPE ROAD, ROANOKE, VA

BAN19990027 FSC CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM THE WORLD TRADE CENTER-BALTIMORE, BALTIMORE, MD TO 5420 KLEES MILL ROAD, SUITE 6, SYKESVILLE, MD

BAN19990028 EQUITY ONE CONSUMER DISCOUNT COMPANY, INC.D/B/A EQUITY ONE CONSUMER LOAN
TO RELOCATE CONSUMER FINANCE OFFICE FROM 4021 HALIFAX ROAD, SUITE B, HALIFAX COUNTY, VA TO 1020 BILL TUCK HIGHWAY, SUITE 850, HALIFAX COUNTY, VA

BAN19990029 CENTRAL MONEY MORTGAGE CO. (IMC), INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 10400 OLD COLUMBIA ROAD, COLUMBIA, MD

BAN19990030 HOMECOMINGS FINANCIAL NETWORK, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 9681 D MAIN STREET, FAIRFAX, VA TO 9681-A MAIN STREET, FAIRFAX, VA

BAN19990031 COLUMBIA NATIONAL, INCORPORATED
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 100 WESTWOOD DRIVE, SUITE B, FOREST, VA

BAN19990032 COLUMBIA NATIONAL, INCORPORATED
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM THE CRESTAR BANK BUILDING, NEWPORT NEWS, VA TO WACHOVIA BANK BUILDING, 600 THIMBLE SHOALS BOULEVARD, NEWPORT NEWS, VA

BAN19990033 RBO FUNDING, INC. T/A LOAN AID
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 4101 ROENKER LANE, VIRGINIA BEACH, VA TO PEMBROKE TWO BUILDING, 287 INDEPENDENCE BLVD., SUITE 210, VIRGINIA BEACH, VA

BAN19990034 MOUNT VERNON CAPITAL CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3954 SANDPIPER DRIVE, S.W., ROANOKE, VA

BAN19990035 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 3450 BUSCHWOOD PARK DRIVE, TAMPA, FL TO TWO URBAN CENTRE, 4890 WEST KENNEDY BOULEVARD, TAMPA, FL

BAN19990036 AMERITRUST MORTGAGE CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE

BAN19990037 AMERICAN ADVANTAGE MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 702 FREDERICK ROAD, BALTIMORE, MD TO 780 ELKRIDGE LANDING ROAD, SUITE 200, LINTHICUM, MD

BAN19990038 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 18419 JEFFERSON DAVIS HIGHWAY, TRIANGLE, VA

BAN19990039 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 7701 LOOKOUT COURT, ALEXANDRIA, VA

BAN19990040 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 4416 AIRLIE WAY, ANNANDALE, VA

BAN19990041 SOUTHERN FINANCIAL BANK
TO OPEN A BRANCH AT 10175 HASTINGS DRIVE, MANASSAS, VA

BAN19990042 F&M BANK-NORTHERN VIRGINIA
TO MERGE INTO IT SECURITY BANK CORPORATION

BAN19990043 EAST WEST MORTGAGE COMPANY, INC.
FOR ADDITIONAL MORTGAGE AUTHORITY

BAN19990044 MCLEAN FUNDING GROUP, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1700 N. MOORE STREET, SUITE 1703, ARLINGTON, VA TO 121 ENVIRONS ROAD, STERLING, VA

BAN19990045 FIRST VIRGINIA BANK-PIEDMONT
TO OPEN A BRANCH AT 515 MT. CROSS ROAD, DANVILLE, VA

BAN19990046 MORTGAGE CAPITAL RESOURCE CORPORATION
FOR A MORTGAGE LENDER'S LICENSE

BAN19990047 CRESTAR BANK
TO OPEN A BRANCH AT LANGLEY AIR FORCE BASE COMMISSARY, 51 SPAATZ DRIVE, HAMPTON, VA

BAN19990048 OLD TOWN FINANCIAL CORP. D/B/A RAMSAY MORTGAGE COMPANY
TO OPEN A MORTGAGE BROKER'S OFFICE AT 7801 WEST BROAD STREET, RICHMOND, VA

BAN19990049 OLD TOWN FINANCIAL CORP. D/B/A RAMSAY MORTGAGE COMPANY
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 812 MOOREFIELD PARK DRIVE, SUITE 110, RICHMOND, VA TO 9124 MIDLOTHIAN TURNPIKE, SUITE 100, RICHMOND, VA

BAN19990050 COMMERCIAL CREDIT CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 540 N. JEFFERSON STREET, LEWISBURG, WV

BAN19990051 FIRST FRANKLIN HOLDINGS, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN19990052 BENEFICIAL MORTGAGE CO. OF VIRGINIA
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM FESTIVAL AT MANASSAS, MANASSAS, VA TO 10780 SUDLEY MANOR DRIVE, BULLS RUN SHOPPING CENTER, MANASSAS, VA

BAN19990053 BENEFICIAL DISCOUNT CO. OF VIRGINIA
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM FESTIVAL AT MANASSAS, MANASSAS, VA TO 10780 SUDLEY MANOR DRIVE, BULLS RUN SHOPPING CENTER, MANASSAS, VA

BAN19990054 NATIONAL FINANCE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT CITADEL INTERNATIONAL, 5950 HAZELTINE NATIONAL DRIVE, SUITE 630, ORLANDO, FL

BAN19990055 MORTGAGE ATLANTIC, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 410 BAY STREET, LYNCHBURG, VA TO 5604 FORT AVENUE, LYNCHBURG, VA

BAN19990056 SOURCE ONE MORTGAGE SERVICES CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 20 ERFORD ROAD, SUITE 200A, LEMOYNE, PA

BAN19990057 FIRST GUARANTY MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 12425 DILLINGHAM SQUARE, WOODBRIDGE, VA TO 12781 DARBYBROOKE COURT, LAKERIDGE, VA

BAN19990058 ACCUBANC MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1100 ASHWOOD PARKWAY, SUITE 350, ATLANTA, GA TO 3050 ROYAL BOULEVARD SOUTH, SUITE 120, ALPHARETTA, GA
BAN19990059 BANK OF FINCASTLE, THE
TO OPEN A BRANCH AT 3741 LEE HIGHWAY SOUTH, CLOVERDALE, VA
BAN19990060 M. G. LANGSTON, INC. D/B/A COUNTRY HOMES
FOR A MORTGAGE BROKER'S LICENSE
BAN19990061 REGENCY MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990062 MASTER FINANCIAL, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN19990063 U.S.A. MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990064 HENDERSON, WILLIAM J. D/B/A MONEYLINK
FOR A MORTGAGE BROKER'S LICENSE
BAN19990065 1ST ASSOCIATED MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990066 BEAZER MORTGAGE CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19990067 ACCESS MORTGAGE & FINANCIAL CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19990068 DITECH FUNDING CORPORATION
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 799 TORRINGTON DRIVE, NAPERVILLE, IL TO 1665 QUINCY AVENUE, SUITE 127, NAPERVILLE, IL
BAN19990069 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1177 PARK MOUNTAIN TERRACE, HUDDLESTON, VA
BAN19990070 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 201 MOUNT HERMON CIRCLE, DANVILLE, VA
BAN19990071 CAPITOL FINANCIAL SERVICES, INC. D/B/A CAPITOL HOME MORTGAGE
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 2700 POCOHONTAS TRAIL, SUITE 9, QUINTON, VA TO 2700 POCAHONTAS TRAIL, SUITE 4, QUINTON, VA
BAN19990072 AMERICAN GENERAL FINANCE OF AMERICA, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 705 PATTON STREET, DANVILLE, VA TO 605 PINEY FOREST ROAD, DANVILLE, VA
BAN19990073 AMERICAN GENERAL FINANCE, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 705 PATTON STREET, DANVILLE, VA TO 605 PINEY FOREST ROAD, DANVILLE, VA
BAN19990074 KEY MORTGAGE COMPANY, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 606 JOHNSTON WILLIS DRIVE, SUITE 2, RICHMOND, VA
BAN19990075 PUMPHREY FINANCIAL GROUP, INC. D/B/A AMERICAN MORTGAGE SERVICES, A DIVISION OF PUMPHREY
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 8013 STILLBROOKE ROAD, MANASSAS, VA TO 18320 NEW HAMPSHIRE AVENUE, ASHTON, MD
BAN19990076 NEWCASTLE MORTGAGE CORPORATION
FOR A MORTGAGE LENDER'S LICENSE
BAN19990077 FIRST NATIONAL HOME FINANCE CORPORATION
FOR A MORTGAGE LENDER'S LICENSE
BAN19990078 HATCHER, PHIL L.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7617 CYPRESS DRIVE, LANEXA, VA TO 7191 RICHMOND ROAD, S.E., WILLIAMSBURG, VA
BAN19990079 ACCREDITED HOME LENDERS, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT IRON MOUNTAIN STORAGE, 11350 DEERFIELD ROAD, CINCINNATI, OH
BAN19990080 MIDDLEBURG BANK, THE
TO OPEN A BRANCH AT 20955 PROFESSIONAL PLAZA, ASHBURN, VA
BAN19990081 CAPITAL Z FINANCIAL SERVICES FUND II, L.P.
TO ACQUIRE 25 PERCENT OR MORE OF AAMES FUNDING CORPORATION
BAN19990082 STOHR CAPITAL GROUP, INC. D/B/A SOURCE FINANCIAL
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19990083 HOME SWEET HOME MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 10001 WHIDBEY LANE, BURKE, VA TO 4605-H PINECREST OFFICE PARK DRIVE, ALEXANDRIA, VA
BAN19990084 FAIRFAX MORTGAGE INVESTMENTS INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 14-B WEST QUEENS WAY, HAMPTON, VA
BAN19990085 MONEY LENDERS, INC. D/B/A MOUNTAIN INVESTMENT MORTGAGE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 6141 AIRPORT ROAD, ROANOKE, VA
BAN19990086 TIDEWATER TRUST MORTGAGE, P.C.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990087 MEMBERS CAPITAL MORTGAGE, L.L.C. D/B/A MEMBERS CAPITAL MORTGAGE
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19990088 MILLENNIUM MORTGAGE BANKERS, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990089 UNITED FIRST MORTGAGE, INC. D/B/A NORTHSTAR MORTGAGE GROUP
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 860 GREENBRIER CIRCLE, SUITE 103, CHESAPEAKE, VA

BAN19990090 UNITED FIRST MORTGAGE, INC. D/B/A NORTHSTAR MORTGAGE GROUP
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 2697 DEAN DRIVE, SUITE 102, VIRGINIA BEACH, VA TO 420 NORTH CENTER DRIVE, SUITE 103, NORFOLK, VA
BAN19990091 AMERICAN TRUST MORTGAGE CORP.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990092 COLUMN FINANCIAL, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19990093 MORTGAGE AMERICA COMPANIES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1760 RESTON PARKWAY, SUITE 510, RESTON, VA TO 1760 RESTON PARKWAY, SUITE 507, RESTON, VA
BAN19990094 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 10618 SUDLEY MANOR DRIVE, SUITE 41, MANASSAS, VA
BAN19990095 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 206-C TEMPLE AVENUE, COLONIAL HEIGHTS, VA
BAN19990096 LECKY, JOHN H., T/A H & W MORTGAGE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 3705 SOUTH GEORGE MASON DRIVE, #C2S, FALLS CHURCH, VA TO 5025-C BACKLICK ROAD, ANNANDALE, VA
BAN19990097 CH MORTGAGE COMPANY I, LTD., L.P. (USED IN VA BY: CH MORTGAGE COMPANY I, LTD.)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 710 W. BROADWAY, SUITE 502, MESA, AZ
BAN19990098 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4715 CORDELL AVENUE, 2ND FLOOR, BETHESDA, MD
BAN19990099 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 513 EAST CENTER STREET, KINGSPORT, TN
BAN19990100 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 10195 MAIN STREET, SUITE F, FAIRFAX, VA
BAN19990101 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1760 RESTON PARKWAY, SUITE 507, RESTON, VA
BAN19990102 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 422 OAKMEARS CRESCENT, VIRGINIA BEACH, VA
BAN19990103 ACCUBANC MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 365 NORTHRIDGE ROAD, SUITE 480, ATLANTA, GA TO 1100 ASHWOOD PARKWAY, SUITE 350, ATLANTA, GA
BAN19990104 YOUNG, WILLIAM F.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990105 AMERIGROUP MORTGAGE CORPORATION (USED IN VA BY: MORTGAGE INVESTORS CORPORATION)
TO OPEN A MORTGAGE LENDER'S OFFICE AT 5900 CENTRAL AVENUE, ST. PETERSBURG, FL
BAN19990106 AMERIGROUP MORTGAGE CORPORATION (USED IN VA BY: MORTGAGE INVESTORS CORPORATION)
TO OPEN A MORTGAGE LENDER'S OFFICE AT 5982 CENTRAL AVENUE, ST. PETERSBURG, FL
BAN19990107 AMERIGROUP MORTGAGE CORPORATION (USED IN VA BY: MORTGAGE INVESTORS CORPORATION)
TO OPEN A MORTGAGE LENDER'S OFFICE AT 6090 CENTRAL AVENUE, ST. PETERSBURG, FL
BAN19990108 AMERIGROUP MORTGAGE CORPORATION (USED IN VA BY: MORTGAGE INVESTORS CORPORATION)
TO OPEN A MORTGAGE LENDER'S OFFICE AT 6000 CENTRAL AVENUE, ST. PETERSBURG, FL
BAN19990109 AMERIGROUP MORTGAGE CORPORATION (USED IN VA BY: MORTGAGE INVESTORS CORPORATION)
TO OPEN A MORTGAGE LENDER'S OFFICE AT 4707 DISTRIBUTION DRIVE, TAMPA, FL
BAN19990110 BANK OF TIDEWATER, THE
TO OPEN A BRANCH AT 3801 PACIFIC AVENUE, VIRGINIA BEACH, VA
BAN19990111 BANK OF TIDEWATER, THE
TO OPEN A BRANCH AT 2089 GENERAL BOOTH BOULEVARD, VIRGINIA BEACH, VA
BAN19990112 FIRST FRANKLIN FINANCIAL CORPORATION D/B/A DIRECT EQUITY LENDING
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 101 SOUTHHALL LANE, SUITE 400, MAITLAND, FL TO 2221 LEE ROAD, SUITE 37, WINTER PARK, FL
BAN19990113 FIRST FRANKLIN FINANCIAL CORPORATION D/B/A DIRECT EQUITY LENDING
TO OPEN A MORTGAGE LENDER'S OFFICE AT 2700 WEST ATLANTIC BLVD., SUITE 203, POMPANO BEACH, FL
BAN19990114 WEBB, DANNY RAY D/B/A IMPERIAL MORTGAGE
FOR A MORTGAGE BROKER'S LICENSE
BAN19990115 BENEFICIAL VIRGINIA INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM FESTIVAL AT MANASSAS, PRINCE WILLIAM COUNTY, VA TO 10780 SUDLEY MANOR DRIVE, BULLS RUN SHOPPING CENTER, PRINCE WILLIAM COUNTY, VA
BAN19990116 GUBITOSI, LINDA
FOR A MORTGAGE BROKER'S LICENSE
BAN19990117 TRUST COMPANY OF VIRGINIA, THE
TO OPEN A NEW INDEPENDENT TRUST COMPANY BRANCH AT COLONIAL ARMS BUILDING, 204 S. JEFFERSON STREET, ROANOKE, VA
BAN19990118 SHAW, JULIA KAY W. D/B/A KAY SHAW, MORTGAGE SERVICES
FOR A MORTGAGE BROKER'S LICENSE
BAN19990119 HAVENWOOD FINANCIAL, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN19990120 FIRST HERITAGE MORTGAGE COMPANY
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 526 MAIN STREET, SUITE 24, SOUTH BOSTON, VA TO 526 MAIN STREET, SOUTH BOSTON, VA

BAN19990121 DIVINITY MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7799 LEESBURG PIKE, SUITE 900 NORTH, FALLS CHURCH, VA TO 9312-E OLD KEENE MILL ROAD, BURKE, VA
BAN19990122 CHASE HOME FUNDING, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 11203A LOCKWOOD DRIVE, SILVER SPRING, MD TO 11219 LOCKWOOD DRIVE, SILVER SPRING, MD
BAN19990123 CAPITAL ASSETS FINANCIAL, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 32 WATERLOO STREET, THIRD FLOOR, WARRENTON, VA
BAN19990124 GRAVES, JOHN R.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990125 ALLIANCE MORTGAGE COMPANY
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 4500 SALISBURY ROAD, JACKSONVILLE, FL TO 8100 NATIONS WAY, JACKSONVILLE, FL
BAN19990126 BLUE RIDGE MORTGAGE, L.L.C.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1904 HOLLINS MILL ROAD, LYNCHBURG, VA
BAN19990127 FIRST GREENSBORO HOME EQUITY, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 2350 PETERS CREEK ROAD, SUITE A, ROANOKE, VA TO 2847 PENN FOREST BOULEVARD, SW, BUILDING D, SUITE 203, ROANOKE, VA
BAN19990128 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 2225 LAKESIDE DRIVE, LYNCHBURG, VA
BAN19990129 HOMESTEAD MORTGAGE, L.C.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990130 ASSURANCE MORTGAGE CORPORATION OF AMERICA
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19990131 ROCKINGHAM HERITAGE BANK
TO OPEN A BRANCH AT 51 FRANKLIN STREET, WEYERS CAVE, VA
BAN19990132 PRISM MORTGAGE COMPANY
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19990133 VIRGINIA COMMONWEALTH TRUST COMPANY
TO OPEN A SUBSIDIARY TRUST COMPANY AT 102 S. MAIN STREET, CULPEPER, VA
BAN19990134 UNIVERSITY MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 877 BALTIMORE ANNAPOLIS BOULEVARD, SUITE 212, SEVERNA PARK, MD
BAN19990135 MORTGAGE ACCESS CORP. D/B/A WEICHERT FINANCIAL SERVICES
TO OPEN A MORTGAGE LENDER'S OFFICE AT 6257 OLD DOMINION DRIVE, MCLEAN, VA
BAN19990136 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 5975 GREENWOOD PLAZA BOULEVARD, ENGLEWOOD, CO TO 5660 GREENWOOD PLAZA BOULEVARD, ENGLEWOOD, CO
BAN19990137 MID ATLANTIC FUNDING, LLC
FOR A MORTGAGE LENDER'S LICENSE
BAN19990138 KING MORTGAGE CORP.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990139 CRESTAR BANK
TO OPEN A BRANCH AT 2400 BOSTON STREET, SUITE 110, BALTIMORE, MD
BAN19990140 CRESTAR BANK
TO OPEN A BRANCH AT 6225 N. CHARLES STREET, BALTIMORE, MD
BAN19990141 TIDEWATER MORTGAGE SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 701 LYNNHAVEN PARKWAY, VIRGINIA BEACH, VA
BAN19990142 CONSUMER CREDIT COUNSELING SERVICE OF SOUTHWESTERN VIRGINIA, INC.
TO OPEN AN ADDITIONAL DEBT COUNSELING OFFICE AT 6926 PETERS CREEK ROAD, ROANOKE, VA
BAN19990143 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3725 NATIONAL DRIVE, SUITE 114, RALEIGH, NC
BAN19990144 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 810 GLENEAGLES COURT, SUITE 10, TOWSON, MD
BAN19990145 K. HOVNANIAN MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 11350 RANDOM HILLS ROAD, SUITE 800, FAIRFAX, VA
BAN19990146 HANSEN FINANCIAL CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19990147 SEBECK, JOANNE C. D/B/A CANNON MORTGAGE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1250 A CANON WAY, WESTMINSTER, MD TO 2200 BALTIMORE BOULEVARD, FINKSBURG, MD
BAN19990148 COLUMBIA NATIONAL, INCORPORATED
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 6387 CENTER DRIVE, SUITE 101, NORFOLK, VA
BAN19990149 NEW CENTURY CORPORATION (USED IN VA BY: NEW CENTURY MORTGAGE CORPORATION)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 8500 LEESBURG PIKE, SUITE 205, VIENNA, VA
BAN19990150 1ST CONTINENTAL MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 10875 MAIN STREET, SUITE 114, FAIRFAX, VA TO 10801 MAIN STREET, SUITE 500, FAIRFAX, VA
BAN19990151 CHESAPEAKE MORTGAGE FINANCIAL CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1 OLD OYSTER POINT ROAD, SUITE 220, NEWPORT NEWS, VA

BAN19990152 PLANTERS BANK & TRUST COMPANY OF VIRGINIA
TO OPEN A BRANCH AT SOUTHEAST CORNER OF STATE ROUTE 256 AND STATE ROUTE 2020, FRANKLIN ST., WEYERS CAVE, VA
BAN19990153 BROKERS COMMITMENT CORPORATION T/A HIGHLAND FINANCIAL CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 11440 ISAAC NEWTON SQUARE, SUITE 110, RESTON, VA TO 14100 SULLYFIELD CIRCLE, SUITE 600, CHANTILLY, VA
BAN19990154 MORRIS, BONIFACE & ASSOCIATES INCORPORATED
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 10709 SPOTSYLVANIA AVE., SUITE 101, FREDERICKSBURG, VA TO 10707 SPOTSYLVANIA AVENUE, SUITE 102, FREDERICKSBURG, VA
BAN19990155 CORNERSTONE MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 5618-C OX ROAD, FAIRFAX STATION, VA
BAN19990156 BENCHMARK MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4667 HAYGOOD ROAD, SUITE 503, VIRGINIA BEACH, VA
BAN19990157 DIVERSIFIED FINANCIAL, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN19990158 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 155 NORTH LAKE AVENUE, PASADENA, CA TO 1515 WALNUT GROVE AVENUE, ROSEMEAD, CA
BAN19990159 COMMERCIAL CREDIT CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1537 FREEWAY DRIVE, REIDSVILLE, NC
BAN19990160 CONTIMORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 4221 FORBES BOULEVARD, LANHAM, MD
BAN19990161 CONTIMORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 300 TRI-STATE INTERNATIONAL, LINCOLNSHIRE, IL
BAN19990162 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2508 MOUNT MORIAH ROAD, SUITE C-510, MEMPHIS, TN
BAN19990163 1ST NATIONS MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19990164 HARVESTONE FUNDING LLC
FOR A MORTGAGE LENDER'S LICENSE
BAN19990165 INDEPENDENT REALTY CAPITAL CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 15991 REDHILL AVENUE, SUITE 220, TUSTIN, CA TO 1562 PARKWAY LOOP, SUITE B, TUSTIN, CA
BAN19990166 1ST SOUTHERN FINANCIAL GROUP INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 7058 RIVER VALLEY ROAD, MECHANICSVILLE, VA
BAN19990167 SOUTHERN TRUST MORTGAGE, LLC
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3916 PORTSMOUTH BOULEVARD, CHESAPEAKE, VA
BAN19990168 COMMUNITY DEVELOPMENT GROUP INC OF DELAWARE T/A COMMUNITY MORTGAGE COMPANY
TO OPEN A MORTGAGE BROKER'S OFFICE AT PUBLIC STORAGE, 4400 BACKLICK ROAD, ANNANDALE, VA
BAN19990168 COMMUNITY DEVELOPMENT GROUP INC OF DELAWARE
TO OPEN A MORTGAGE BROKER'S OFFICE AT PUBLIC STORAGE, 4400 BACKLICK ROAD, ANNANDALE, VA
BAN19990169 HOME TOWN MORTGAGE GROUP, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990170 FIRST FINANCIAL, INC. D/B/A E-JUMBO
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19990171 APEX FINANCIAL GROUP, INC. D/B/A AAPEX MORTGAGE
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3220 LITHA PINECREST ROAD, VALRICO, FL
BAN19990172 CHESAPEAKE MORTGAGE FINANCIAL CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 717 W. CLAY STREET, LYNCHBURG, VA
BAN19990173 BRINER INCORPORATED
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 4000 LEGATO ROAD, SUITE 930, FAIRFAX, VA TO 11250 WAPLES MILL ROAD, SUITE 300, FAIRFAX, VA
BAN19990174 HANOVER MORTGAGE CORP.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990175 UNITED CAPITAL MORTGAGE CORP.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 117 S. 17TH STREET, SUITE 2100, PHILADELPHIA, PA TO 1411 K STREET, N.W., SUITE 900, WASHINGTON, DC
BAN19990176 CMS MORTGAGE, INC. (USED IN VA BY: COOPERATIVE MORTGAGE SERVICES, INC.)
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1801 CALIFORNIA STREET, SUITE 2740, DENVER, CO
BAN19990177 CMS MORTGAGE, INC. (USED IN VA BY: COOPERATIVE MORTGAGE SERVICES, INC.)
TO OPEN A MORTGAGE LENDER'S OFFICE AT 3300 FERNBROOK LANE, SUITE 300, PLYMOUTH, MN
BAN19990178 FEDERAL HOME FUNDING CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 11124 NICHOLAS DRIVE, SILVER SPRING, MD TO 11501 GEORGIA AVENUE, SUITE 104, WHEATON, MD
BAN19990179 MONEY LENDERS, INC. D/B/A MOUNTAIN INVESTMENT MORTGAGE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 124 TAZEWELL STREET, PEARISBURG, VA
BAN19990180 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4425 PORTSMOUTH BOULEVARD, SUITE 110, CHESAPEAKE, VA
BAN19990181 MENDEZ, MANUEL ANTONIO
FOR A MORTGAGE BROKER'S LICENSE

BAN19990182 BUSINESS BANK, THE
TO OPEN A BRANCH AT 1451 DOLLEY MADISON BOULEVARD, MCLEAN, VA
BAN19990183 WASHINGTON NATIONWIDE MORTGAGES CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19990184 VIRGINIA CLOSING CORP.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19990185 SPECTRUM FUNDING CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19990186 MILLENNIUM BANKSHARES CORPORATION
TO ACQUIRE MILLENNIUM BANK, N.A.
BAN19990187 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 247 WOODLAND DRIVE, BLUFF CITY, TN
BAN19990188 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT ROUTE 1, BOX 132, IVANHOE, VA
BAN19990189 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO RELOCATE OFFICE FROM 728 WEST 21ST STREET, NORFOLK, VA TO 537 WEST 21ST STREET, NORFOLK, VA
BAN19990190 TOWNE BANK
TO RELOCATE MAIN OFFICE FROM 5716 HIGH STREET, PORTSMOUTH, VA TO 5800 HIGH STREET, PORTSMOUTH, VA
BAN19990191 POSITIVE MORTGAGE, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19990192 CAPITAL PLUS CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 130 THOMPSON STREET, SUITE E, ASHLAND, VA
BAN19990193 CENTURY FINANCIAL GROUP, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 8001 IRVINE CENTER DRIVE, SUITE 400, IRVINE, CA TO 4 CROMWELL, SUITE 200, IRVINE, CA
BAN19990194 BANK OF THE JAMES
TO OPEN A BANK AT 615 CHURCH STREET, LYNCHBURG, VA
BAN19990195 A. SAREEN MORTGAGE INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990196 CAPITAL ACCESS, LTD.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 5053-B BACKLICK ROAD, ANNANDALE, VA
BAN19990197 KING, DONALD O. D/B/A ACCESS MORTGAGE KOD
FOR A MORTGAGE BROKER'S LICENSE
BAN19990198 CRAWFORD, MICHAEL O.
TO RELOCATE A MORTGAGE BROKER'S OFFICE FROM 928 BRAGG ROAD, FREDERICKSBURG, VA TO 957 SWAN LANE, RUTHER GLEN, VA
BAN19990199 KENNEDY MORTGAGE CORP.
TO RELOCATE A MORTGAGE BROKER'S OFFICE FROM 1455 E. TROPICANA AVENUE, SUITE 550, LAS VEGAS, NV TO 4220 SOUTH MARYLAND PARKWAY, SUITE 100, LAS VEGAS, NV
BAN19990200 FINANCIAL WEB, INC., THE
FOR A MORTGAGE BROKER'S LICENSE
BAN19990201 ADVANTAGE HOME MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990202 FAIRFAX MORTGAGE INVESTMENTS INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 4663 HAYGOOD ROAD, SUITE 208, VIRGINIA BEACH, VA TO 3500 VIRGINIA BEACH BOULEVARD, SUITE 217, VIRGINIA BEACH, VA
BAN19990203 MORTGAGE DOCTOR, INC., THE
FOR A MORTGAGE BROKER'S LICENSE
BAN19990204 RESIDENTIAL LENDING CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 5135 DUDLEY LANE, BETHESDA, MD TO 8400 BALTIMORE AVENUE, COLLEGE PARK, MD
BAN19990205 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 833 ROUTE 37 WEST, SUITE 216, TOMS RIVER, NJ
BAN19990206 CONTIMORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 1515 MARTIN BOULEVARD, MIDDLE RIVER, MD TO 8808 CENTRE PARK DRIVE, COLUMBIA PARK, MD
BAN19990207 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 5898 CONDOR DRIVE, MOORPARK, CA
BAN19990208 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 2840 HERSHBERGER ROAD, SUITE F, ROANOKE, VA
BAN19990209 LONG BEACH MORTGAGE COMPANY D/B/A FINANCING USA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1001 FOREST AVENUE, ARNOLD, MD
BAN19990210 FIRST LIBERTY FINANCIAL SERVICES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990211 COLLINBROOK MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1701 PINECROFT ROAD, SUITE 520, GREENSBORO, NC TO 1033 RANDOLPH STREET, SUITE 18, THOMASVILLE, NC
BAN19990212 COLLINBROOK MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 4460 CORPORATION LANE, SUITE 202, VIRGINIA BEACH, VA TO 5540 CENTERVIEW DRIVE, SUITE 112, RALEIGH, NC
BAN19990213 AMERIGROUP MORTGAGE CORPORATION (USED IN VA BY: MORTGAGE INVESTORS CORPORATION)
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1500 66TH STREET N., ST. PETERSBURG, FL

BAN19990214 CREVE COEUR MORTGAGE ASSOCIATES INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN19990215 FEDERAL FUNDING MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 440 W. JUBAL EARLY DR, SUITE 240, WINCHESTER, VA TO 440 W. JUBAL EARLY DR, SUITE 110, WINCHESTER, VA
BAN19990216 ABBEY MORTGAGE AND FINANCIAL SERVICES, INC. D/B/A ABBEY MORTGAGE
TO OPEN A MORTGAGE BROKER'S OFFICE AT 748 HOWARD'S LOOP, ANNAPOLIS, MD
BAN19990217 COUNTRY FUNDING INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19990218 SOURCE ONE MORTGAGE CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19990219 MORTGAGE RESOURCE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19990220 PARAGON, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN19990221 ASKEW, IV, WILLIAM JOHN
FOR A MORTGAGE BROKER'S LICENSE
BAN19990222 PROFESSIONAL MORTGAGE FINANCIAL SERVICES, INC. (USED IN VA BY: PROFESSIONAL MORTGAGE, INC.)
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19990223 COMMUNITY BANK OF NORTHERN VIRGINIA
TO OPEN A BRANCH AT BORDERS PLAZA CENTER, STATE ROUTE 7 AND PALISADES PARKWAY, STERLING, VA
BAN19990224 COMMERCIAL CREDIT LOANS INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN19990225 COMMERCIAL CREDIT LOANS INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN19990226 COMMERCIAL CREDIT LOANS INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN19990227 COMMERCIAL CREDIT LOANS INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN19990228 COMMERCIAL CREDIT CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 7219 COMMERCE STREET, SPRINGFIELD, VA
BAN19990229 COMMERCIAL CREDIT CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 5207 BERNARD DRIVE, S.W., ROANOKE, VA
BAN19990230 COMMERCIAL CREDIT CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 4000 VIRGINIA BEACH BOULEVARD, VIRGINIA BEACH, VA
BAN19990231 COMMERCIAL CREDIT CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 519A JEFFERSON DAVIS HIGHWAY, FREDERICKSBURG, VA
BAN19990232 COMMERCIAL CREDIT LOANS INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE TITLE INSURANCE BUSINESS WILL ALSO BE CONDUCTED
BAN19990233 COMMERCIAL CREDIT LOANS INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE PROPERTY INSURANCE BUSINESS WILL ALSO BE CONDUCTED
BAN19990234 COMMERCIAL CREDIT LOANS INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE NON-FILING INSURANCE BUSINESS WILL ALSO BE CONDUCTED
BAN19990235 COMMERCIAL CREDIT LOANS INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE OPEN-END LENDING WILL ALSO BE CONDUCTED
BAN19990236 COMMERCIAL CREDIT LOANS INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE LENDING WILL ALSO BE CONDUCTED
BAN19990237 COMMERCIAL CREDIT LOANS INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE SALES FINANCE BUSINESS WILL ALSO BE CONDUCTED
BAN19990238 ROUILLARD, KIMBERLIE D/B/A THE KIMBERLIE FINANCIAL GROUP
TO OPEN A MORTGAGE BROKER'S OFFICE AT 106 CROFTON PLACE, SUITE 7D, PALMYRA, VA
BAN19990239 NMC MORTGAGE CORPORATION (USED IN VA BY: NATIONAL MORTGAGE CORPORATION)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 100 MANSELL COURT EAST, SUITE 610, ROSWELL, GA
BAN19990240 MORTGAGE INVESTMENT CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 4502 STARKEY ROAD, S.W., SUITE 5, ROANOKE, VA TO 4502 STARKEY RD., S.W., SUITE 109, ROANOKE, VA
BAN19990241 ROANOKE VALLEY MORTGAGE, INC.
TO RELOCATE A MORTGAGE BROKER'S OFFICE FROM 5542 VALLEY DRIVE, ROANOKE, VA TO 4502 STARKEY ROAD, S.W., SUITE 5, ROANOKE, VA
BAN19990242 NORTHSTAR LENDING, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19990243 MORTGAGE SOUTH, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 5312-A PROVIDENCE ROAD, VIRGINIA BEACH, VA
BAN19990244 GREEN TREE CONSUMER DISCOUNT COMPANY
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE PROPERTY INSURANCE BUSINESS WILL ALSO BE CONDUCTED
BAN19990245 NOVA MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 51 MONROE STREET, SUITE 1800, ROCKVILLE, MD TO 51 MONROE STREET, 17TH FLOOR, ROCKVILLE, MD
BAN19990246 TURNER, PEGGY
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 15235 BOYDTON PLANK ROAD, DINWIDDIE, VA TO 13626 BOYDTON PLANK ROAD, DINWIDDIE, VA

BAN19990247 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 11707 COLLINGWOOD COURT, WOODBRIDGE, VA
BAN19990248 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 15885 KINGS HIGHWAY, MONTROSS, VA
BAN19990249 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 10209 DAYLILY COURT, MANASSAS, VA
BAN19990250 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 5201 APPLELEAF COURT, RICHMOND, VA
BAN19990251 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 6109 MELVERN DRIVE, BETHESDA, MD
BAN19990252 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 6314 BRINKLEY COURT, TEMPLE HILLS, MD
BAN19990253 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 896 MARLBORO ROAD, LOTHIAN, MD
BAN19990254 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 8350 GREENSBORO DRIVE, SUITE 409, MCLEAN, VA
BAN19990255 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 11571 PURSE DRIVE, MANASSAS, VA
BAN19990256 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 4094 MAJESTIC LANE, SUITE 111, FAIRFAX, VA
BAN19990257 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2188 HARPOON DRIVE, STAFFORD, VA TO 2444 HARPOON DRIVE, STAFFORD, VA
BAN19990258 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 325 GARRISONVILLE ROAD, SUITE 106-136, STAFFORD, VA
BAN19990259 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 19173 HIGH STREAM DRIVE, GERMANTOWN, MD
BAN19990260 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 5885 HOMESTEAD LANE, N.W., NORCROSS, GA
BAN19990261 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1339 NOE BIXBY ROAD, COLIS, OH
BAN19990262 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 210 MANOR ROAD, FRONT ROYAL, VA TO 467 MANOR ROAD, N.E., FRONT ROYAL, VA
BAN19990263 FIRST CENTURY BANK, NATIONAL ASSOCIATION
TO MERGE INTO IT FIRST CENTURY BANK
BAN19990264 MERITAGE MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 3331 STREET ROAD, SUITE 350, BENSALEM, PA
BAN19990265 CALVERT MORTGAGE COMPANY, L.L.C.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990266 ACCESS MORTGAGE SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 780 PILOT HOUSE DRIVE, BLDG. 400, SUITE A, NEWPORT NEWS, VA
BAN19990267 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 5101 PRINCESS ANNE ROAD, VIRGINIA BEACH, VA
BAN19990268 ASSOCIATES HOUSING FINANCE, LLC
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 8001 RIDGEPOINT DRIVE, IRVING, TX TO 4650 REGENT BOULEVARD, IRVING, TX
BAN19990269 MORTGAGE INVESTMENT CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 4502 STARKEY ROAD, SW, SUITE 5, ROANOKE, VA TO 4502 STARKEY ROAD, SW, SUITE 109, ROANOKE, VA
BAN19990270 MORTGAGE INVESTMENT CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 4502 STARKEY ROAD , SUITE 109, ROANOKE, VA TO 4502 STARKEY ROAD , S.W. SUITE 203, ROANOKE, VA
BAN19990271 OPTION ONE MORTGAGE CORPORATION D/B/A H&R BLOCK MORTGAGE
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 8605 WESTWOOD CENTER DRIVE, VIENNA, VA TO 2191 FOX MILL ROAD, SUITE 110, HERNDON, VA
BAN19990272 INTEGRITY MORTGAGE AND FINANCE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT P. O. BOX 1785, INWOOD, WV
BAN19990273 GUARANTY BANK
TO OPEN A BRANCH AT OUT-PARCEL B-1, FOREST LAKES, U. S. ROUTE 29 AND WORTH CROSSING, ALBEMARLE COUNTY, VA
BAN19990274 SENTRY MORTGAGE BANKERS, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN19990275 FASTWAY FOREX BUREAU
FOR A MONEY ORDER LICENSE
BAN19990276 COLUMBIA NATIONAL, INCORPORATED
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3061-N SOUTH MAIN STREET, HARRISONBURG, VA
BAN19990277 MORTGAGE VAULT, INC., THE
TO OPEN A MORTGAGE BROKER'S OFFICE AT 8620 RICHMOND HIGHWAY, ALEXANDRIA, VA
BAN19990278 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 240 MAIN STREET, GAITHERSBURG, MD

BAN19990279 SEBRING CAPITAL CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 16610 DALLAS PARKWAY, SUITE 2400, DALLAS, TX TO 4000 INTERNATIONAL PARKWAY, SUITE 3000, CARROLLTON, TX
BAN19990280 SECURITY PLUS MORTGAGE CO. (USED IN VA BY: JEFFERSON MORTGAGE, INC.)
FOR A MORTGAGE BROKER'S LICENSE
BAN19990281 CUNA MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 725 EAST MIFFLIN STREET, MADISON, WI
BAN19990282 CUNA MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 2370 SOUTH GAREY AVENUE, POMONA, CA
BAN19990283 FIRST RATE MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT MASON TEMPLE BUILDING, 105 SOUTH UNION STREET, SUITE 602, DANVILLE, VA
BAN19990284 IMC MORTGAGE COMPANY
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 144 MERCHANT STREET, SUITE 225, CINCINNATI, OH TO 4501 ERSKINE ROAD, SUITE 50, BLUE ASH, OH
BAN19990285 MORGAN HOME FUNDING CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 9426 STEWARTOWN ROAD, MONTGOMERY VILLAGE, MD TO 822-H ROCKVILLE PIKE, ROCKVILLE, MD
BAN19990286 MIDDLEBURG BANK, THE
TO OPEN A BRANCH AT 4 SOUTH KING STREET, LEESBURG, VA
BAN19990287 PILOT MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19990288 FIRST COMMUNITY BANK, NATIONAL ASSOCIATION
TO MERGE INTO IT FIRST COMMUNITY BANK OF SOUTHWEST VIRGINIA, INC.
BAN19990289 CEDAR CREEK MORTGAGE, L.L.C.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990290 KEY MORTGAGE COMPANY, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 13803 VILLAGE MILL DRIVE, SUITE 102, MIDLOTHIAN, VA
BAN19990291 INNOVATIVE FUNDING INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 3800 BARETT DRIVE, SUITE 300, RALEIGH, NC
BAN19990292 FREEDOM PLUS MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19990293 MEGO MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 1000 PARKWOOD CIRCLE, 5TH FLOOR, ATLANTA, GA TO 1000 PARKWOOD CIRCLE, 6TH FLOOR, ATLANTA, GA
BAN19990294 F & M BANK - WINCHESTER
TO OPEN A BRANCH AT 432 SOUTH STREET, FRONT ROYAL, VA
BAN19990295 FIRST BANKERS MORTGAGE SERVICES, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 500 WINDING BROOK DRIVE, 2ND FLOOR, GLASTONBURY, CT TO 223 WILMINGTON WEST CHESTER PIKE, CHADDS FORD, PA
BAN19990296 ISLAND MORTGAGE NETWORK INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 4000 LEGATO ROAD, FAIRFAX, VA TO 11350 RANDOM HILLS ROAD, SUITE 220, FAIRFAX, VA
BAN19990297 ISLAND MORTGAGE NETWORK INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 200 HARRY S. TRUMAN PARKWAY, ANNAPOLIS, MD TO 116 DEFENSE HIGHWAY, SUITE 501, ANNAPOLIS, MD
BAN19990298 PROVIDENCE ONE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 5001 W. BROAD STREET, SUITE 307, RICHMOND, VA
BAN19990299 VALLEY PINE MORTGAGE OF VIRGINIA, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1 EAST CHERRY HILL ROAD, REISTERSTOWN, MD TO 11000 BROKEN LAND PARKWAY, SUITE 301, COLUMBIA, MD
BAN19990300 FIRST RESIDENTIAL MORTGAGE NETWORK, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 6105 W. ST. JOSEPH, SUITE 204, LANSING, MI
BAN19990301 BLUE RIDGE FINANCE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19990302 STAR CITY MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM HC 34, BOX 315, NEW CASTLE, VA TO 312 MAIN STREET, NEW CASTLE, VA
BAN19990303 RESIDENTIAL MORTGAGE ASSOCIATES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990304 EAGLEBANK
TO OPEN A BRANCH AT MOBILE BRANCH SERVING NORTHERN VIRGINIA
BAN19990305 1ST PROFESSIONAL MORTGAGE, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1900 L STREET, NORTHWEST, SUITE 408, WASHINGTON, DC TO 7847 OLD GEORGETOWN ROAD, SUITE 201, BETHESDA, MD
BAN19990306 FIRST HOME MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 7939 HONEYGO BOULEVARD, SUITES 200-201, BALTIMORE, MD
BAN19990307 FIRST HOME MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 111 NORTH WEST STREET, SUITE C, EASTON, MD

BAN19990308 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 7918 JONES BRANCH DRIVE, MCLEAN, VA TO 12150 MONUMENT DRIVE, FAIRFAX, VA

BAN19990309 MORTGAGE PROCESSING, INC. D/B/A FIRST COLONIAL MORTGAGE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 11602 HARVESTDALE DRIVE, FREDERICKSBURG, VA TO 8321 OLD MILL LANE, SPOTSYLVANIA, VA

BAN19990310 OLD TOWN FINANCIAL CORP. D/B/A RAMSAY MORTGAGE COMPANY
TO OPEN A MORTGAGE BROKER'S OFFICE AT 4851 FORT AVENUE, LYNCHBURG, VA

BAN19990311 PARKS FINANCE SERVICE, INC.
TO OPEN A CONSUMER FINANCE OFFICE

BAN19990312 GSF MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 14502 GREENVIEW DRIVE, SUITE 308, LAUREL, MD TO 4940 CAMPBELL BOULEVARD, SUITE 160, BALTIMORE, MD

BAN19990313 SOUTHSIDE MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 554 N. MAIN STREET, SOUTH BOSTON, VA TO 208 SOUTH HILL AVENUE, SOUTH HILL, VA

BAN19990314 BOMBARDIER CAPITAL FLORIDA INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN19990315 SOUTHERN STATES EMPLOYEES' CREDIT UNION, INCORPORATED
TO RELOCATE CREDIT UNION OFFICE FROM 6606 W. BROAD STREET, RICHMOND, VA TO 5516 FALMOUTH STREET, SUITE 103, RICHMOND, VA

BAN19990316 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 7522 MECHANICSVILLE TURNPIKE, MECHANICSVILLE, VA

BAN19990317 CTX MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT ONE COLUMBUS CENTER, SUITE 645, VIRGINIA BEACH, VA

BAN19990318 CTX MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 5030 NEW CENTRE DRIVE, SUITE A-2, WILMINGTON, NC

BAN19990319 BURKE & HERBERT BANK & TRUST COMPANY
TO OPEN A BRANCH AT 225 WEST BROAD STREET, CHURCH, VA

BAN19990320 COLUMBIA NATIONAL, INCORPORATED
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT ARBORETUM EXECUTIVE SUITES, 300 ARBORETUM PLACE, SUITE 140, RICHMOND, VA

BAN19990321 FIRST JEFFERSON MORTGAGE CORPORATION D/B/A FIRST JEFFERSON FUNDING
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 100 SEVENTH STREET, PORTSMOUTH, VA

BAN19990322 FIRST JEFFERSON MORTGAGE CORPORATION D/B/A FIRST JEFFERSON FUNDING
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 770 J. CLYDE MORRIS BOULEVARD, UNIT 155, NEWPORT NEWS, VA

BAN19990323 FIRST JEFFERSON MORTGAGE CORPORATION D/B/A FIRST JEFFERSON FUNDING
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 770 J. CLYDE MORRIS BOULEVARD, UNIT 190, NEWPORT NEWS, VA

BAN19990324 ACCUBANC MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 7833 WALKER DRIVE, SUITE 560, GREENBELT, MD TO 7833 DRIVE, SUITE 640, GREENBELT, MD

BAN19990325 ACCUBANC MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 6135 PARK SOUTH DRIVE, SUITE 106, CHARLOTTE, NC TO 6135 PARK SOUTH DRIVE, SUITE 510, CHARLOTTE, NC

BAN19990326 CONTIMORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 809 GLENEAGLES COURT, TOWSON, MD

BAN19990327 HOME SHARK, INC. D/B/A IOWN.COM
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 185 MASON CIRCLE, SUITE D, CONCORD, CA TO 777 ARNOLD DRIVE, 2ND FLOOR, MARTINEZ, CA

BAN19990328 COLONY MORTGAGE CORP.
FOR A MORTGAGE LENDER'S LICENSE

BAN19990329 WILSON, KAREN KATHLEEN
FOR A MORTGAGE BROKER'S LICENSE

BAN19990330 COMMUNITY BANK OF NORTHERN VIRGINIA
TO OPEN A BRANCH AT FORT EVANS PLAZA AT THE INTERSECTION OF FORT EVANS ROAD AND U.S. RT. 15, LEESBURG, VA

BAN19990331 MADISON FINANCIAL CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 297 HERNDON PARKWAY, SUITE 303 B, HERNDON, VA

BAN19990332 ACCREDITED HOME LENDERS, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 4501 CIRCLE 75 PARKWAY, F-6350, ATLANTA, GA

BAN19990333 EXPRESS FINANCIAL CORP.
FOR A MORTGAGE LENDER AND BROKER LICENSE

BAN19990334 FIRST SECURITY FINANCIAL GROUP, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN19990335 ACCUBANC MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 365 NORTHRIDGE ROAD, SUITE 480, ATLANTA, GA

BAN19990336 ACCUBANC MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 7616 LBJ FREEWAY, SUITE 110, DALLAS, TX

BAN19990337 ACCUBANC MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 10400 LITTLE PATUXENT PARKWAY, SUITE 470, COLUMBIA, MD
BAN19990338 ACCUBANC MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM EXECUTIVE PARK WEST, UNIT B203, FREDERICK, MD TO EXECUTIVE PARK WEST BUILDING, SUITE B102, #5 HILLCREST DRIVE, FREDERICK, MD
BAN19990339 F&M BANK-NORTHERN VIRGINIA
TO OPEN A BRANCH AT 4736 LEE HIGHWAY, ARLINGTON COUNTY, VA
BAN19990340 OPTION ONE MORTGAGE CORPORATION D/B/A H&R BLOCK MORTGAGE
TO OPEN A MORTGAGE LENDER'S OFFICE AT 14520 AVION PARKWAY, SUITE 310, CHANTILLY, VA
BAN19990341 CHOCKLETT, DONNA L. D/B/A CHOCKLETT MORTGAGE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 922 12TH STREET, S.E., SUITE A, ROANOKE, VA TO 223 W. VIRGINIA AVENUE, SUITE B, VINTON, VA
BAN19990342 OLD DOMINION MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2 COUNTRYSIDE SQUARE, RUCKERSVILLE, VA TO 600 EAST WATER STREET, SUITE G, CHARLOTTESVILLE, VA
BAN19990343 TAMMAC CORPORATION
FOR A MORTGAGE LENDER'S LICENSE
BAN19990344 WAMPLER'S HOMES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990345 SERVICE SAVERS FINANCIAL LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN19990346 COMMUNITY MORTGAGE CENTERS, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN19990347 AMERINET DELAWARE, INC.
TO ACQUIRE 25 PERCENT OR MORE OF AMERINET FINANCIAL SYSTEMS, INC.
BAN19990348 HOMESTEAD FUNDING CORP.
FOR A MORTGAGE LENDER'S LICENSE
BAN19990349 COMMONWEALTH CATHOLIC CHARITIES
TO OPEN AN ADDITIONAL DEBT COUNSELING OFFICE AT 202 N. SYCAMORE STREET, ROOM 311, PETERSBURG, VA
BAN19990350 LIBERTY FINANCIAL SERVICES, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1401 ROCKVILLE PIKE, SUITE 120, ROCKVILLE, MD TO 11821 PARKLAWN DRIVE, SUITE 300, ROCKVILLE, MD
BAN19990351 DMR FINANCIAL SERVICES, INC. D/B/A DMR MORTGAGE SERVICES
TO OPEN A MORTGAGE LENDER'S OFFICE AT 2 W. ROLLING CROSSROAD, SUITE 206, BALTIMORE, MD
BAN19990352 COLUMBIA NATIONAL, INCORPORATED
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM ONE COLUMBUS CENTER, VIRGINIA BEACH, VA TO 477 VIKING DRIVE, SUITE 100, VIRGINIA BEACH, VA
BAN19990353 SAXON MORTGAGE, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM ONE RIDGMAR CENTRE, FORT WORTH, TX TO 2501 PARKVIEW DRIVE, SUITE 200, FT. WORTH, TX
BAN19990354 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 3778 VIRGINIA BEACH BOULEVARD, VIRGINIA BEACH, VA TO 3101 VIRGINIA BEACH BOULEVARD, SUITE 107, VIRGINIA BEACH, VA
BAN19990355 MURRAY FINANCIAL GROUP, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990356 MILLMAN, LESLIE R.
TO ACQUIRE 25 PERCENT OR MORE OF WALL STREET MORTGAGE CORPORATION
BAN19990357 MORTGAGE FIRST, INC. D/B/A MORTGAGE FIRST
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 258 NORTH WITCHDUCK ROAD, SUITE G, VIRGINIA BEACH, VA TO 258 NORTH WITCHDUCK ROAD, SUITE A, VIRGINIA BEACH, VA
BAN19990358 GLOBAL MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19990359 OVERLAKE MORTGAGE COMPANY
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN19990360 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 13411 DAIRY COURT, BRISTOW, VA
BAN19990361 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 15501 VINE COTTAGE DRIVE, CENTREVILLE, VA
BAN19990362 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 732 HOLCOMBS POND COURT, ALPHRETTA, GA
BAN19990363 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3812 CLAREMONT LANE, DALE CITY, VA
BAN19990364 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 8302 MORNINGSIDE DRIVE, MANASSAS, VA
BAN19990365 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 100 LEE STREET, NEW MARKET, VA
BAN19990366 BUKRIM MOBILE HOMES, INC. D/B/A BUKRIM HOME CENTER
FOR A MORTGAGE BROKER'S LICENSE
BAN19990367 ASSOCIATES FINANCIAL SERVICES COMPANY OF VIRGINIA, INC.
TO OPEN A CONSUMER FINANCE OFFICE

BAN19990368 ASSOCIATES FINANCIAL SERVICES COMPANY OF VIRGINIA, INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN19990369 ASSOCIATES FINANCIAL SERVICES COMPANY OF VIRGINIA, INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN19990370 ASSOCIATES FINANCIAL SERVICES COMPANY OF VIRGINIA, INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN19990371 ASSOCIATES FINANCIAL SERVICES COMPANY OF VIRGINIA, INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN19990372 ASSOCIATES FINANCIAL SERVICES COMPANY OF VIRGINIA, INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN19990373 ASSOCIATES FINANCIAL SERVICES OF AMERICA, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT ROUTE 29 NORTH, RIVER JAMES SHOPPING CENTER, MADISON HEIGHTS, VA
BAN19990374 ASSOCIATES FINANCIAL SERVICES OF AMERICA, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 2114 ANGUS ROAD, SUITE 102, ANGUS ROAD BUSINESS CENTER, CHARLOTTESVILLE, VA
BAN19990375 ASSOCIATES FINANCIAL SERVICES OF AMERICA, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 8221 HULL STREET ROAD, RICHMOND, VA
BAN19990376 ASSOCIATES FINANCIAL SERVICES OF AMERICA, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 6431 WILLIAMSON ROAD, N.W., BROOKSIDE SHOPPING CENTER, ROANOKE, VA
BAN19990377 ASSOCIATES FINANCIAL SERVICES OF AMERICA, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1562 NORTH FRANKLIN STREET, CHRISTIANSBURG, VA
BAN19990378 ASSOCIATES FINANCIAL SERVICES OF AMERICA, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 8191-A BROOK ROAD, RICHMOND, VA
BAN19990379 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1211 GREENWAY COURT, SUITE 101, FAIRFAX, VA
BAN19990380 MORGAN HOME FUNDING CORPORATON
TO OPEN A MORTGAGE BROKER'S OFFICE AT 405 EAST GUDE DRIVE, ROCKVILLE, MD
BAN19990381 BB&T CORPORATION
TO ACQUIRE FIRST CITIZENS BANK
BAN19990381 BB&T CORPORATION
TO ACQUIRE FIRST CITIZENS CORPORATION
BAN19990381 BB&T CORPORATION
TO ACQUIRE FIRST CITIZENS BANK OF GEORGIA
BAN19990382 PARKS FINANCE SERVICE, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE SALES FINANCE BUSINESS WILL ALSO BE CONDUCTED
BAN19990383 EVERGREEN MONEYSOURCE MORTGAGE COMPANY
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19990384 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 4876 PRINCESS ANN ROAD, UNIT 19, VIRGINIA BEACH, VA
BAN19990385 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 2840 HERSHBERGER ROAD, SUITE F, ROANOKE, VA TO 2026 ELECTRIC ROAD, ROANOKE, VA
BAN19990386 U. S. HOME MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 10230 NEW HAMPSHIRE AVENUE, SILVER SPRING, MD TO 10230 NEW HAMPSHIRE AVENUE, SUITE 204, SILVER SPRING, MD
BAN19990387 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1130 GLOBE AVENUE, MOUNTAINSIDE, NJ
BAN19990388 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3200 PARK CENTER DRIVE, SUITE 150, COSTA MESA, CA
BAN19990389 RESOURCE BANK
TO OPEN A BRANCH AT 501 INDEPENDENCE PARKWAY, SUITE 105, CHESAPEAKE, VA
BAN19990390 AMERICA'S FUNDING GROUP, INC. D/B/A AFG EQUITY SERVICES
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 201-A ROYAL STREET, S.E., LEESBURG, VA TO 19 A EAST MARKET STREET, LEESBURG, VA
BAN19990391 RYLAND MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 8606 ALLISONVILLE ROAD, SUITE 210, INDIANAPOLIS, IN
BAN19990392 RYLAND MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 14505 NORTH HAYDEN ROAD, SUITE B340, SCOTTSDALE, AZ
BAN19990393 RYLAND MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 11130 MAIN STREET, SUITE 305, FAIRFAX, VA
BAN19990394 ACCUBANC MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 6135 PARK SOUTH DRIVE, SUITE 510, CHARLOTTE, NC TO 6100 FAIRVIEW, SOUTHPARK TOWERS, SUITE 870, CHARLOTTE, NC
BAN19990395 WINDSOR CAPITAL MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7700 LITTLE RIVER TURNPIKE, ANNANDALE, VA TO 1988-B, SUITE 2, OPITZ BOULEVARD, WOODBRIDGE, VA
BAN19990396 WINDSOR CAPITAL MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2536 YOUNGS DRIVE, HAYMARKET, VA

BAN19990397 CONSUMER CREDIT COUNSELING SERVICE OF VIRGINIA, INC.
TO OPEN AN ADDITIONAL DEBT COUNSELING OFFICE AT 101 SOUTH MAIN STREET, LEXINGTON, VA
BAN19990398 F & M BANK - RICHMOND
TO RELOCATE OFFICE FROM 4310 WEST HUNDRED ROAD, CHESTER, VA TO 11900 CHESTER VILLAGE DRIVE, CHESTER, VA
BAN19990399 HOMESTEAD MORTGAGE COMPANY, THE D/B/A HOMESTEAD USA, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 251 NORTH ILLINOIS STREET, INDIANAPOLIS, IN TO 251 NORTH ILLINOIS STREET, SUITE 2000, INDIANAPOLIS, IN
BAN19990400 PROGRESSIVE MORTGAGE SERVICES, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN19990401 ATLANTIC BAY MORTGAGE GROUP, L.L.C.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7814 CAROUSEL LANE, SUITE 300, RICHMOND, VA TO 5905 WEST BROAD STREET, RICHMOND, VA
BAN19990402 COMMERCIAL CREDIT CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 108 EAST MAIN STREET, MARTINSVILLE, VA TO 2541 GREENSBORO ROAD, MARTINSVILLE, VA
BAN19990403 COMMERCIAL CREDIT LOANS INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 108 EAST MAIN STREET, MARTINSVILLE, VA TO 2541 GREENSBORO ROAD, HENRY COUNTY, VA
BAN19990404 CAPITAL Z FINANCIAL SERVICES FUND II, L.P.
TO ACQUIRE 25 PERCENT OR MORE OF ONE STOP MORTGAGE, INC.
BAN19990405 R. K. FINANCIAL SERVICES, INC. D/B/A IMMEDIATE MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 11791 FINGERBOARD ROAD, MONROVIA, MD TO 11793 FINGERBOARD ROAD, MONROVIA, MD
BAN19990406 METROPOLITAN MORTGAGE BANKERS, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4216 EVERGREEN LANE, SUITE 124, ANNANDALE, VA TO 4216 EVERGREEN LANE, SUITE 134, ANNANDALE, VA
BAN19990407 SKYLINE MORTGAGE GROUP, L.C. D/B/A AMERICASBESTLOAN.COM
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 8133 LEESBURG PIKE, SUITE 720, VIENNA, VA TO 8133 LEESBURG PIKE, SUITE 410, VIENNA, VA
BAN19990408 SOUTHLAND LENDING GROUP, L.L.C.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990409 HOMESTAR, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990410 VIRGINIA COMMERCE BANK
TO OPEN A BRANCH AT 506 KING STREET, ALEXANDRIA, VA
BAN19990411 PSB LENDING CORP.
FOR A MORTGAGE LENDER'S LICENSE
BAN19990412 AMERICAN HOME MORTGAGE CORP.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19990413 REGIONAL ACCEPTANCE CORPORATION
TO RELOCATE CONSUMER FINANCE OFFICE FROM GREEN RIDGE CENTER, ROANOKE, VA TO 5332 WILLIAMSON ROAD, ROANOKE, VA
BAN19990414 REGIONAL ACCEPTANCE CORPORATION
TO RELOCATE CONSUMER FINANCE OFFICE FROM 11712 UNIT M JEFFERSON AVENUE, NEWPORT NEWS, VA TO 14343 WARWICK BOULEVARD, SUITE 414, NEWPORT NEWS, VA
BAN19990415 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO MERGE INTO IT BANK OF FERRUM
BAN19990416 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO MERGE INTO IT PIEDMONT TRUST BANK
BAN19990417 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO MERGE INTO IT MAINSTREET BANK (CENTRAL VIRGINIA)
BAN19990418 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO MERGE INTO IT BANK OF CARROLL
BAN19990419 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO MERGE INTO IT FIRST COMMUNITY BANK OF SALTVILLE
BAN19990420 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO MERGE INTO IT THE FIRST BANK OF STUART
BAN19990421 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO MERGE INTO IT THE FIRST NATIONAL BANK OF CLIFTON FORGE
BAN19990422 HAMPTON ROADS FUNDING - PENINSULA
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19990423 CONDOR FINANCIAL GROUP INCORPORATED
FOR A MORTGAGE BROKER'S LICENSE
BAN19990424 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 1707 PARKVIEW DRIVE, CHESAPEAKE, VA TO 1328 GREENBRIER PARKWAY, SUITE 420, CHESAPEAKE, VA
BAN19990425 ALPHA MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19990426 FIRST-CITIZENS BANK & TRUST COMPANY
TO OPEN A BRANCH AT SOUTHWEST QUADRANT OF HIGHWAY 58 AND CRANBERRY ROAD, GALAX, VA

BAN19990427 FIRSTPLUS FINANCIAL, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 2500 LAKE PARK BOULEVARD, WEST VALLEY CITY, UT TO 2363 SOUTH FOOTHILL DRIVE, SALT LAKE CITY, UT
BAN19990428 NATIONS MORTGAGE COMPANY, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990429 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO MERGE INTO IT MAINSTREET TRUST COMPANY, N.A.
BAN19990430 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO MERGE INTO IT THE BANK OF NORTHERN VIRGINIA
BAN19990431 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO MERGE INTO IT TYSONS NATIONAL BANK
BAN19990432 AAMES FUNDING CORPORATION D/B/A AAMES HOME LOAN
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 7617 LITTLE RIVER TURNPIKE, ANNANDALE, VA TO 3347 MICHELSON DRIVE, SUITE 300, IRVINE, CA
BAN19990433 MORTGAGE EDGE CORPORATION D/B/A MEC ONLINE
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 12656-C LAKERIDGE DRIVE, LAKERIDGE, VA TO 12662 DARBY BROOKE COURT, WOODBRIDGE, VA
BAN19990434 MORTGAGE EDGE CORPORATION D/B/A MEC ONLINE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 201-A BROADWAY STREET, FREDERICK, MD
BAN19990435 BUSINESS MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990436 CRESTAR BANK
TO RELOCATE OFFICE FROM 2 W. ROLLING CROSSROADS, CATONSVILLE, MD TO INTERSECTION OF ROLLING ROAD AND JOHNNYCAKE ROAD, CATONSVILLE, MD
BAN19990437 FIDELITY FIRST FINANCIAL CORP.
TO ACQUIRE 25 PERCENT OR MORE OF FAIRBANK MORTGAGE CORPORATION
BAN19990438 WASHINGTON MORTGAGE INVESTMENT CORP.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990439 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3760 S. HIGHLAND DRIVE, SALT LAKE CITY, UT
BAN19990440 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3200 ELMWOOD AVENUE, KENMORE, NY
BAN19990441 SUNSHINE, INC. T/A SOUTH WEST MORTGAGE CORP.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 8065 OAK CREST LANE, FAIRFAX STATION, VA TO 6601 STONECREST LANE, FAIRFAX STATION, VA
BAN19990442 MORTGAGE INVESTMENT CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM SUDLEY TOWER, 7900 SUDLEY ROAD, MANASSAS, VA TO 12653 TERRYMILL DRIVE, HERNDON, VA
BAN19990443 THOMPSON, TIMOTHY J.
TO ACQUIRE 25 PERCENT OR MORE OF THE PHOENIX FINANCIAL CORPORATION OF VIRGINIA, INC.
BAN19990444 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM KEITH VALLEY BUSINESS CENTER, HORSHAM, PA TO 4 WALNUT GROVE AVENUE, HORSHAM, PA
BAN19990445 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 13555 AUTOMOBILE BOULEVARD, STE. 600, CLEARWATER, FL
BAN19990446 INFINITY MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 909 GLENROCK ROAD, SUITE E, NORFOLK, VA
BAN19990447 FIRST MIDLAND MORTGAGE COMPANY, L.L.C.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 8909 EWING DRIVE, BETHESDA, MD TO 7401 WISCONSIN AVENUE, SUITE 300, BETHESDA, MD
BAN19990448 I.P.P., L.P.
FOR A MONEY ORDER LICENSE
BAN19990449 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 241 GARRISONVILLE ROAD, SUITE 101, STAFFORD, VA
BAN19990450 SOUTHLAND LOG HOMES MORTGAGE COMPANY, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN19990451 FIRST-CITIZENS BANK & TRUST COMPANY
TO OPEN A BRANCH AT 250 PEPPERS FERRY ROAD, CHRISTIANSBURG, VA
BAN19990452 BANKERS FIDELITY MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19990453 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 107 SIXTH STREET, NORTON, VA
BAN19990454 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 12321 MIDDLEBROOK ROAD, SUITE 110, GERMANTOWN, MD
BAN19990455 HOUSEHOLD REALTY CORPORATION D/B/A HOUSEHOLD REALTY CORPORATION OF VIRGINIA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 770 N. WOOD DALE ROAD, WOOD DALE, IL
BAN19990456 COASTAL MORTGAGE AND INVESTMENTS, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990457 PACIFIC GUARANTEE MORTGAGE CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE

BAN19990458 WOODBURY MORTGAGE COMPANY, L.L.C.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990459 KNOX FINANCIAL GROUP, LLC, THE
FOR A MORTGAGE BROKER'S LICENSE
BAN19990460 CONCORDE ACCEPTANCE CORPORATION D/B/A 9161END.COM
FOR A MORTGAGE LENDER'S LICENSE
BAN19990461 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 7004-M LITTLE RIVER TURNPIKE, ANNANDALE, VA
BAN19990462 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 9040 EXECUTIVE PARK DRIVE, KNOXVILLE, TN
BAN19990463 GULFSTREAM FINANCIAL SERVICES OF OKLAHOMA, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN19990464 DIAMOND MORTGAGE EXCHANGE INC
TO OPEN A MORTGAGE BROKER'S OFFICE AT 10625 JONES STREET, BUILDING C, UNIT 201-A, FAIRFAX, VA
BAN19990465 MORTGAGE DISCOUNTERS, INC. D/B/A PREMIER FUNDING GROUP
TO OPEN A MORTGAGE BROKER'S OFFICE AT 9204 CHURCH STREET, SUITE 201, MANASSAS, VA
BAN19990466 CTX MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 5900 MEMORIAL DRIVE, SUITE 100, HOUSTON, TX
BAN19990467 AMERICA'S MONEYLINE, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 5470 WEST BROAD STREET, RICHMOND, VA
BAN19990468 GUILD MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 400 NORTH TUSTIN AVENUE, SUITE 101, SANTA ANA, CA
BAN19990469 FIRST BANK
TO OPEN A BRANCH AT 496 NORTH MAIN STREET, WOODSTOCK, VA
BAN19990470 NEWPORT FINANCIAL CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19990471 ATLANTIC BAY MORTGAGE GROUP, L.L.C.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 948 EAST STEWART DRIVE, GALAX, VA
BAN19990472 TRANSLAND FINANCIAL SERVICES, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1773 N. PARHAM ROAD, SUITE 204, RICHMOND, VA
BAN19990473 SKEETE, NORMA M.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 8121 GEORGIA AVENUE, SUITE 402A, SILVER SPRING, MD TO 4710 AUTH PLACE, SUITE 101, CAMP SPRINGS, MD
BAN19990474 BB&T CORPORATION
TO ACQUIRE BANK OF MARYLAND
BAN19990474 BB&T CORPORATION
TO ACQUIRE MASON-DIXON BANCSHARES, INC.
BAN19990474 BB&T CORPORATION
TO ACQUIRE CARROLL COUNTY BANK AND TRUST COMPANY
BAN19990475 SLM FINANCIAL CORPORATION
TO OPEN A CONSUMER FINANCE OFFICE
BAN19990476 SLM MORTGAGE CORPORATION-VA
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19990477 AMERICAN NATIONAL HOME MORTGAGE, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN19990478 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 5720 WILLIAMSON ROAD, SUITE 103, ROANOKE, VA TO 5034 HEARTHSTONE ROAD, ROANOKE, VA
BAN19990479 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 7617 CYPRESS DRIVE, LANEXA, VA TO 7191 RICHMOND ROAD, S.E., WILLIAMSBURG, VA
BAN19990480 ADVANTAGE REAL ESTATE L.L.C. D/B/A ADVANTAGE FIRST MORTGAGE
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 6800 BACKLICK ROAD, SUITE 301, SPRINGFIELD, VA TO 8001 BRADDOCK ROAD, SUITE 101, SPRINGFIELD, VA
BAN19990481 AADVANTAGE PLUS FINANCIAL, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 6701 DEMOCRACY BLVD., SUITE 300, BETHESDA, MD TO 11300 ROCKVILLE PIKE, SUITE 1205, ROCKVILLE, MD
BAN19990482 FULL SPECTRUM LENDING, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1515 WALNUT GROVE AVENUE, ROSEMEAD, CA
BAN19990483 COMMUNITY FIRST BANK
TO OPEN A BANK AT 306 GRISTMILL DRIVE, UNIT A, FOREST, VA
BAN19990484 ACCUBANC MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 365 NORTHRIDGE ROAD, SUITE 480, ATLANTA, GA TO 2161 NEWMARKET PARKWAY, SUITE 212, MARIETTA, GA
BAN19990485 FIRST JEFFERSON MORTGAGE CORPORATION D/B/A FIRST JEFFERSON FUNDING
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 770 J. CLYDE MORRIS BLVD., UNIT 155, NEWPORT NEWS, VA
BAN19990486 FIRST JEFFERSON MORTGAGE CORPORATION D/B/A FIRST JEFFERSON FUNDING
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 770 J. CLYDE MORRIS BLVD., UNIT 190, NEWPORT NEWS, VA
BAN19990487 FIRST JEFFERSON MORTGAGE CORPORATION D/B/A FIRST JEFFERSON FUNDING
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 100 7TH STREET, UNIT 103, PORTSMOUTH, VA

BAN19990488 FIRST JEFFERSON MORTGAGE CORPORATION D/B/A FIRST JEFFERSON FUNDING
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 104 WARWICK PLACE, FOREST, VA

BAN19990489 USMONEY SOURCE, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE

BAN19990490 1ST SOUTHERN FINANCIAL GROUP INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT GREENBRIER OFFICE PARK, 1600 N. COALTER STREET, SUITE 16, STAUNTON, VA

BAN19990491 CONSUMER CREDIT COUNSELING SERVICE OF SOUTHWESTERN VIRGINIA, INC.
TO OPEN AN ADDITIONAL DEBT COUNSELING OFFICE AT 900 STARLING AVENUE, SUITE B, MARTINSVILLE, VA

BAN19990492 FIDELITY MORTGAGE FUNDING, INC. D/B/A LOWCOSTLOAN.COM
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 1000 ATRIUM WAY, SUITE 100, MT. LAUREL, NJ TO EXECUTIVE CENTER OF GREENTREE, 1 EVES DRIVE, SUITE 111, MARLTON, NJ

BAN19990492 FIDELITY MORTGAGE FUNDING, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 1000 ATRIUM WAY, SUITE 100, MT. LAUREL, NJ TO EXECUTIVE CENTER OF GREENTREE, 1 EVES DRIVE, SUITE 111, MARLTON, NJ

BAN19990493 GREEN TREE FINANCIAL SERVICING CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 2300 FALL HILL AVENUE, SUITE 210, FREDERICKSBURG, VA TO 2300 FALL HILL AVENUE, SUITE 108, FREDERICKSBURG, VA

BAN19990494 GREEN TREE CONSUMER DISCOUNT COMPANY
TO RELOCATE CONSUMER FINANCE OFFICE FROM 2300 FALL HILL AVENUE, SUITE 210, FREDERICKSBURG, VA TO 2300 FALL HILL AVENUE, SUITE 108, FREDERICKSBURG, VA

BAN19990495 JAMES MONROE BANCORP, INC.
TO ACQUIRE JAMES MONROE BANK

BAN19990496 PATTERSON, LARRY S. D/B/A USA CHECK CASHERS
TO OPEN A CHECK CASHER AT 3228 RIVERSIDE DRIVE, DANVILLE, VA

BAN19990497 ENTRUST MORTGAGE, INC.
FOR A MORTGAGE LENDER'S LICENSE

BAN19990498 FIRST GREENSBORO HOME EQUITY, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3046 A BERKMAR DRIVE, CHARLOTTESVILLE, VA

BAN19990499 MORTGAGE EXPRESS COMPANY
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 8027 LEESBURG PIKE, SUITE 103, VIENNA, VA TO 8027 LEESBURG PIKE, SUITE 600, VIENNA, VA

BAN19990500 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2017 ROYAL FERN COURT, SUITE 12B, RESTON, VA

BAN19990501 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 12733 DIRECTORS LOOP, WOODBRIDGE, VA

BAN19990502 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 10628 KENTUCKY SPRINGS ROAD, MINERAL, VA

BAN19990503 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 9400 LIVINGSTON ROAD, FORT WASHINGTON, MD

BAN19990504 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 150 CENTURY DRIVE, SUITE 4418, ALEXANDRIA, VA TO 5618 OX ROAD, FAIRFAX STATION, VA

BAN19990505 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2721 JONES ROAD, DUNKIRK, MD TO 5723 DEER POND ROAD, CENTREVILLE, VA

BAN19990506 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 14-B WINDSOR CIRCLE, NEWARK, DE TO 1203 LORRAIN AVENUE, WILMINGTON, DE

BAN19990507 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4878 S. 10TH STREET, ARLINGTON, VA TO 8729 FORT HUNT ROAD, ALEXANDRIA, VA

BAN19990508 PIONEER BANK
TO OPEN A BRANCH AT 932 WEST MARKET STREET, HARRISONBURG, VA

BAN19990509 MORTGAGE.COM, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 2542 SOUTH BASCOM AVENUE, SUITE 100, CAMPBELL, CA TO 983 UNIVERSITY AVENUE, BUILDING D, LOS GATOS, CA

BAN19990510 STEPHENSON, JAMES RUSSELL
FOR A MORTGAGE BROKER'S LICENSE

BAN19990511 MONEY LENDERS, INC. D/B/A MOUNTAIN INVESTMENT MORTGAGE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 15-A CHURCH STREET, SUITE B, MARTINSVILLE, VA

BAN19990512 MONEY LENDERS, INC. D/B/A MOUNTAIN INVESTMENT MORTGAGE
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1202-C ELECTRIC ROAD, SALEM, VA TO 2727 ELECTRIC ROAD, SUITE 107, ROANOKE, VA

BAN19990513 FIRST BANCORP MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1201 LAKE JAMES DRIVE, SUITE 120, VIRGINIA BEACH, VA

BAN19990514 F & M BANK - WINCHESTER
TO OPEN A BRANCH AT 115 WEST SPRING STREET, WOODSTOCK, VA

BAN19990515 F & M BANK - WINCHESTER
TO OPEN A BRANCH AT 126 FAIRFAX PIKE, STEPHENS CITY, VA

BAN19990516 WASHINGTON HOME MORTGAGE, LLC
FOR A MORTGAGE BROKER'S LICENSE

BAN19990517 CAPITOL PROPERTIES MANAGEMENT GROUP, L.L.C. D/B/A THE MORTGAGE COMPANY
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2811 NELA AVENUE, ORLANDO, FL

BAN19990518 FIRST SUBURBAN CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE

BAN19990519 CITIZENS MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1726 REISTERSTOWN ROAD, SUITE 200, BALTIMORE, MD

BAN19990520 WHITE, JUDY A. D/B/A DIVERSIFIED BROKERAGE
FOR A MORTGAGE BROKER'S LICENSE

BAN19990521 AMERICAN MORTGAGE AND INVESTMENT CORPORATION
FOR A MORTGAGE BROKER'S LICENSE

BAN19990522 AEGIS MORTGAGE CORPORATION D/B/A UC LENDING
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1800 N. KENT STREET, SUITE 910, ARLINGTON, VA

BAN19990523 AEGIS MORTGAGE CORPORATION D/B/A UC LENDING
TO OPEN A MORTGAGE LENDER'S OFFICE AT 3130 CHAPARRAL DRIVE, S.W., ROANOKE, VA

BAN19990524 F & M BANK - RICHMOND
TO RELOCATE OFFICE FROM 209 WEST FRANKLIN STREET, RICHMOND, VA TO 600 EAST MAIN STREET, RICHMOND, VA

BAN19990525 LIBERTY MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2310 WEST MAIN STREET, RICHMOND, VA TO 414 STRAWBERRY STREET, RICHMOND, VA

BAN19990526 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 11710-I JEFFERSON AVENUE, NEWPORT NEWS, VA TO 211 VILLAGE AVENUE, UNITS B AND C, YORKTOWN, VA

BAN19990527 COUNTRYWIDE HOME LOANS, INC.
FOR ADDITIONAL MORTGAGE AUTHORITY

BAN19990528 VALLEY BROKER SERVICES, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN19990529 SOLUTIONS MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN19990530 FIRST VIRGINIA BANK
TO OPEN A BRANCH AT 7500 BLOCK OF LINTON HALL ROAD, GAINESVILLE, VA

BAN19990531 SLM FINANCIAL CORPORATION
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE SALES FINANCE BUSINESS WILL ALSO BE CONDUCTED

BAN19990532 SLM FINANCIAL CORPORATION
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE PROPERTY INSURANCE BUSINESS WILL ALSO BE CONDUCTED

BAN19990533 BEACON HOME MORTGAGE, LLC
FOR A MORTGAGE BROKER'S LICENSE

BAN19990534 VETERAN'S FINANCIAL MORTGAGE INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN19990535 FIRST FINANCIAL FUNDING OF WASHINGTON, INC. (USED IN VA BY: FIRST FINANCIAL FUNDING, INC.)
FOR A MORTGAGE BROKER'S LICENSE

BAN19990536 FIRST CITY FINANCIAL CORP.
FOR A MORTGAGE LENDER AND BROKER LICENSE

BAN19990537 HOMEBUYER'S MORTGAGE, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 8420 QUARRY ROAD, MANASSAS, VA TO 14910 BOGLE DRIVE, CHANTILLY, VA

BAN19990538 AAMRES FINANCIAL CORPORATION
FOR A MORTGAGE BROKER'S LICENSE

BAN19990539 GANIS CREDIT CORPORATION
FOR A MORTGAGE LENDER'S LICENSE

BAN19990540 CRESTAR BANK
TO ESTABLISH AN EFT AT 7951 BROOK ROAD, HENRICO COUNTY, VA

BAN19990541 CRESTAR BANK
TO ESTABLISH AN EFT AT 12201 S. CHALKLEY ROAD, CHESTER, VA

BAN19990542 MORTGAGE CHOICE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4600 MARRIOTT DRIVE, SUITE 200, RALEIGH, NC

BAN19990543 MORTGAGE CHOICE, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 11181 HIGHWAY 70 WEST, CLAYTON, NC TO 486 HIGHWAY 42 WEST PROFESSIONAL PARK, CLAYTON, NC

BAN19990544 SLM FINANCIAL CORPORATION
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE BROKERING WILL ALSO BE CONDUCTED

BAN19990545 SLM FINANCIAL CORPORATION
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE LENDING WILL ALSO BE CONDUCTED

BAN19990546 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3200 PARK CENTER DRIVE, SUITE 150, COSTA MESA, CA

BAN19990547 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3200 PARK CENTER DRIVE, SUITE 400, COSTA MESA, CA

BAN19990548 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3200 PARK CENTER DRIVE, SUITE 800, COSTA MESA, CA

BAN19990549 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3200 PARK CENTER DRIVE, SUITE 1400, COSTA MESA, CA

BAN19990550 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3200 PARK CENTER DRIVE, SUITE 1500, COSTA MESA, CA

BAN19990551 EQUITABLE MORTGAGE GROUP, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4061 POWDER MILL ROAD, SUITE 230, CALVERTON, MD TO 4061 POWDER MILL ROAD, SUITE 430, CALVERTON, MD

BAN19990552 MORTGAGE BANKERS OF VIRGINIA, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 9556 WOODMAN ROAD, RICHMOND, VA TO 7525 STAPLES MILL ROAD, RICHMOND, VA

BAN19990553 MORTGAGE BANKERS OF VIRGINIA, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3805 SUNHAVEN COURT, APARTMENT 519, ROANOKE, VA

BAN19990554 SLM FINANCIAL CORPORATION
TO OPEN A CONSUMER FINANCE OFFICE

BAN19990555 JEFFERSON NATIONAL MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE

BAN19990556 FIDELITY FUNDING ACQUISITION CORPORATION
TO ACQUIRE 25 PERCENT OR MORE OF FIDELITY FUNDING MORTGAGE CORP.

BAN19990557 FIRST VIRGINIA BANK OF TIDEWATER
TO MERGE INTO IT FIRST VIRGINIA BANK - HAMPTON ROADS

BAN19990557 FIRST VIRGINIA BANK OF TIDEWATER
TO MERGE INTO IT FIRST VIRGINIA BANK - COMMONWEALTH

BAN19990558 OLDE SOUTH MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2275 FIGSBORO ROAD, MARTINSVILLE, VA

BAN19990559 AMRESCO RESIDENTIAL MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 9658 BALTIMORE AVENUE, SUITE 400, COLLEGE PARK, MD TO 7008 SECURITY BOULEVARD, SUITE 120, BALTIMORE, MD

BAN19990560 KEY MORTGAGE COMPANY, INC
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 606 JOHNSTON WILLIS DRIVE, SUITE 2, RICHMOND, VA TO 8096 ELM AVENUE EAST, SUITE B, MECHANICSVILLE, VA

BAN19990561 CALIBRE FUNDING CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 6928 ELLINGHAM CIRCLE, KINGSTOWNE, VA TO 8280 GREENSBORO DRIVE, SUITE 100, MCLEAN, VA

BAN19990562 U.S.A. FINANCIAL SERVICES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 302 E. DAVIS STREET, SUITE 201, CULPEPER, VA

BAN19990563 CLASSIC FINANCIAL CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE

BAN19990564 RBMG, INC.
FOR A MORTGAGE LENDER'S LICENSE

BAN19990565 FIRST EQUITY, INC. (USED IN VA. BY: FIRST EQUITY MORTGAGE, INC.)
FOR ADDITIONAL MORTGAGE AUTHORITY

BAN19990566 SLM FINANCIAL CORPORATION
TO OPEN A CONSUMER FINANCE OFFICE

BAN19990567 DH CAPITAL, LLC
FOR A MORTGAGE BROKER'S LICENSE

BAN19990568 AFS MORTGAGE INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN19990569 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 8121 GEORGIA AVENUE, SUITE 402A, SILVER SPRING, MD TO 4710 AUTH PLACE, SUITE 101, CAMP SPRINGS, MD

BAN19990570 COREWEST MORTGAGE COMPANY (USED IN VA. BY: COREWEST BANC)
TO OPEN A MORTGAGE LENDER'S OFFICE AT 3739 NATIONAL DRIVE, SUITE 103, RALEIGH, NC

BAN19990571 CARDINAL ENTERPRISES INC. OF RICHMOND D/B/A PRESTIGE MORTGAGE CO.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 3131 NEWINGTON COURT, RICHMOND, VA TO 301 PLAZAVIEW ROAD, RICHMOND, VA

BAN19990572 NVR MORTGAGE FINANCE, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 3805 CUTSHAW AVENUE, SUITE 112, RICHMOND, VA TO ONE HOLLAND PLACE, 2235 STAPLES MILL ROAD, SUITE 203, RICHMOND, VA

BAN19990573 FARMERS & MERCHANTS BANK-EASTERN SHORE
TO OPEN A BRANCH AT 8312 LANKFORD HIGHWAY, OAK HALL, VA

BAN19990574 FARMERS & MERCHANTS BANK-EASTERN SHORE
TO OPEN A BRANCH AT 18501 DUNNE AVENUE, PARKSLEY, VA

BAN19990575 HOMECOMINGS FINANCIAL NETWORK, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 5350 REDWOOD HIGHWAY NORTH, PETALUMA, CA TO 1425 N. MCDOWELL BOULEVARD, SUITE 250, PETALUMA, CA

BAN19990576 INDYMAC MORTGAGE HOLDINGS, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 16265 LAGUNA CANYON ROAD, IRVINE, CA TO 7565 IRVINE CENTER DRIVE, IRVINE, CA

BAN19990577 INDYMAC, INC. D/B/A LOANWORKS
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 16265 LAGUNA CANYON ROAD, IRVINE, CA TO 7565 IRVINE CENTER DRIVE, IRVINE, CA

BAN19990578 PLANTERS BANK & TRUST COMPANY OF VIRGINIA
TO OPEN A BRANCH AT 2101 FOREST AVENUE, BUENA VISTA, VA

BAN19990579 PLANTERS BANK & TRUST COMPANY OF VIRGINIA
TO OPEN A BRANCH AT 9 LLOYD TOLLEY ROAD, NATURAL BRIDGE STATION, VA

BAN19990580 PRISM MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 11250 WAPLES MILL ROAD, SUITE 310, FAIRFAX, VA
BAN19990581 PRISM MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 875 LYNNHAVEN PARKWAY, VIRGINIA BEACH, VA
BAN19990582 PRISM MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 5801 ALLENTOWN ROAD, SUITE 408, CAMP SPRINGS, MD
BAN19990583 HAYNES, PAULA REYNOLDS D/B/A COLONIAL MORTGAGE COMPANY OF VIRGINIA
FOR A MORTGAGE BROKER'S LICENSE
BAN19990584 COLUMBIA NATIONAL, INCORPORATED
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 6230 FAIRVIEW ROAD, SUITE 330, CHARLOTTE, NC TO 6230 FAIRVIEW ROAD, SUITE 211, CHARLOTTE, NC
BAN19990585 ACCREDITED HOME LENDERS, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 475 KILVERT STREET, SUITE 300, WARWICK, RI
BAN19990586 FIRST MERIDIAN MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 6202-A OLD FRANCONIA ROAD, ALEXANDRIA, VA TO 7700 LITTLE RIVER TURNPIKE, SUITE 205, ANNANDALE, VA
BAN19990587 CTX MORTGAGE COMPANY
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 211 MCLAW'S CIRCLE, SUITE 1, WILLIAMSBURG, VA TO 4100 EASTER COURT, WILLIAMSBURG, VA
BAN19990588 CTX MORTGAGE COMPANY
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 6110 EXECUTIVE BOULEVARD, SUITE 850, ROCKVILLE, MD TO 6110 EXECUTIVE BOULEVARD, SUITE 1040, ROCKVILLE, MD
BAN19990589 CHANG, JIN K. D/B/A T & B MORTGAGE ENTERPRISES
FOR A MORTGAGE BROKER'S LICENSE
BAN19990590 SLM FINANCIAL CORPORATION
TO OPEN A CONSUMER FINANCE OFFICE
BAN19990591 FIRST HERITAGE MORTGAGE COMPANY
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 916 BROOKDALE ROAD, SUITE 1, MARTINSVILLE, VA TO 336 HANOVER PLACE, RIDGEWAY, VA
BAN19990592 LONG BEACH MORTGAGE COMPANY D/B/A FINANCING USA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1114-P-B LAKE HERON DRIVE, ANNAPOLIS, MD
BAN19990593 ALLIED BANCSHARES MORTGAGE GROUP, LLC
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 10565 LEE HIGHWAY, SUITE 300, FAIRFAX, VA TO 12500 FAIR LAKES CIRCLE, SUITE 130, FAIRFAX, VA
BAN19990594 ALLIED BANCSHARES MORTGAGE GROUP, LLC
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1544 YORK ROAD, SUITE 200, LUTHERVILLE, MD
BAN19990595 NEW PEOPLES BANK, INC.
TO OPEN A BRANCH AT MAIN STREET, HAYSI, VA
BAN19990596 EMMCO THE MORTGAGE SERVICE STATION INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19990597 RER RESOURCES LIMITED PARTNERSHIP D/B/A REAL ESTATE LENDING GROUP, A DIVISION OF RER RESOURCES
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19990598 1ST SERVICE MORTGAGE, INC. (USED IN VA BY: SERVICE 1ST MORTGAGE, INC.)
FOR A MORTGAGE BROKER'S LICENSE
BAN19990599 CONSUMER CREDIT COUNSELING SERVICE OF VIRGINIA, INC.
TO OPEN AN ADDITIONAL DEBT COUNSELING OFFICE AT 1600 NORTH COALTER STREET, SUITE 18 B, STAUNTON, VA
BAN19990600 K. HOVNANIAN MORTGAGE, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 3200 WAKE FOREST ROAD, SUITE 200, RALEIGH, NC TO 3514-A2 BUSH STREET, RALEIGH, NC
BAN19990601 CENTEX CREDIT CORPORATION D/B/A CENTEX HOME EQUITY CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 5520 DILLARD ROAD, SUITE 260, CARY, NC TO 5520 DILLARD ROAD, SUITE 250, CARY, NC
BAN19990602 FIRST NATIONAL HOME MORTGAGE, LLC D/B/A ALL 1ST HOME MORTGAGE, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN19990603 AEGIS MORTGAGE CORPORATION D/B/A UC LENDING
TO OPEN A MORTGAGE LENDER'S OFFICE AT 8549 UNITED PLAZA BOULEVARD, BATON ROUGE, LA
BAN19990604 JAMES RIVER BANKSHARES, INC.
TO ACQUIRE STATE BANK OF REMINGTON, INCORPORATED REMINGTON, VA
BAN19990605 JRB ACQUISITION BANK, INC.
TO OPEN AN INTERIM BANK STATE BANK OF REMINGTON, INC.
BAN19990605 JRB ACQUISITION BANK, INC.
TO OPEN AN INTERIM BANK STATE BANK OF REMINGTON, INCORPORATED
BAN19990606 MORTGAGE USA, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 6400 SEVEN CORNERS PLACE, SUITE N, FALLS CHURCH, VA TO 4041 UNIVERSITY DRIVE, FAIRFAX, VA
BAN19990607 BB&T CORPORATION
TO ACQUIRE MATEWAN BANCSHARES, INC. WILLIAMSON, WV
BAN19990607 BB&T CORPORATION
TO ACQUIRE THE MATEWAN NATIONAL BANK, ABINGDON, VA
BAN19990608 SUNSET ACQUISITION GROUP, L.L.C.
TO ACQUIRE 25 PERCENT OR MORE OF PIERUCCI INC.

BAN19990609 MORTGAGE NETWORK USA, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 306 W. BROAD STREET, RICHMOND, VA
BAN19990610 GREEN TREE FINANCIAL SERVICING CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 7410 SOUTH ROOSEVELT STREET, TEMPE, AZ
BAN19990611 DIVINITY MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 9312-E OLD KEENE MILL ROAD, BURKE, VA TO 11350 RANDOM HILLS ROAD, SUITE 800, FAIRFAX, VA
BAN19990612 BANK OF FRANKLIN, THE
TO MERGE INTO IT UNITED COMMUNITY BANK
BAN19990612 BANK OF FRANKLIN, THE
TO MERGE INTO IT THE BANK OF SUSSEX AND SURRY
BAN19990613 NATIONSFIRST MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 749 MAIN STREET, DANVILLE, VA
BAN19990614 BUYER'S EDGE MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19990615 MORTGAGE AMERICA BANKERS, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN19990616 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 12733 DIRECTORS LOOP, WOODBRIDGE, VA TO 12781 DARBY BROOKE COURT, WOODBRIDGE, VA
BAN19990617 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 3689 ALBERT MATHEWS ROAD, COLUMBIA, TN TO 9588 MANASSAS FORGE DRIVE, MANASSAS, VA
BAN19990618 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 18419 JEFFERSON DAVIS HIGHWAY, TRIANGLE, VA TO 185 SOUTHAMPTON DRIVE, HARRISONBURG, VA
BAN19990619 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2444 HARPOON DRIVE, STAFFORD, VA TO 15 SALVINGTON ROAD, FREDERICKSBURG, VA
BAN19990620 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 6109 MELVERN DRIVE, BETHESDA, MD TO 6900 WISCONSIN AVENUE, SUITE 502, BETHESDA, MD
BAN19990621 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 5007-2 TRUEMPER WAY, FORT WAYNE, IN TO 4121 SKIPPACK PIKE, SKIPPACK, PA
BAN19990622 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1000 PARK FORTY PLAZA, DURHAM, NC TO 6405 CREEK BED COURT, CENTREVILLE, VA
BAN19990623 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1565 MAIN STREET, DUNEDIN, FL TO 11733-66TH STREET, NORTH, LARGO, FL
BAN19990624 BERKLEY MORTGAGE CORP.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990625 COLLINBROOK MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2 CENTERVIEW DRIVE, SUITE 202, GREENSBORO, NC
BAN19990626 CENTER FOR CHILD & FAMILY SERVICES, INC. D/B/A CONSUMER CREDIT COUNSELING SERVICE OF HAMPTON ROADS
TO OPEN AN ADDITIONAL DEBT COUNSELING OFFICE AT 1805 AIRLINE BOULEVARD, PORTSMOUTH, VA
BAN19990627 CENTER FOR CHILD & FAMILY SERVICES, INC. D/B/A CONSUMER CREDIT COUNSELING SERVICE OF HAMPTON ROADS
TO OPEN AN ADDITIONAL DEBT COUNSELING OFFICE AT 1021 EDEN N., SUITE 130, CHESAPEAKE, VA
BAN19990628 ARONSON, JONATHAN D/B/A FIRST CAPITAL MORTGAGE
FOR A MORTGAGE BROKER'S LICENSE
BAN19990629 CARDINAL FINANCIAL CORPORATION
TO ACQUIRE CARDINAL BANK - DULLES, N.A.
BAN19990630 CARDINAL FINANCIAL CORPORATION
TO ACQUIRE CARDINAL BANK – MANASSAS, PRINCE WILLIAM, N.A.
BAN19990631 CENTRAL MONEY MORTGAGE CO. (IMC), INC.
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN19990632 KEY MORTGAGE COMPANY, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT ONE MORTON DRIVE, 5TH FLOOR, CHARLOTTESVILLE, VA
BAN19990633 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 11707 E. SPRAGUE, SPOKANE, WA TO ROCK POINTE EAST, 1313 N. ATLANTIC ST., SPOKANE, WA
BAN19990634 AAMES FUNDING CORPORATION D/B/A AAMES HOME LOAN
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1540 WESTBROOK PLAZA DRIVE, SUITE C, WINSTON-SALEM, NC
BAN19990635 AAMES FUNDING CORPORATION D/B/A AAMES HOME LOAN
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 14435 CHERRY LANE COURT, SUITE 204, LAUREL, MD
BAN19990636 AAMES FUNDING CORPORATION D/B/A AAMES HOME LOAN
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3036 BREKENRIDGE LANE, SUITE 203, LOUISVILLE, KY
BAN19990637 BURKE & HERBERT BANK & TRUST COMPANY
TO OPEN A BRANCH AT 250 YARDS SOUTHEAST OF BEULAH STREET AND MANCHESTER BOULEVARD, FRANCONIA, VA

BAN19990638 SGARLATA, JOSEPH
FOR A MORTGAGE BROKER'S LICENSE
BAN19990639 FIRST ADVANTAGE MORTGAGE COMPANY
FOR A MORTGAGE BROKER'S LICENSE
BAN19990640 RYLAND MORTGAGE COMPANY
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 14505 NORTH HAYDEN ROAD, SUITE B340, SCOTTSDALE, AZ TO 14555 NORTH HAYDEN ROAD, SUITE 100, SCOTTSDALE, AZ
BAN19990641 INDYMAC, INC. D/B/A LOANWORKS
TO OPEN A MORTGAGE LENDER'S OFFICE AT 3000 ATRIUM WAY, SUITE 420, MOUNT LAUREL, NJ
BAN19990642 AMERITECH CONSTRUCTION CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 10560 MAIN STREET, SUITE 405, FAIRFAX, VA TO 7115 LEESBURG PIKE, SUITE 306, FALLS CHURCH, VA
BAN19990643 GREEN TREE FINANCIAL SERVICING CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 675 PETER JEFFERSON PARKWAY, SUITE 100, CHARLOTTESVILLE, VA
BAN19990644 FIRST CHESAPEAKE MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19990645 NEW CENTURY MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 611 ROCKVILLE PIKE, SUITE 240, ROCKVILLE, MD TO 751 ROCKVILLE PIKE, SUITE 14A, ROCKVILLE, MD
BAN19990646 CRESTAR BANK
TO OPEN A BRANCH AT 210 VIRGINIA AVENUE, BRIDGEWATER, VA
BAN19990647 ALLIED BANCSHARES MORTGAGE GROUP, LLC
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN19990648 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 15235 BOYDTON PLANK ROAD, DINWIDDIE, VA TO 13626 BOYDTON PLANK ROAD, DINWIDDIE, VA
BAN19990649 VICTORIAN MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990650 EDWARD D. JONES & CO., L.P. D/B/A EDWARD JONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 129 E. LITTLE CREEK ROAD, NORFOLK, VA
BAN19990651 EDWARD D. JONES & CO., L.P. D/B/A EDWARD JONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 7652 FAIRCHILD DRIVE, ALEXANDRIA, VA
BAN19990652 EDWARD D. JONES & CO., L.P. D/B/A EDWARD JONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 103 VESTOVER AVENUE, SUITE 102, NORFOLK, VA
BAN19990653 EDWARD D. JONES & CO., L.P. D/B/A EDWARD JONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 191 BRISTOL EAST ROAD, SUITE 101, BRISTOL, VA
BAN19990654 EDWARD D. JONES & CO., L.P. D/B/A EDWARD JONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 9272 HANOVER CROSSING, APT. 8, MECHANICSVILLE, VA
BAN19990655 EDWARD D. JONES & CO., L.P. D/B/A EDWARD JONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 148 WEST MAIN STREET, WYTHEVILLE, VA
BAN19990656 EDWARD D. JONES & CO., L.P. D/B/A EDWARD JONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 103 EAST MAIN STREET, ORANGE, VA
BAN19990657 EDWARD D. JONES & CO., L.P. D/B/A EDWARD JONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 4119 BOONESBORO ROAD, SUITE 235, LYNCHBURG, VA
BAN19990658 EDWARD D. JONES & CO., L.P. D/B/A EDWARD JONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1947 B MEDICAL AVENUE, HARRISONBURG, VA
BAN19990659 ASHLAND MORTGAGE LOAN SERVICES, L.L.C. D/B/A HANOVER HOME MORTGAGE
FOR A MORTGAGE BROKER'S LICENSE
BAN19990660 AMERICAN HOMEOWNERS MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19990661 ASSOCIATES HOME EQUITY SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2201 CORONATION BOULEVARD, SUITE 195, CHARLOTTE, NC
BAN19990662 MORTGAGE LENDING SERVICES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1930 ISAAC NEWTON SQUARE, SUITE 220, RESTON, VA TO 1930 ISAAC NEWTON SQUARE, SUITE 150, RESTON, VA
BAN19990663 BOZZUTO MORTGAGE COMPANY
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 6401 GOLDEN TRIANGLE DR., SUITE 210, GREENBELT, MD TO 6401 GOLDEN TRIANGLE DR., SUITE 150, GREENBELT, MD
BAN19990664 MAIN STREET MORTGAGE AND INVESTMENT CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2316 ATHERHOLT ROAD, SUITE 210, LYNCHBURG, VA TO 2095 LANGHORNE ROAD, SUITE B, LYNCHBURG, VA
BAN19990665 POSITIVE MORTGAGE, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 3939 TALLOW TREE PLACE, FAIRFAX, VA TO 5610 B SANDY LEWIS DRIVE, FAIRFAX, VA
BAN19990666 EQUITY SOURCE, INC., THE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4685 MACARTHUR COURT, SUITE 421, NEWPORT BEACH, CA TO 1100 QUAIL STREET, SUITE 203, NEWPORT BEACH, CA
BAN19990667 CONDOR FINANCIAL GROUP INCORPORATED
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 15211 LOUIS MILL DRIVE, CHANTILLY, VA TO 10688-D CRESTWOOD DRIVE, 2ND FLOOR, MANASSAS, VA

BAN19990668 CENDANT MORTGAGE CORPORATION D/B/A PHH MORTGAGE SERVICES
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 6000 ATRIUM WAY, MT. LAUREL, NJ TO 3000 LEADENHALL ROAD, MT. LAUREL, NJ
BAN19990669 PREMIER MORTGAGE COMPANY, LLC
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19990670 WESTMARK MORTGAGE CORPORATION
FOR A MORTGAGE LENDER'S LICENSE
BAN19990671 AMERICAN LIBERTY FINANCIAL, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990672 MONUMENT FUNDING GROUP, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990673 MORTGAGE PORTFOLIO SERVICES, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19990674 ALLIED BANCSHARES MORTGAGE GROUP, LLC
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1065 W. PATRICK STREET, FREDERICK, MD
BAN19990675 ALLIED BANCSHARES MORTGAGE GROUP, LLC
TO OPEN A MORTGAGE LENDER'S OFFICE AT 6110 EXECUTIVE BOULEVARD, SUITE 250, ROCKVILLE, MD
BAN19990676 ALLIED BANCSHARES MORTGAGE GROUP, LLC
TO OPEN A MORTGAGE LENDER'S OFFICE AT 46859 HARRY BYRD HIGHWAY, SUITE 301, STERLING, VA
BAN19990677 CHESAPEAKE MORTGAGE CONSULTANTS, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 198 THOMAS JOHNSON DRIVE, SUITE 10, FREDERICK, MD
BAN19990678 IVANHOE FINANCIAL, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN19990679 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 1600 GOLF ROAD, ROLLING MEADOWS, IL TO 1600 GOLF ROAD, SUITE 300, ROLLING MEADOWS, IL
BAN19990680 CREWS, JAMES E. D/B/A CREWS MOBILE HOMES
FOR A MORTGAGE BROKER'S LICENSE
BAN19990681 LONG BEACH MORTGAGE COMPANY D/B/A FINANCING USA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 10515 ENGLISHMEN DRIVE, ROCKVILLE, MD
BAN19990682 ALTER, CHERYL L. T/A MONEY MARKET MORTGAGE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 3122 RUSHING CREEK DRIVE, PENSACOLA, FL TO 1774 CONDOR DRIVE, CANTONMENT, FL
BAN19990683 EXPRESS MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 690-B J. CLYDE MORRIS BOULEVARD, NEWPORT NEWS, VA TO 749-A THIMBLE SHOALS BOULEVARD, NEWPORT NEWS, VA
BAN19990684 BUSINESS FUNDING, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990685 SECURITY FIRST FUNDING CORPORATION (USED IN VA BY SECURITY FIRST FUNDING)
TO OPEN A MORTGAGE BROKER'S OFFICE AT 758 MCGUIRE PLACE, SUITE 200, NEWPORT NEWS, VA
BAN19990686 SOUTHERN TRUST MORTGAGE, LLC
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 125 WEST STREET, SUITE 101, ANNAPOLIS, MD
BAN19990687 CITIZENS COMMUNITY BANK
TO OPEN A BANK AT 800 NORTH MECKLENBURG AVENUE, SOUTH HILL, VA
BAN19990688 COLUMBIA NATIONAL, INCORPORATED
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 10630 LITTLE PATUXENT PARKWAY, COLUMBIA, MD TO 5565 STERRETT PLACE, SUITE 126, COLUMBIA, MD
BAN19990689 COLUMBIA NATIONAL, INCORPORATED
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 428E ALAMANCE ROAD, BURLINGTON, NC TO 1703 SYKES STREET, BURLINGTON, NC
BAN19990690 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT ROUTES 51 AND 11, INWOOD CENTER, BUILDING 5, UNIT 4, INWOOD, WV
BAN19990691 ATLANTIC BAY MORTGAGE GROUP, L.L.C.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 8435 TIMBERLAKE ROAD, LYNCHBURG, VA TO 8429-B TIMBERLAKE ROAD, LYNCHBURG, VA
BAN19990692 ATLANTIC BAY MORTGAGE GROUP, L.L.C.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 3959 ELECTRIC ROAD, S.W., ROANOKE, VA TO 4419 PHEASANT RIDGE ROAD, ROANOKE, VA
BAN19990693 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1252 SMALLWOOD DRIVE WEST, WALDOLF, MD
BAN19990694 EMPIRE EQUITY GROUP, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990695 HINES, W. MITCHELL
FOR A MORTGAGE BROKER'S LICENSE
BAN19990696 UNIVERSAL TRUST MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2400 YORK ROAD, SUITE 201, TIMONIUM, MD TO 2 RESERVOIR CIRCLE, SUITE 104, BALTIMORE, MD
BAN19990697 SOURCE ONE FINANCIAL SERVICES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 103 E. MAIN STREET, SALEM, VA

BAN19990698 CONSUMER FUNDING, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1200 NEW RODGERS ROAD, SUITE 849, BRISTOL, PA TO 1226 NEW RODGERS ROAD, SUITE 849, BRISTOL, PA

BAN19990699 CENTEX CREDIT CORPORATION D/B/A CENTEX HOME EQUITY CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 720 MOOREFIELD PARK DRIVE, SUITE 204, RICHMOND, VA TO 804 MOOREFIELD PARK DRIVE, SUITE 301, RICHMOND, VA

BAN19990700 ALTIVA FINANCIAL CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1050 EAST FLAMINGO ROAD, SUITE N230, LAS VEGAS, NV

BAN19990701 COLUMBIA NATIONAL, INCORPORATED
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 6230 FAIRVIEW ROAD, SUITE 211, CHARLOTTE, NC TO 6230 FAIRVIEW ROAD, SUITE 100, CHARLOTTE, NC

BAN19990702 COLUMBIA NATIONAL, INCORPORATED
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 360 SOUTH WASHINGTON STREET, SUITE 200, FALLS CHURCH, VA

BAN19990703 COLUMBIA NATIONAL, INCORPORATED
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4700 HOMEWOOD COURT, SUITE 100, RALEIGH, NC

BAN19990704 AMERICA'S CASHLINE CORP.
FOR A MORTGAGE BROKER'S LICENSE

BAN19990705 HOMEOWNERS.COM, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN19990706 ASSOCIATES HOME EQUITY SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3113 SKYWAY CIRCLE, IRVING, TX

BAN19990707 ASSOCIATES HOUSING FINANCE, LLC
TO OPEN A MORTGAGE LENDER'S OFFICE AT 3113 SKYWAY CIRCLE, IRVING, TX

BAN19990708 EASTERN RESIDENTIAL MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 5575 STERRETT PLACE, SUITE 250, COLUMBIA, MD TO 6858 REISTERSTOWN ROAD, BALTIMORE, MD

BAN19990709 COLUMBIA NATIONAL, INCORPORATED
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1003 RICHMOND ROAD, WILLIAMSBURG, VA TO 487 MCLAWS CIRCLE, SUITE 3, WILLIAMSBURG, VA

BAN19990710 COLUMBIA NATIONAL, INCORPORATED
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1400 OLD MILL CIRCLE, SUITE D, WINSTON-SALEM, NC

BAN19990711 COLUMBIA NATIONAL, INCORPORATED
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 5 OAK BRANCH DRIVE, GREENSBORO, NC

BAN19990712 SUPERIOR HOME MORTGAGE CORPORATION (USED IN VA BY: SUPERIOR MORTGAGE CORPORATION)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 7313-D GROVE ROAD, FREDERICK, MD

BAN19990713 ACCUBANC MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 860 GREENBRIAR CIRCLE, SUITE 100, CHESAPEAKE, VA TO 860 GREENBRIER CIRCLE, SUITE 101, CHESAPEAKE, VA

BAN19990714 PRIMESOURCE FINANCIAL, LLC
TO OPEN A MORTGAGE LENDER'S OFFICE AT 6600 WEST W. T. HARRIS BOULEVARD, SUITE A, CHARLOTTE, NC

BAN19990715 PRIMESOURCE FINANCIAL, LLC
TO OPEN A MORTGAGE LENDER'S OFFICE AT 11200 ROCKVILLE PIKE, ROCKVILLE, MD

BAN19990716 MONEY CENTRE, INC., THE
FOR A MORTGAGE LENDER AND BROKER LICENSE

BAN19990717 STERLING MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 679 BERKMAR CIRCLE, SUITE 200, CHARLOTTESVILLE, VA TO 2148 BERKMAR DRIVE, CHARLOTTESVILLE, VA

BAN19990718 FIRST RESIDENTIAL MORTGAGE SERVICES CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE

BAN19990719 ACCENT MORTGAGE SERVICES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 11940 ALPHARETTA HIGHWAY, SUITE 110, ALPHARETTA, GA TO 5895 WINDWARD PARKWAY, SUITE 220, ALPHARETTA, GA

BAN19990720 FIRST RESIDENTIAL MORTGAGE NETWORK, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 5540 FALMOUTH STREET, SUITE 102, RICHMOND, VA

BAN19990721 CTX MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4 LOUDOUN STREET, S.E., LEESBURG, VA

BAN19990722 CTX MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 200 NORTH QUEEN STREET, MARTINSBURG, WV

BAN19990723 PRIMESOURCE FINANCIAL, LLC
TO OPEN A MORTGAGE LENDER'S OFFICE AT 142 HALPINE ROAD, ROCKVILLE, MD

BAN19990724 CRESTAR BANK
TO OPEN A BRANCH AT 2736 HANNAFORD PLAZA, CHESTERFIELD COUNTY, VA

BAN19990725 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 316 N.E. 4TH STREET, FORT LAUDERDALE, FL

BAN19990726 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4500 CAMPUS DRIVE, SUITE 628, NEWPORT BEACH, CA

BAN19990727 WEBB, DANNY RAY D/B/A IMPERIAL MORTGAGE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 788 VIRGIL H. GOODE HIGHWAY, BASSETT, VA TO ROUTE 2, BOX 230, LYNCHBURG, VA

BAN19990728 HAMPTON ROADS FUNDING CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4 SAN JOSE DRIVE, BUILDING 2, NEWPORT NEWS, VA

BAN19990729 1ST SOUTHERN FINANCIAL GROUP INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 320 S. MAIN STREET, EMPORIA, VA TO 121 MECKLENBURG AVENUE, SOUTH HILL, VA

BAN19990730 LOANKEY FINANCIAL, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN19990731 CRESTAR BANK
TO RELOCATE OFFICE FROM 5801 PATTERSON AVENUE, RICHMOND, VA TO 5816 GROVE AVENUE, RICHMOND, VA

BAN19990732 TICO CREDIT COMPANY, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE LENDING WILL ALSO BE CONDUCTED

BAN19990733 PROCAPITAL FUNDING CORP.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 7920 NORFOLK AVENUE, 11TH FLOOR, BETHESDA, MD TO 7819 NORFOLK AVENUE, BETHESDA, MD

BAN19990734 SLM MORTGAGE CORPORATION-VA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3959 ELECTRIC ROAD, TANGLEWOOD WEST BUILDING, SUITE 203, ROANOKE, VA

BAN19990735 SLM FINANCIAL CORPORATION
TO OPEN A CONSUMER FINANCE OFFICE

BAN19990736 C & P FINANCIAL CONSULTING, INC. D/B/A C & P MORTGAGE COMPANY
FOR A MORTGAGE BROKER'S LICENSE

BAN19990737 FFC, INC.
TO ACQUIRE 25 PERCENT OR MORE OF SOUTHEAST MORTGAGE BANKING CORP.

BAN19990738 SLM MORTGAGE CORPORATION-VA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 411 S. HICKS STREET, LAWRENCEVILLE, VA

BAN19990739 SLM FINANCIAL CORPORATION
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE LENDING WILL ALSO BE CONDUCTED

BAN19990740 SLM FINANCIAL CORPORATION
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE BROKERING WILL ALSO BE CONDUCTED

BAN19990741 SLM FINANCIAL CORPORATION
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE SALES FINANCE BUSINESS WILL ALSO BE CONDUCTED

BAN19990742 SLM FINANCIAL CORPORATION
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE PROPERTY INSURANCE BUSINESS WILL ALSO BE CONDUCTED

BAN19990743 CENTURY NATIONAL BANK
TO OPEN A BRANCH AT 18116 TRIANGLE PLAZA SHOPPING CENTER, DUMFRIES, VA

BAN19990744 FIRST CHOICE MORTGAGE INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN19990745 MILAMAR CORPORATION, THE D/B/A GLOBAL MORTGAGE RESOURCES
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 6641 BACKLICK ROAD, SUITE 206, SPRINGFIELD, VA TO 1268 MAGNOLIA LANE, HERNDON, VA

BAN19990746 CRESTAR BANK
TO ESTABLISH AN EFT AT 444 WESTERN MARYLAND DRIVE, WESTMINSTER, MD

BAN19990747 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 4726 LARKSPUR SQUARE, VIRGINIA BEACH, VA

BAN19990748 CHESAPEAKE COMMERCIAL ASSOCIATES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 305 HARRISON STREET, LEESBURG, VA

BAN19990749 HOMEAMERICAN CREDIT, INC. D/B/A UPLAND MORTGAGE
TO OPEN A MORTGAGE LENDER'S OFFICE AT 8253 BACKLICK ROAD, SUITE D, LORTON, VA

BAN19990750 SOUTHERN TRUST MORTGAGE, LLC
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 9030 STONY POINT PARKWAY, SUITE 530, RICHMOND, VA

BAN19990751 SOUTHERN TRUST MORTGAGE, LLC
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT COLONNADE CORPORATE CENTER, 2840 ELECTRIC ROAD, BUILDING A, SUITE 203, ROANOKE, VA

BAN19990752 SOUTHERN TRUST MORTGAGE, LLC
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3723 OLD FOREST ROAD, SUITE F, LYNCHBURG, VA

BAN19990753 TOWNE BANK
TO RELOCATE MAIN OFFICE FROM 5800 HIGH STREET, PORTSMOUTH, VA TO 5716 HIGH STREET, PORTSMOUTH, VA

BAN19990754 CITIZENS AND FARMERS BANK
TO OPEN A BRANCH AT 1100 JAMESTOWN ROAD, WILLIAMSBURG, VA

BAN19990755 BENCHMARK COMMUNITY BANK
TO OPEN A BRANCH AT 403 EAST VIRGINIA AVENUE, SUITE E, CLARKSVILLE, VA

BAN19990756 BENCHMARK COMMUNITY BANK
TO OPEN A BRANCH AT 313 N. MAIN STREET, LAWRENCEVILLE, VA

BAN19990757 COMMERCIAL CREDIT CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 2362-A PETERS CREEK ROAD, ROANOKE, VA TO 1465 W. MAIN STREET, SALEM, VA

BAN19990758 COMMERCIAL CREDIT LOANS INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 2362-A PETERS CREEK ROAD, ROANOKE, VA TO 1465 W. MAIN STREET, SALEM, VA

BAN19990759 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3084 ROBERT C. BYRD DRIVE, BECKLEY, WV

BAN19990760 FIRST STATE BANK
TO ESTABLISH AN EFT AT 1296 PINEY FOREST ROAD, DANVILLE, VA

BAN19990761 MIDAS MORTGAGE, LLC
TO OPEN A MORTGAGE BROKER'S OFFICE AT 7309 HANOVER GREEN DRIVE, MECHANICSVILLE, VA
BAN19990762 TONY MERGER CORP.
TO ACQUIRE 25 PERCENT OR MORE OF TRANSAMERICA MORTGAGE COMPANY
BAN19990763 PREUSSAG AG
TO ACQUIRE THOMAS COOK CURRENCY SERVICES, INC.
BAN19990764 PREUSSAG AG
TO ACQUIRE THOMAS COOK, INC.
BAN19990765 PREUSSAG AG
TO ACQUIRE THOMAS COOK AUSTRALIA PTY, LIMITED
BAN19990766 PREUSSAG AG
TO ACQUIRE THOMAS COOK TRAVELLERS CHEQUES LIMITED
BAN19990767 PREUSSAG AG
TO ACQUIRE INTERPAYMENT SERVICES LIMITED
BAN19990768 CHANCELLOR EQUITY, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 9201 ELYS FORD ROAD, FREDERICKSBURG, VA TO 3000 MALL COURT, FREDERICKSBURG, VA
BAN19990769 OPTION ONE MORTGAGE CORPORATION D/B/A H&R BLOCK MORTGAGE
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 515 N. CABRILLO PARK DRIVE, SANTA ANA, CA TO 36 TECHNOLOGY DRIVE, SUITE 250, IRVINE, CA
BAN19990770 FARMERS AND MINERS BANK
TO OPEN A BRANCH AT NORTH SIDE OF STATE ROUTE 83, 500 YARDS WEST OF BRUSH CREEK ROAD, CLINTWOOD, VA
BAN19990771 MORTGAGE LENDERS NETWORK USA, INC.D/B/A FAMILYCREDIT CONNECTION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM SCHILLING CENTER, HUNT VALLEY, MD TO 1750 EAST GULF ROAD, SUITE 350, SCHAUMBURG, IL
BAN19990772 BELFORD, JOHN A. T/A FIRST VIRGINIA FINANCIAL
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 13154 LANGTREE DRIVE, RICHMOND, VA TO 6000 SHADY WILLOW PLACE, GLEN ALLEN, VA
BAN19990773 CAPITAL MORTGAGE GROUP, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990774 MINERS AND MERCHANTS BANK AND TRUST COMPANY
TO RELOCATE OFFICE FROM 1905 FRONT STREET, RICHLANDS, VA TO 1425 SECOND STREET, RICHLANDS, VA
BAN19990775 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 7505 NEW HAMPSHIRE AVENUE, SUITE 316, HYATTSVILLE, MD
BAN19990776 ZAKAL JAK, INC. D/B/A LENDER'S FUNDING
FOR A MORTGAGE BROKER'S LICENSE
BAN19990777 FLAGSHIP CAPITAL SERVICES CORP.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 123 MOODY STREET, WALTHAM, MA
BAN19990778 FLAGSHIP CAPITAL SERVICES CORP.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 8550 ULMERTON ROAD, SUITE 200F, LARGO, FL
BAN19990779 TIDEWATER MORTGAGE SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 10201 LEE HIGHWAY, FAIRFAX, VA
BAN19990780 AMBASSADOR MORTGAGE, INC. D/B/A ACTION MORTGAGE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 205 EAST WASHINGTON STREET, MIDDLEBURG, VA TO 578 1B WATERLOO ROAD, WARRENTON, VA
BAN19990781 COLUMBIA NATIONAL, INCORPORATED
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 6593 COMMERCE COURT, SUITE 200, WARRENTON, VA
BAN19990782 PEOPLES COMMUNITY BANK
TO OPEN A BRANCH AT STATE ROUTE 3, ONE-THIRD MILE WEST OF STATE ROUTE 206, KING GEORGE COUNTY, VA
BAN19990783 AMERICAN HOME MORTGAGE CORP.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 5301 BUCKEYSTOWN PIKE, SUITE 200, FREDERICK, MD TO 22776 THREE NOTCH ROAD, SUITE 210, LEXINGTON PARK, MD
BAN19990784 SAMMONS MORTGAGE, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19990785 CONSUMER CREDIT COUNSELING SERVICE OF VIRGINIA, INC.
TO OPEN AN ADDITIONAL DEBT COUNSELING OFFICE AT 5001 WEST BROAD STREET, SUITE 212, RICHMOND, VA
BAN19990786 HAVENWOOD FINANCIAL, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 10451 MILL RUN CIRCLE, OWINGS MILLS, MD TO 10440 LITTLE PATUXENT PARKWAY, SUITE 900, COLUMBIA, MD
BAN19990787 PRANG, CHRISTOPHER J.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990788 PACIFIC GUARANTEE MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1420 BEVERLY ROAD, SUITE 310, MCLEAN, VA
BAN19990789 U. S. HOME MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1125 ELDRIDGE STREET, CLEARWATER, FL
BAN19990790 FIRST RATE MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 900 JOHN RANDOLPH BOULEVARD, SOUTH BOSTON, VA TO 926 WILBORN AVENUE, SOUTH BOSTON, VA
BAN19990791 ALLIED MORTGAGE CAPITAL CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 810 GLENEAGLES COURT, SUITE 10, TOWSON, MD TO 810 GLENEAGLES COURT, SUITE 300, TOWSON, MD

BAN19990792 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 247 WOODLAND DRIVE, BLUFF CITY, TN TO 2352 VOLUNTEER PARKWAY, BRISTOL, TN
BAN19990793 CREWS, JANIS J. D/B/A GOLD STAR MORTGAGE SERVICES
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1038 WOLFTRAP ROAD, SOUTH BOSTON, VA TO 900 JOHN RANDOLPH BOULEVARD, SOUTH BOSTON, VA
BAN19990794 ASSOCIATED FINANCIAL GROUP, INCORPORATED
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM CENTRAL PARK, VIRGINIA BEACH, VA TO 5250 CHALLEDON DRIVE, VIRGINIA BEACH, VA
BAN19990795 BCC BANKSHARES, INC.
TO ACQUIRE THE BANK OF CHARLOTTE COUNTY, PHENIX, VA
BAN19990796 ELITE FUNDING CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 7474 GREENWAY CENTER DRIVE, GREENBELT, MD TO 6303 IVY LANE, SUITE 320, GREENBELT, MD
BAN19990797 KELLY MORTGAGE, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN19990798 SANDY SPRING NATIONAL BANK OF MARYLAND
TO OPEN A BRANCH AT TYSONS DULLES PLAZA II1430 SPRING HILL ROAD, SUITE 105, MCLEAN, VA
BAN19990799 PREFERRED MORTGAGE GROUP, INC. D/B/A PREFERRED SERVICE MORTGAGE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 5306 LEE HIGHWAY, SUITES 1 AND 2, WARRENTON, VA
BAN19990800 PREFERRED MORTGAGE GROUP, INC. D/B/A PREFERRED SERVICE MORTGAGE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 7696 STREAMWALK LANE, MANASSAS, VA
BAN19990801 PREFERRED MORTGAGE GROUP, INC. D/B/A PREFERRED SERVICE MORTGAGE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3401 COMMISSION COURT, SUITE 101, WOODBRIDGE, VA
BAN19990802 PREFERRED MORTGAGE GROUP, INC. D/B/A PREFERRED SERVICE MORTGAGE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 9912 GEORGETOWN PIKE, GREAT FALLS, VA
BAN19990803 PREFERRED MORTGAGE GROUP, INC. D/B/A PREFERRED SERVICE MORTGAGE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 14140 MINNIEVILLE ROAD, WOODBRIDGE, VA
BAN19990804 ACCUBANC MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1210 S. VALLEY VIEW, SUITE 210, LAS VEGAS, NV
BAN19990805 JOHNSON MORTGAGE COMPANY
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 740-A THIMBLE SHOALS BOULEVARD, NEWPORT NEWS, VA TO 739 THIMBLE SHOALS BOULEVARD, SUITE 507, NEWPORT NEWS, VA
BAN19990806 HERITAGE MORTGAGE BROKERS, L.L.C.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 11802 ROCKAWAY LANE, FAIRFAX, VA TO 14205 ROCK CANYON DRIVE, CENTREVILLE, VA
BAN19990807 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 18111 PRESTON ROAD, SUITE 300, DALLAS, TX
BAN19990808 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 22 E. CHICAGO AVENUE, SUITE 108, NAPERVILLE, IL
BAN19990809 USA CHECK CASHERS INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN19990810 EMPIRE FUNDING CORP.
FOR A MORTGAGE LENDER'S LICENSE
BAN19990811 ASSOCIATES FINANCIAL SERVICES OF AMERICA, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 11419 MIDLOTHIAN TURNPIKE, SUITE H, RICHMOND, VA TO 10412 MIDLOTHIAN TURNPIKE, RICHMOND, VA
BAN19990812 ASSOCIATES FINANCIAL SERVICES COMPANY OF VIRGINIA, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 11419 MIDLOTHIAN TURNPIKE, #H, CHESTERFIELD COUNTY, VA TO 10412 MIDLOTHIAN TURNPIKE, CHESTERFIELD COUNTY, VA
BAN19990813 AMERICAN MORTGAGE CAPITAL, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 28 MARKET STREET, LEESBURG, VA
BAN19990814 SOUTHSIDE MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 810 GREENWAY DRIVE, SOUTH BOSTON, VA
BAN19990815 CRESTAR BANK
TO OPEN A BRANCH AT 2749 MCRAE ROAD, CHESTERFIELD COUNTY, VA
BAN19990816 COUNTRYSIDE MORTGAGE SERVICES INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2111 WILSON BOULEVARD, SUITE 809, ARLINGTON, VA TO 2111 WILSON BOULEVARD, SUITE 700, ARLINGTON, VA
BAN19990817 WATSON, RUSSELL S. T/A FIRST AMERICAN HOME EQUITY
FOR A MORTGAGE BROKER'S LICENSE
BAN19990818 PREFERRED MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19990819 ASSOCIATES FINANCIAL SERVICES OF AMERICA, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 8290 SHOPPERS SQUARE, MANASSAS, VA
BAN19990820 ASSOCIATES FINANCIAL SERVICES COMPANY OF VIRGINIA, INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN19990821 CHASE HOME FUNDING, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3146 GOLANSKY BOULEVARD, SUITE 202, WOODBRIDGE, VA
BAN19990822 NATIONWIDE MORTGAGE GROUP, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 99 WOODBERRY LANE, SUITE E, LYNCHBURG, VA

BAN19990823 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1339 NOE BIXBY ROAD, COLIS, OH TO 5 CHERYL AVENUE, WALLINGFORD, CT

BAN19990824 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 3540 RIVER HEIGHTS CROSSING, MARIETTA, GA TO 129 E. DAVIS STREET, SUITE 120, CULPEPER, VA

BAN19990825 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 10628 KENTUCKY SPRINGS ROAD, MINERAL, VA TO 607 WILLIAMS STREET, SUITE 212, FREDERICKSBURG, VA

BAN19990826 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 11707 COLLINGWOOD COURT, WOODBRIDGE, VA TO 909 EAST BOULEVARD, CHARLOTTE, NC

BAN19990827 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1411 BRAGG ROAD, FREDERICKSBURG, VA TO 13101 PAVILION LANE, FAIRFAX, VA

BAN19990828 SLM FINANCIAL CORPORATION
TO OPEN A CONSUMER FINANCE OFFICE

BAN19990829 SLM MORTGAGE CORPORATION-VA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 308 FRONT STREET, ABINGDON, VA

BAN19990830 SLM FINANCIAL CORPORATION
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE LENDING WILL ALSO BE CONDUCTED

BAN19990831 SLM FINANCIAL CORPORATION
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE BROKERING WILL ALSO BE CONDUCTED

BAN19990832 SLM FINANCIAL CORPORATION
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE SALES FINANCE BUSINESS WILL ALSO BE CONDUCTED

BAN19990833 SLM FINANCIAL CORPORATION
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE PROPERTY INSURANCE BUSINESS WILL ALSO BE CONDUCTED

BAN19990834 NORTHERN STAR FUNDING, LLC
FOR A MORTGAGE LENDER'S LICENSE

BAN19990835 FIRST HERITAGE MORTGAGE COMPANY
TO OPEN A MORTGAGE BROKER'S OFFICE AT 5322 W. MELBECK ROAD, RICHMOND, VA

BAN19990836 LENDEX, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 17440 DALLAS PARKWAY, SUITE 230, DALLAS, TX TO 3030 W. LBJ FREEWAY, SUITE 300, DALLAS, TX

BAN19990837 AMERICAN GENERAL FINANCE, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 1238 HOLLAND ROAD, SUITE 104, SUFFOLK, VA TO 2815-K GODWIN BOULEVARD, SUFFOLK, VA

BAN19990838 AMERICAN GENERAL FINANCE OF AMERICA, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 1238 HOLLAND ROAD, SUITE 104, SUFFOLK, VA TO 2815-K GODWIN BOULEVARD, SUFFOLK, VA

BAN19990839 F & M BANK - WINCHESTER
TO RELOCATE OFFICE FROM 158 SOUTH MAIN STREET, WOODSTOCK, VA TO 115 WEST SPRING STREET, WOODSTOCK, VA

BAN19990840 ACCENT MORTGAGE SERVICES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1408 BLUEWATER ROAD, HARRISONBURG, VA TO 12500 WHISPERING WAY, MIDLOTHIAN, VA

BAN19990841 ACCENT MORTGAGE SERVICES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 330 W. BRAMBLETON AVENUE, SUITE 710, NORFOLK, VA

BAN19990842 AMERI EXCHANGE, INC.
FOR A MONEY ORDER LICENSE

BAN19990843 FNB FINANCIAL SERVICES CORPORATION
TO ACQUIRE BLACK DIAMOND SAVINGS BANK, F.S.B.

BAN19990844 SOUTHERN FINANCIAL BANCORP, INC.
TO ACQUIRE THE HORIZON BANK OF VIRGINIA, MERRIFIELD, VA

BAN19990845 SOUTHERN FINANCIAL BANK
TO MERGE INTO IT THE HORIZON BANK OF VIRGINIA

BAN19990846 SATELLITE PROCESSING, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN19990847 OLYMPIC MORTGAGE GROUP, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 8201 GREENSBORO DRIVE, SUITE 1034, MCLEAN, VA TO 7927 JONES BRANCH DRIVE, SUITE 100 SOUTH, MCLEAN, VA

BAN19990848 HOMESTEAD MORTGAGE, L.C.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4101 CHAIN BRIDGE ROAD, SUITE 101, FAIRFAX, VA TO 3877 PLAZA DRIVE, FAIRFAX, VA

BAN19990849 SAXON MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 6500 W. FREEWAYONE RIDGMAR CENTRE, FT. WORTH, TX

BAN19990850 AMERICAN DISCOUNT MORTGAGE COMPANY
FOR A MORTGAGE BROKER'S LICENSE

BAN19990851 TRUST COMPANY OF VIRGINIA, THE
TO RELOCATE INDEPENDENT TRUST COMPANY BRANCH OFFICE FROM 764 E. ELLERSLIE AVENUE, COLONIAL HEIGHTS, VA TO 130 TEMPLE LAKE DRIVE, COLONIAL HEIGHTS, VA

BAN19990852 AMERICAN GENERAL FINANCE, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 1083 INDEPENDENCE BLVD., VIRGINIA BEACH, VA TO 717 INDEPENDENCE BLVD., SUITES 202 AND 203, VIRGINIA BEACH, VA

BAN19990853 AMERICAN GENERAL FINANCE OF AMERICA, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 1083 INDEPENDENCE BOULEVARD, VIRGINIA BEACH, VA TO 717 INDEPENDENCE BOULEVARD, SUITES 202 AND 203, VIRGINIA BEACH, VA

BAN19990854 HOLIDAY HOMES, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN19990855 AMERICAN AFFORDABLE HOMES, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN19990856 E-LOAN, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE

BAN19990857 ASSOCIATES FINANCIAL SERVICES OF AMERICA, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 111 EAST 300 SOUTH, SUITE 400, SALT LAKE CITY, UT TO 6995 SOUTH UNION PARK CENTER, SUITE 300, MIDVALE, UT

BAN19990858 TRIBECA LENDING CORP.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 185 FRANKLIN STREET, NEW YORK, NY TO 99 HUDSON STREET, 2ND FLOOR, NEW YORK, NY

BAN19990859 FRANKLIN AMERICAN MORTGAGE COMPANY
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 800 WEST AIRPORT FREEWAY, SUITE 512, IRVING, TX TO 6565 NORTH MACARTHUR BOULEVARD, SUITE 100, IRVING, TX

BAN19990860 CITIZENS AND FARMERS BANK
TO OPEN A BRANCH AT 8001 WEST BROAD STREET, HENRICO COUNTY, VA

BAN19990861 ANDERSON HOME MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE

BAN19990862 VETERANS CHOICE MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN19990863 SIGNATURE MORTGAGE SERVICES, INC.
FOR A MORTGAGE LENDER'S LICENSE

BAN19990864 PULTE MORTGAGE CORPORATION D/B/A THE MASTERS NETWORK
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 6061 S. WILLOW DRIVE, SUITE 300, GREENWOOD VILLAGE, CO TO 7475 SOUTH JOLIET STREET, ENGLEWOOD, CO

BAN19990865 MORTGAGE CONCEPTS, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 973 BEAR WALLOW FLAT ROAD, WEST AUGUSTA, VA

BAN19990866 MAS ASSOCIATES, LLC D/B/A EQUITY MORTGAGE LENDING
FOR A MORTGAGE LENDER AND BROKER LICENSE

BAN19990867 JAMES MONROE BANK
TO OPEN A BRANCH AT 7023 LITTLE RIVER TURNPIKE, SUITE 101, ANNANDALE, VA

BAN19990868 FIRST SOUTHERN MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 17 WEST JEFFERSON ST., SUITE 205, ROCKVILLE, MD TO 17 WEST JEFFERSON ST., SUITE 001, ROCKVILLE, MD

BAN19990869 KAMDEM, JEAN KAMWA
TO OPEN A CHECK CASHER AT 3301 LEE HIGHWAY, ARLINGTON, VA

BAN19990870 INFINITY MORTGAGE COMPANY, INC. (BOSTON) USED IN VA BY: INFINITY MORTGAGE COMPANY, INC.)
FOR A MORTGAGE BROKER'S LICENSE

BAN19990871 CRAWFORD, MICHAEL O.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 957 SWAN LANE, RUTHER GLEN, VA TO 2515 FALL HILL AVENUE, FREDERICKSBURG, VA

BAN19990872 KEY MORTGAGE COMPANY, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1226 PROGRESSIVE DRIVE, SUITE 103, CHESAPEAKE, VA

BAN19990873 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 301 PLAZAVIEW ROAD, RICHMOND, VA

BAN19990874 RESOURCE BANK
TO OPEN A BRANCH AT 735 THIMBLE SHOALS BOULEVARD, SUITE 170, NEWPORT NEWS, VA

BAN19990875 BLUE GRASS VALLEY BANK, THE
TO OPEN A BRANCH AT SOUTH SIDE OF EAST MAIN STREET, TWO BLOCKS EAST OF U.S. ROUTE 220, MONTEREY, VA

BAN19990876 AMERICA FINANCIALS GROUP, CORP.
FOR A MORTGAGE BROKER'S LICENSE

BAN19990877 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO RELOCATE OFFICE FROM 8209 WEST BROAD STREET, HENRICO COUNTY, VA TO 3214 SKIPWITH ROAD, HENRICO COUNTY, VA

BAN19990878 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO RELOCATE OFFICE FROM 830 EAST MAIN STREET, RICHMOND, VA TO 823 EAST MAIN STREET, RICHMOND, VA

BAN19990879 SOUTHSIDE BANK
TO OPEN A BRANCH AT FOOD LION SHOPPING CENTER, NEW KENT CROSSINGS, STATE ROUTE 249, QUINTON, VA

BAN19990880 CAPITOL MORTGAGE BANKERS, INC. .
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1900 CAMPUS COMMON DRIVE, SUITE 400, RESTON, VA TO 7794 DONEGAN DRIVE, 1ST FLOOR, MANASSAS, VA

BAN19990881 AEGIS FINANCIAL SOLUTIONS, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN19990882 MORTGAGE EDGE CORPORATION D/B/A MEC ONLINE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 10707 SPOTSYLVANIA AVENUE, SUITE 102, FREDERICKSBURG, VA
BAN19990883 GUARDIAN FUNDING INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990884 FAIRBANK ACQUISITION CORP.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19990885 WYER CREATIVE COMMUNICATIONS, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990886 INTERLOAN.COM, INC. (USED IN VA BY: MONUMENT MORTGAGE, INC.)
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19990887 EQUITY 1 MORTGAGE AND FINANCIAL SERVICES CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19990888 HENDERSON, WILLIAM J. D/B/A MONEYLINK
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 464-A WYTHE CREEK ROAD, POQUOSON, VA TO 732 THIMBLE SHOALS BOULEVARD, SUITE 201, NEWPORT NEWS, VA
BAN19990889 CHANCELLOR MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 101 WESTWOOD OFFICE PARK, FREDERICKSBURG, VA
BAN19990890 SZI INC. D/B/A 1ST EMPIRE MORTGAGE BANC
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN19990891 DOMINION MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3712 HOLLAND ROAD, VIRGINIA BEACH, VA
BAN19990892 MORTGAGE LENDERS NETWORK USA, INC.D/B/A FAMILYCREDIT CONNECTION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 15310 AMBERLY DRIVE, SUITE 350, TAMPA, FL
BAN19990893 FIRST JEFFERSON MORTGAGE CORPORATION D/B/A FIRST JEFFERSON FUNDING
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 6315 N. CENTER DRIVE, BUILDING 20, SUITE 230, NORFOLK, VA
BAN19990894 CARTY, ROBERT W. D/B/A HIGHLAND MORTGAGE
FOR A MORTGAGE BROKER'S LICENSE
BAN19990895 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 7824 KINGSTON PIKE, SUITE A, KNOXVILLE, TN
BAN19990896 METRO-COUNTY BANK OF VIRGINIA, INC.
TO OPEN A BRANCH AT 6401 HORSEPEN ROAD, HENRICO COUNTY, VA
BAN19990897 UNITED CALIFORNIA SYSTEMS INTERNATIONAL, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN19990898 KEYSTONE MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19990899 ACCENT MORTGAGE SERVICES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1949-114 LYNNHAVEN PARKWAY, VIRGINIA BEACH, VA
BAN19990900 ACCENT MORTGAGE SERVICES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 313 MARLOW COURT, CHESAPEAKE, VA
BAN19990901 ACCENT MORTGAGE SERVICES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2092 NANSEMOND PARKWAY, SUFFOLK, VA
BAN19990902 ASSOCIATES FINANCIAL SERVICES OF AMERICA, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 477 SOUTH STREET, SUITE F, FRONT ROYAL, VA TO 411 E. SOUTH STREET, FRONT ROYAL, VA
BAN19990903 ASSOCIATES FINANCIAL SERVICES OF AMERICA, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 243 NEFF AVENUE, HARRISONBURG, VA TO 182 S. 10 NEFF AVENUE, HARRISONBURG, VA
BAN19990904 ASSOCIATES FINANCIAL SERVICES COMPANY OF VIRGINIA, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM GOLDEN CORNERS CENTER, ROCKINGHAM COUNTY, VA TO 182 S. 10 NEFF AVENUE, HARRISONBURG, VA
BAN19990905 ASSOCIATES FINANCIAL SERVICES COMPANY OF VIRGINIA, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 477-F SOUTH STREET, FRONT ROYAL, VA TO 411 E. SOUTH STREET, FRONT ROYAL, VA
BAN19990906 EQUITY MORTGAGE CO. (IMC), INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 7920 MCDONOGH ROAD, SUITE 204, OWINGS MILLS, MD TO 305 W. CHESAPEAKE AVE., SUITE L-80, TOWSON, MD
BAN19990907 FIRST FIDELITY MORTGAGE, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 113 LANDMARK SQUARE, VIRGINIA BEACH, VA TO 5151 BONNEY ROAD, SUITE 107, VIRGINIA BEACH, VA
BAN19990908 INTERBAY FUNDING, LLC
FOR A MORTGAGE LENDER'S LICENSE
BAN19990909 SAVINGS FIRST MORTGAGE, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN19990910 MORTGAGE VAULT, INC., THE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 16065 COMPRINT CIRCLE, GAITHERSBURG, MD TO 232 MAIN STREET, GAITHERSBURG, MD
BAN19990911 EQUITY ONE OF VIRGINIA, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 400 LAKESIDE DRIVE, SUITE 244, HORSHAM, PA

BAN19990912 EQUITY ONE OF VIRGINIA, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1950 B. EVELYN BYRD AVENUE, SUITE 2, HARRISONBURG, VA TO 1641 EAST MARKET STREET, UNIT 10, HARRISONBURG, VA
BAN19990913 EQUITY ONE CONSUMER DISCOUNT COMPANY, INC.D/B/A EQUITY ONE CONSUMER LOAN
TO OPEN A CONSUMER FINANCE OFFICE
BAN19990914 EQUITY ONE CONSUMER DISCOUNT COMPANY, INC.D/B/A EQUITY ONE CONSUMER LOAN
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE LENDING WILL ALSO BE CONDUCTED
BAN19990915 MORTGAGE BANK OF AMERICA, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN19990916 MARKET MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990917 NATIONWIDE LENDING CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19990918 PROVIDENT BANK OF MARYLAND
TO OPEN A BRANCH AT 6360 SEVEN CORNERS CENTER, FAIRFAX COUNTY, VA
BAN19990919 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 583 FREDERICK ROAD, SUITE 8, BALTIMORE, MD
BAN19990920 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 8450 BALTIMORE NATIONAL PIKE, SUITE 15, ELLICOTT CITY, MD
BAN19990921 SPEEDY FOREX BUREAU LLC
FOR A MONEY ORDER LICENSE
BAN19990922 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 106 EAST NORTHWOOD STREET, GREENSBORO, NC
BAN19990923 BLAZER MORTGAGE SERVICES, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 2600 MEMORIAL AVENUE, LYNCHBURG, VA TO 6015 FORT AVENUE, SUITE 8, FORT HILL SHOPPING CENTER, LYNCHBURG, VA
BAN19990924 BLAZER FINANCIAL SERVICES, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 2600 MEMORIAL AVENUE, SUITE 107, LYNCHBURG, VA TO 6015 FORT AVENUE, SUITE 8, FORT HILL SHOPPING CENTER, LYNCHBURG, VA
BAN19990925 HAVENWOOD FINANCIAL, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 10451 MILL RUN CIRCLE, OWINGS MILLS, MD TO 11900 PARKLAWN DRIVE, SUITE 403, ROCKVILLE, MD
BAN19990926 AMERICAN FINANCIAL GROUP INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7002 EVERGREEN COURT, ANNANDALE, VA TO 6842 ELM STREET, SUITE 201, MCLEAN, VA
BAN19990927 CONSUMER CREDIT COUNSELING SERVICE OF VIRGINIA, INC.
TO OPEN AN ADDITIONAL DEBT COUNSELING OFFICE AT 139-A DEER RUN ROAD, DANVILLE, VA
BAN19990928 USA FINANCE, INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN19990929 O'NEILL, GARRY L.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7406 ALBAN STATION COURT, SPRINGFIELD, VA TO 900 S. WASHINGTON STREET, SUITE 209, FALLS CHURCH, VA
BAN19990930 PADEN, RICHARD A.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990931 1ST SOUTHERN FINANCIAL GROUP INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3100 PINETREE DRIVE, SUITE I-4, PETERSBURG, VA
BAN19990932 FIRST FINANCIAL SERVICES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 16366 BOOKER T. WASHINGTON HIGHWAY, MONETA, VA TO 14662 MONETA ROAD, SUITE 2, MONETA, VA
BAN19990933 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2021 BUSINESS CENTRE DRIVE, SUITE 213, IRVINE, CA
BAN19990934 NORTHERN VIRGINIA MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19990935 SIMPLE MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19990936 HOMECOMINGS FINANCIAL NETWORK, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 6525 MORRISON BOULEVARD, SUITE 102, CHARLOTTE, NC TO 6525 MORRISON BOULEVARD, SUITE 333, CHARLOTTE, NC
BAN19990937 EQUITY ONE CONSUMER DISCOUNT COMPANY, INC.D/B/A EQUITY ONE CONSUMER LOAN
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE SALES FINANCE BUSINESS WILL ALSO BE CONDUCTED
BAN19990938 CROSSTOWNE MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19990939 SOUTHSTAR FUNDING, LLC
FOR A MORTGAGE LENDER'S LICENSE
BAN19990940 CITIFINANCIAL SERVICES, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 8370 SUDLEY ROAD, MANASSAS, VA TO 8367 SUDLEY ROAD, MANAPORT PLAZA, PRINCE WILLIAM COUNTY, VA
BAN19990941 CITIFINANCIAL, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 8370 SUDLEY ROAD, MANASSAS, VA TO MANAPORT PLAZA, 8367 SUDLEY ROAD, MANASSAS, VA
BAN19990942 VIRGINIA CREDIT UNION, INC.
TO OPEN A CREDIT UNION SERVICE OFFICE AT 4001 LAUDERDALE DRIVE, RICHMOND, VA

BAN19990943 ALLFIRST BANK
TO OPEN A BRANCH AT 1025 HERNDON PARKWAY, HERNDON, VA
BAN19990944 BENEFICIAL MORTGAGE CO. OF NORTH CAROLINA
TO ACQUIRE 25 PERCENT OR MORE OF DECISION ONE MORTGAGE COMPANY, LLC
BAN19990945 AMERICAN GENERAL FINANCE, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 701 MERRIMAC TRAIL, SUITE K, WILLIAMSBURG, VA TO 5251 JOHN TYLER HIGHWAY, SUITE 24, WILLIAMSBURG, VA
BAN19990946 AMERICAN GENERAL FINANCE OF AMERICA, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 701 MERRIMAC TRAIL, SUITE K, YORK COUNTY, VA TO 5251 JOHN TYLER HIGHWAY, SUITE 24, YORK COUNTY, VA
BAN19990947 DOMINION MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2807 N. PARHAM ROAD, SUITE 125, RICHMOND, VA
BAN19990948 DOMINION MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 11130 MAIN STREET, SUITE 110, FAIRFAX, VA
BAN19990949 LAND/HOME FINANCIAL SERVICES, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19990950 FIRST RESIDENTIAL MORTGAGE SERVICES CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 13164 CENTERPOINTE WAY, SUITE 201, WOODBRIDGE, VA
BAN19990951 RYLAND MORTGAGE COMPANY
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 11000 BROKEN LAND PARKWAY, COLUMBIA, MD TO 6300 CANOGA AVENUE, 14TH FLOOR, WOODLAND HILLS, CA
BAN19990952 ACCREDITED HOME LENDERS, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 6550 ROCK SPRING DRIVE, SUITE 290, BETHESDA, MD
BAN19990953 NORTHSTAR MORTGAGE CORP.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990954 IOWN HOLDINGS, INC.
TO ACQUIRE 25 PERCENT OR MORE OF IOWN, INC.
BAN19990955 IOWN, INC. D/B/A IOWN.COM
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN19990956 EQUITY ONE CONSUMER DISCOUNT COMPANY, INC.D/B/A EQUITY ONE CONSUMER LOAN
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE BROKERING WILL ALSO BE CONDUCTED
BAN19990957 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3411 NORTH HIGH STREET, SUITE A, OLNEY, MD
BAN19990958 GIROS AMERICA, INC.
FOR A MONEY ORDER LICENSE
BAN19990959 MILLENNIUM FINANCING, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990960 AEGIS MORTGAGE CORPORATION D/B/A UC LENDING
TO OPEN A MORTGAGE LENDER'S OFFICE AT 495 ARBOR HILL ROAD, SUITE N, KERNERSVILLE, NC
BAN19990961 1ST PROFESSIONAL MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2083 WEST STREET SUITE 4F, ANNAPOLIS, MD TO 929 WEST STREET, SUITE 205A, ANNAPOLIS, MD
BAN19990962 MONEY LENDERS, INC. D/B/A MOUNTAIN INVESTMENT MORTGAGE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 128 COLLEGE AVENUE, DANVILLE, VA
BAN19990963 WOOTEN, VAGOLA BRYANT
TO ACQUIRE 25 PERCENT OR MORE OF PLATINUM MORTGAGE, INC.
BAN19990964 AMERICAN GENERAL FINANCE OF AMERICA, INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN19990965 BISHOP, III, SAMUEL E.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990966 BISHOP, JEANETTE C.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990967 U.S.E. CREDIT UNION
TO OPEN A CREDIT UNION SERVICE OFFICE AT 2323 RIVERSIDE DRIVE, DANVILLE, VA
BAN19990968 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 15912 FOX MARSH DRIVE, MOSELEY, VA
BAN19990969 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 115-117 STATE STREET, BRIDGEPORT, WV
BAN19990970 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 5301 BUCKEYSTOWN PIKE, FREDERICK, MD TO 5235 WESTVIEW DRIVE, SUITE 100, FREDERICK, MD
BAN19990971 GAUMAN, DALE A. D/B/A CLEVELAND MORTGAGE SERVICES
FOR A MORTGAGE BROKER'S LICENSE
BAN19990972 COVENANT FINANCIAL SERVICES, LLC D/B/A COVENANT MORTGAGE
FOR A MORTGAGE BROKER'S LICENSE
BAN19990973 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 203 ELDEN STREET, SUITE 302, HERNDON, VA
BAN19990974 PARAGON, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1395 VOLUNTEER PARKWAY, BRISTOL, TN
BAN19990975 BAYSHORE MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN19990976 NOVA FINANCIAL & INVESTMENT CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19990977 4ADREAM, L.L.C.
TO ACQUIRE 25 PERCENT OR MORE OF WASHINGTON HOME MORTGAGE SERVICES, INC.
BAN19990978 GLOBAL MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 6024 VIRGINIA BEACH BOULEVARD, NORFOLK, VA TO 4726 A LARKSPUR SQUARE, VIRGINIA BEACH, VA
BAN19990979 FIRST FINANCIAL EQUITIES INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN19990980 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 12080 OLD LINE CENTRE, SUITE 100, WALDORF, MD
BAN19990981 ASSOCIATES HOME EQUITY SERVICES, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 300 DECKER DRIVE, IRVING, TX TO FREEPORT NORTH COMMERCE CENTER, 1111 NORTHPOINT DRIVE, SUITE 100, COPPELL, TX
BAN19990982 TRANSOUTH MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 300 DECKER DRIVE, IRVING, TX TO FREEPORT NORTH COMMERCE CENTER, 1111 NORTHPOINT DRIVE, SUITE 100, COPPELL, TX
BAN19990983 ASSOCIATES FINANCIAL SERVICES OF AMERICA, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 300 DECKER DRIVE, IRVING, TX TO FREEPORT NORTH COMMERCE CENTER, 1111 NORTHPOINT DRIVE, SUITE 100, COPPELL, TX
BAN19990984 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 479 JUMPERS HOLE ROAD, SUITE 306, SEVERNA PARK, MD
BAN19990985 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 212 S. BOND STREET, BEL AIR, MD
BAN19990986 BERKLEY MORTGAGE CORP.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7 HIGHLAND ROAD, RICHMOND, VA TO 7231 FOREST AVENUE, RICHMOND, VA
BAN19990987 SOUTHSIDE BANK
TO OPEN A BRANCH AT POLE GREEN ROAD AT AMF DRIVE, MECHANICSVILLE, VA
BAN19990988 LEE B. ENTERPRISES, INC. D/B/A AMERICAN HERITAGE FINANCIAL
FOR A MORTGAGE BROKER'S LICENSE
BAN19990989 REDWOOD CAPITAL, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19990990 MORTGAGE HEADQUARTERS INCORPORATED
FOR A MORTGAGE BROKER'S LICENSE
BAN19990991 PINNACLE MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19990992 FULL SPECTRUM LENDING, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 450 AMERICAN STREET, 1ST FLOOR, SIMI VALLEY, CA
BAN19990993 REAL ESTATE MORTGAGE GROUP, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 9452 DERAMUS FARM COURT, VIENNA, VA TO 1824 WESTMORELAND STREET, MCLEAN, VA
BAN19990994 FIRST BANKERS MORTGAGE SERVICES, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 223 WILMINGTON WEST CHESTER PIKE, CHADDS FORD, PA TO 6621 SOUTHPOINTE DRIVE NORTH, SUITE 200, JACKSONVILLE, FL
BAN19990995 1ST SOUTHERN FINANCIAL GROUP INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2805 MCRAE ROAD, SUITE A3, RICHMOND, VA TO 8041 FOREST HILL AVENUE, RICHMOND, VA
BAN19990996 FIRST-CITIZENS BANK & TRUST COMPANY
TO OPEN A BRANCH AT 106 ROANOKE BOULEVARD, SALEM, VA
BAN19990997 ALLIANCE ONE MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19990998 LOANSDIRECT, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN19990999 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 903 WEST LINCOLN AVENUE, ANAHEIM, CA
BAN19991000 AEGIS MORTGAGE CORPORATION D/B/A UC LENDING
TO OPEN A MORTGAGE LENDER'S OFFICE AT ONE MONROEVILLE CENTER, SUITE 320, MONROEVILLE, PA
BAN19991001 AEGIS MORTGAGE CORPORATION D/B/A UC LENDING
TO OPEN A MORTGAGE LENDER'S OFFICE AT 3131 TURTLE CREEK BOULEVARD, SUITE 1300, DALLAS, TX
BAN19991002 AEGIS MORTGAGE CORPORATION D/B/A UC LENDING
TO OPEN A MORTGAGE LENDER'S OFFICE AT 5303 CHRYSLER WAY, UPPER MARLBORO, MD
BAN19991003 CARDINAL ENTERPRISES INC. OF RICHMOND D/B/A PRESTIGE MORTGAGE CO.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 301 PLAZAVIEW ROAD, RICHMOND, VA TO 3131 NEWINGTON COURT, RICHMOND, VA
BAN19991004 KELLY MORTGAGE, LLC
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 8321 OLD COURTHOUSE ROAD, SUITE 110, VIENNA, VA TO 1307 DOLLEY MADISON BOULEVARD, SUITE 1B, MCLEAN, VA
BAN19991005 PROVIDENT FUNDING GROUP, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 600 W. CUMMINGS PARK, SUITE 4750, WOBURN, MA
BAN19991006 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 5442 HUNT CLUB DRIVE, VIRGINIA BEACH, VA

BAN19991007 CEDAR CREEK MORTGAGE, L.L.C.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 10268 KENTUCKY SPRINGS ROAD, MINERAL, VA
BAN19991008 SOUTHERN TRUST MORTGAGE, LLC
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT WITCHDUCK SELF-STORAGE, UNITS F-30 AND F-31, 5198-A CLEVELAND STREET, VIRGINIA BEACH, VA
BAN19991009 SUNTRUST BANK, ATLANTA
TO MERGE INTO IT CRESTAR BANK
BAN19991010 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 484 VIKING DRIVE, VIRGINIA BEACH, VA TO 1239 QUARTER WAY, VIRGINIA BEACH, VA
BAN19991011 EDWARD D. JONES & CO., L.P. D/B/A EDWARD JONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 7443 LEE DAVIS ROAD, MECHANICSVILLE, VA
BAN19991012 EDWARD D. JONES & CO., L.P. D/B/A EDWARD JONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 4012 RAINTREE ROAD, SUITE 120A, CHESAPEAKE, VA
BAN19991013 EDWARD D. JONES & CO., L.P. D/B/A EDWARD JONES
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 102 NORTH MAIN STREET, SUITE B, CULPEPER, VA TO 237 E. DAVIS STREET, CULPEPER, VA
BAN19991014 EDWARD D. JONES & CO., L.P. D/B/A EDWARD JONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1308 DEVIL'S REACH ROAD, SUITE 301, WOODBRIDGE, VA
BAN19991015 EDWARD D. JONES & CO., L.P. D/B/A EDWARD JONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 20955 PROFESSIONAL PARK, SUITE B3, ASHBURN, VA
BAN19991016 EDWARD D. JONES & CO., L.P. D/B/A EDWARD JONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 129 EAST LITTLE CREEK ROAD, NORFOLK, VA
BAN19991017 EDWARD D. JONES & CO., L.P. D/B/A EDWARD JONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1440 HOLTON AVENUE, BIG STONE GAP, VA
BAN19991018 AEGIS MORTGAGE CORPORATION D/B/A UC LENDING
TO OPEN A MORTGAGE LENDER'S OFFICE AT 56 WEST MAIN STREET, SUITE 204, CHRISTIANA, DE
BAN19991019 SLM MORTGAGE CORPORATION-VA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4856 GEORGE WASHINGTON MEMORIAL HIGHWAY, WHITE MARSH, VA
BAN19991020 SLM FINANCIAL CORPORATION
TO OPEN A CONSUMER FINANCE OFFICE
BAN19991021 SLM FINANCIAL CORPORATION
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE PROPERTY INSURANCE BUSINESS WILL ALSO BE CONDUCTED
BAN19991022 SLM FINANCIAL CORPORATION
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE SALES FINANCE BUSINESS WILL ALSO BE CONDUCTED
BAN19991023 SLM FINANCIAL CORPORATION
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE BROKERING WILL ALSO BE CONDUCTED
BAN19991024 SLM FINANCIAL CORPORATION
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE LENDING WILL ALSO BE CONDUCTED
BAN19991025 BAY TRUST COMPANY
TO OPEN A SUBSIDIARY TRUST COMPANY AT 1 NORTH MAIN STREET, KILMARNOCK, VA
BAN19991026 HOFFER, ANN W.
TO OPEN A CHECK CASHER AT 355 E. MAIN STREET, WYTHEVILLE, VA
BAN19991027 PEDERSEN, THOMAS A.
FOR A MORTGAGE BROKER'S LICENSE
BAN19991028 YOON, WOOK LHO D/B/A TRUST MORTGAGE COMPANY
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 8212A OLD COURTHOUSE ROAD, VIENNA, VA TO 9653 LEE HIGHWAY, SUITE 16, FAIRFAX, VA
BAN19991029 INDYMAC, INC.
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN19991030 CRESTAR BANK
TO OPEN A BRANCH AT 7373 PEPPERS FERRY BOULEVARD, PULASKI COUNTY, VA
BAN19991031 PNB REMITTANCE CENTERS, INC.
FOR A MONEY ORDER LICENSE
BAN19991032 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO RELOCATE OFFICE FROM 201 N. WASHINGTON HIGHWAY, ASHLAND, VA TO ENGLAND STREET, 150 FEET EAST OF ITS INTERSECTION WITH N. WASHINGTON HIGHWAY, ASHLAND, VA
BAN19991033 NEW PEOPLES BANK, INC.
TO OPEN A BRANCH AT MAIN STREET, HAYSI, VA
BAN19991034 CONTINENTAL LENDING CORPORATION OF AMERICA
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 9191 REISTERSTOWN ROAD, OWINGS MILLS, MD TO 9199 REISTERSTOWN ROAD, SUITE 206A, OWINGS MILLS, MD
BAN19991035 AEGIS MORTGAGE CORPORATION D/B/A UC LENDING
TO OPEN A MORTGAGE LENDER'S OFFICE AT 65 MAIN STREET, DOVER, NH
BAN19991036 FIDELITY FUNDING MORTGAGE CORP.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 12770 MERIT DRIVE, SUITE 600, DALLAS, TX TO 3400 WATERVIEW PARKWAY, SUITE 300, RICHARDSON, TX
BAN19991037 MORTGAGE SOUTH, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 181 PINEY FOREST ROAD, DANVILLE, VA TO 413 MT. CROSS ROAD, SUITE B, DANVILLE, VA

BAN19991038 EDWARD D. JONES & CO., L.P. D/B/A EDWARD JONES
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7652 FAIRCHILD DRIVE, ALEXANDRIA, VA TO 1800 DIAGONAL ROAD, SUITE 628, ALEXANDRIA, VA
BAN19991039 EQUITY MANAGEMENT CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19991040 PROVIDENT BANK OF MARYLAND
TO OPEN A BRANCH AT 3801 JEFFERSON DAVIS HIGHWAY, ALEXANDRIA, VA
BAN19991041 WATSON, RUSSELL S. T/A FIRST AMERICAN HOME EQUITY
TO OPEN A MORTGAGE BROKER'S OFFICE AT 403 MABEL LANE, RUSTBURG, VA
BAN19991042 WATSON, RUSSELL S. T/A FIRST AMERICAN HOME EQUITY
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 401 JEFFERSON WOODS DRIVE, FOREST, VA TO 1248 WEST DANVILLE STREET, SOUTH HILL, VA
BAN19991043 AMERISOURCE MORTGAGE, L.L.C.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19991044 EQUITY ONE OF VIRGINIA, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 311 NORTH MAIN STREET, LAWRENCEVILLE, VA TO 4419 PHEASANT RIDGE ROAD, ROANOKE, VA
BAN19991045 CRESTAR BANK
TO RELOCATE OFFICE FROM 29 WEST PATRICK STREET, FREDERICK, MD TO 2 N. MARKET STREET, FREDERICK, MD
BAN19991046 ARONSON, JONATHAN D/B/A FIRST CAPITAL MORTGAGE
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2021-B CUNNINGHAM DRIVE, SUITE 3, HAMPTON, VA
BAN19991047 CAPITAL MORTGAGE CORP.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 516 S. INDEPENDENCE BOULEVARD, VIRGINIA BEACH, VA TO 505 S. INDEPENDENCE BOULEVARD, SUITE 202, VIRGINIA BEACH, VA
BAN19991048 HOMETOWN MORTGAGE CORP.
FOR A MORTGAGE BROKER'S LICENSE
BAN19991049 EDWARD D. JONES & CO., L.P. D/B/A EDWARD JONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2953 VIRGINIA BEACH BOULEVARD, SUITE 103, VIRGINIA BEACH, VA
BAN19991050 EDWARD D. JONES & CO., L.P. D/B/A EDWARD JONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 8710 CHOCTAW ROAD, RICHMOND, VA
BAN19991051 EDWARD D. JONES & CO., L.P. D/B/A EDWARD JONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 890 PREDDY CREEK ROAD, BARBOURSVILLE, VA
BAN19991052 EDWARD D. JONES & CO., L.P. D/B/A EDWARD JONES
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 102 NORTH MAIN STREET, SUITE B, CULPEPER, VA TO 237 EAST DAVIS STREET, SUITE 100, CULPEPER, VA
BAN19991053 INDEPENDENT REALTY CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 5455 WILSHIRE BOULEVARD, SUITE 1912B, LOS ANGELES, CA
BAN19991054 GILES, JAMES RANDOLPH CASKIE
TO ACQUIRE 25 PERCENT OR MORE OF BLUE RIDGE MORTGAGE, L.L.C.
BAN19991055 MCCORMICK, LARRY A.
FOR A MORTGAGE BROKER'S LICENSE
BAN19991056 UNION MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19991057 UNITED MORTGAGE COMPANY
FOR A MORTGAGE BROKER'S LICENSE
BAN19991058 MONARCH BANK
TO OPEN A BRANCH AT 601 BATTLEFIELD BOULEVARD SOUTH, CHESAPEAKE, VA
BAN19991059 SOUTHERN TRUST MORTGAGE, LLC
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1910 BYRD AVENUE, SUITE 8, RICHMOND, VA TO 2727 ENTERPRISE PARKWAY, RICHMOND, VA
BAN19991060 ADVANTA FINANCE CORP.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 8500 LEESBURG PIKE, SUITE 206, VIENNA, VA TO 9990 LEE HIGHWAY, SUITE 120, FAIRFAX, VA
BAN19991061 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 799 TORRINGTON DRIVE, NAPERVILLE, IL
BAN19991062 FIRST MORTGAGE GROUP, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 10807 FIELDWOOD DRIVE, FAIRFAX, VA TO 3937 UNIVERSITY DRIVE, FAIRFAX, VA
BAN19991063 BB&T CORPORATION
TO ACQUIRE PREMIER BANCSHARES, INC.
BAN19991064 BETHESDA PROPERTIES CORPORATION D/B/A PILOT MORTGAGE COMPANY
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 966 HUNGERFORD DRIVE, SUITE 5A, ROCKVILLE, MD TO 6931 ARLINGTON ROAD, SUITE 405, BETHESDA, MD
BAN19991065 CRESTAR BANK
TO OPEN A BRANCH AT VIRGINIA CENTER MARKETPLACE, BROOK ROAD AT JEB STUART PARKWAY, GLEN ALLEN, VA
BAN19991066 AMSOUTH BANK
TO MERGE INTO IT FIRST AMERICAN NATIONAL BANK
BAN19991067 CONSUMER MORTGAGE & INVESTMENT CORP.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 468 INVESTORS PLACE, SUITES 102, 104 AND 106, VIRGINIA BEACH, VA

BAN19991068 AMBASSADOR MORTGAGE, INC. D/B/A ACTION MORTGAGE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 101 SOUTH LOUDOUN STREET, WINCHESTER, VA TO 204 S. LOUDOUN STREET, WINCHESTER, VA

BAN19991069 AMERICAN GENERAL FINANCE, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM SHENELK SHOPPING CENTER, STORE L, ELKTON, VA TO SHENELK PLAZA, STORE 290800, SHENANDOAH AVENUE, ELKTON, VA

BAN19991070 AMERICAN GENERAL FINANCE OF AMERICA, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM SHENELK SHOPPING CENTER, STORE L, ELKTON, VA TO SHENELK PLAZA, STORE 290800 SHENANDOAH AVENUE, ELKTON, VA

BAN19991071 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3831 WHISPERING LANE, ROANOKE, VA

BAN19991072 ASSOCIATES HOME EQUITY SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 14415 S. 50TH STREET, PHOENIX, AZ

BAN19991073 REAL ESTATE BROKERS LENDING SERVICE, INC., THE
FOR A MORTGAGE LENDER'S LICENSE

BAN19991074 MORTGAGEIT, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE

BAN19991075 EDWARD D. JONES & CO., L.P. D/B/A EDWARD JONES
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 9272 HANOVER CROSSING, APT. 8, MECHANICSVILLE, VA TO 7443 LEE DAVIS ROAD, SUITE BAY 117, MECHANICSVILLE, VA

BAN19991076 EDWARD D. JONES & CO., L.P. D/B/A EDWARD JONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 20955 PROFESSIONAL PARK, SUITE 320, ASHBURN, VA

BAN19991077 ACCESS EQUITY, LLC
FOR A MORTGAGE BROKER'S LICENSE

BAN19991078 AMERICANET MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE

BAN19991079 CITIFINANCIAL MORTGAGE COMPANY
FOR A MORTGAGE LENDER'S LICENSE

BAN19991080 REMESAS COSTAMAR, INC.
FOR A MONEY ORDER LICENSE

BAN19991081 NEW FREEDOM MORTGAGE CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE

BAN19991082 HOMEFIRST DIRECT, INC. (USED IN VA BY: HOMEFIRST MORTGAGE, INC.)
FOR A MORTGAGE BROKER'S LICENSE

BAN19991083 EDWARD D. JONES & CO., L.P. D/B/A EDWARD JONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 102 NOBLES LANDING, GRAFTON, VA

BAN19991084 MILLENNIUM MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1904 BYRD AVENUE, SUITE 107, RICHMOND, VA TO THE CARSON BUILDING, 6500 HARBORVIEW COURT, SUITE 203, MIDLOTHIAN, VA

BAN19991085 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1760 RESTON PARKWAY, SUITE 101, RESTON, VA

BAN19991086 LOAN LINK FINANCIAL SERVICES, INC.
FOR A MORTGAGE LENDER'S LICENSE

BAN19991087 AEGIS FINANCIAL SOLUTIONS, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 13511 BUGLENOTE WAY, SPOTSYLVANIA, VA TO 88 EAST RIVER BEND ROAD, FREDERICKSBURG, VA

BAN19991088 FIDELITY FIRST LENDING, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE

BAN19991089 HOME MORTGAGE CENTER, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 3327 DUKE STREET, ALEXANDRIA, VA TO 7229 "C" HANOVER PARKWAY, GREENBELT, MD

BAN19991090 COLUMBIA NATIONAL, INCORPORATED
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 13601 OFFICE PLACE, SUITE 101, WOODBRIDGE, VA

BAN19991091 SECURITY FIRST FUNDING CORPORATION (USED IN VA BY: SECURITY FIRST FUNDING)
TO OPEN A MORTGAGE BROKER'S OFFICE AT 4 FRANKLIN VILLAGE DRIVE, FRANKLIN, VA

BAN19991092 HARBOR HOMES MORTGAGE INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN19991093 CREATIVE FINANCE, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN19991094 OLMN.NET CORPORATION
FOR A MORTGAGE BROKER'S LICENSE

BAN19991095 PREMIER AMERICA CREDIT UNION
FOR OUT OF STATE CREDIT UNION TO OPEN AN IN STATE OFFICE

BAN19991096 ALPHA MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 7799 LEESBURG PIKE, SUITE 900-N, FALLS CHURCH, VA

BAN19991097 DOMINION FIRST, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1320 VINCENT PLACE, MCLEAN, VA TO 10190 MILSTEAD ROAD, GREAT FALLS, VA

BAN19991098 PHOENIX HOME MORTGAGE CORP.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 17 WEST JEFFERSON AVENUE, SUITE 103, ROCKVILLE, MD TO 19516 CLUB HOUSE ROAD, GAITHERSBURG, MD

BAN19991099 ACCENT MORTGAGE SERVICES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 6605 CATHERINE STREET, NORFOLK, VA

BAN19991100 BEST RATE MORTGAGE CORP.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1200 N. KENSINGTON STREET, UNIT 2, ARLINGTON, VA TO 8212-A OLD COURTHOUSE ROAD, VIENNA, VA

BAN19991101 CROSSTATE MORTGAGE & INVESTMENTS INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 6501 MECHANICSVILLE TURNPIKE, SUITE 205, MECHANICSVILLE, VA

BAN19991102 STAR CITY MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 312 MAIN STREET, NEW CASTLE, VA TO 2836 BELDON DRIVE, SALEM, VA

BAN19991103 CARDINAL MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 27 N. CENTRAL AVENUE, STAUNTON, VA

BAN19991104 COLONIAL LOANS, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE LENDING WILL ALSO BE CONDUCTED

BAN19991105 CONSUMER CREDIT COUNSELING SERVICE OF VIRGINIA, INC.
TO OPEN AN ADDITIONAL DEBT COUNSELING OFFICE AT 7266 HANOVER GREEN DRIVE, SUITE A, MECHANICSVILLE, VA

BAN19991106 MERITAGE MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 5665 SOUTHWEST MEADOWS RD., SUITE 350, LAKE OSWEGO, OG TO 6000 SOUTHWEST MEADOWS RD., SUITE 500, LAKE OSWEGO, OG

BAN19991107 FRANKLIN MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 9 PAWNEE LANE, PALMYRA, VA TO 2114 ANGUS ROAD, SUITE 223, CHARLOTTESVILLE, VA

BAN19991108 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 749-A THIMBLE SHOALS BLVD., SUITE 4, NEWPORT NEWS, VA

BAN19991109 WAYNESBORO DUPONT EMPLOYEES CREDIT UNION
TO OPEN A CREDIT UNION SERVICE OFFICE AT 105 COMMUNITY WAY, STAUNTON, VA

BAN19991110 PACIFIC GUARANTEE MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 156 DIABLO ROAD, SUITE 310, DANVILLE, CA

BAN19991111 IOWN, INC. D/B/A IOWN.COM
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 118 KING STREET, SUITE 225, SAN FRANCISCO, CA TO 333 BRYANT STREET, SUITE LL, SAN FRANCISCO, CA

BAN19991112 NORTHAMPTON MORTGAGE, LLC
FOR A MORTGAGE BROKER'S LICENSE

BAN19991113 1ST PRIORITY MORTGAGE CORP. D/B/A AFFORDABLE MORTGAGE SOLUTIONS
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 108 N. KERR AVENUE, SUITE D-6, WILMINGTON, NC TO 1127 FLORAL PARKWAY, SUITE 100, WILMINGTON, NC

BAN19991114 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 25B TECHNOLOGY DRIVE, SUITE 100, IRVINE, CA

BAN19991115 FIDELITY MORTGAGE FUNDING, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 7 EAST SKIPPACK PIKE, AMBLER, PA TO 7004 WEST BUTLER PIKE, AMBLER, PA

BAN19991115 FIDELITY MORTGAGE FUNDING, INC. D/B/A LOWCOSTLOAN.COM
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 7 EAST SKIPPACK PIKE, AMBLER, PA TO 7004 WEST BUTLER PIKE, AMBLER, PA

BAN19991116 ONE VALLEY BANK, NATIONAL ASSOCIATION
TO ENGAGE IN TRUST BUSINESS AT ONE VALLEY SQUARE, CHARLESTON, WV

BAN19991117 BANCOMERICO DE EL SALVADOR, INC.
FOR A MONEY ORDER LICENSE

BAN19991118 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 13411 DAIRY COURT, BRISTOW, VA TO 10965 ADARE DRIVE, FAIRFAX, VA

BAN19991119 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4121 SKIPPACK PIKE, SKIPPACK, PA TO 156 MINE LAKE COURT, RALEIGH, NC

BAN19991120 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 6314 BRINKLEY COURT, TEMPLE HILLS, MD TO 10 MAYER COURT, HAMPTON, VA

BAN19991121 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 167 EAST COLUMBUS STREET, SUITE 1, PICKERINGTON, OH TO 1801 HIGH STREET, PORTSMOUTH, VA

BAN19991122 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4726 LARKSPUR SQUARE, VIRGINIA BEACH, VA TO 20 IRWIN STREET, PORTSMOUTH, VA

BAN19991123 FIRST VIRGINIA BANK-COLONIAL
TO OPEN A BRANCH AT CHESTERFIELD TOWNE CENTER, 11500 MIDLOTHIAN TURNPIKE, CHESTERFIELD COUNTY, VA

BAN19991124 LINDLEY MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 11250 WAPLES MILL ROAD, SUITE 310, FAIRFAX, VA TO 10523-B BRADDOCK ROAD, FAIRFAX, VA

BAN19991125 ALLIED MORTGAGE CAPITAL CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 5442 HUNT CLUB DRIVE, VIRGINIA BEACH, VA TO ONE COLUMBUS CENTER, SUITE 612, VIRGINIA BEACH, VA
BAN19991126 VIRGINIA ONE MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN19991127 FIRST JEFFERSON MORTGAGE CORPORATION D/B/A FIRST JEFFERSON FUNDING
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 204 SOUTH JEFFERSON STREET, SUITE 1220, ROANOKE, VA
BAN19991128 FIRST JEFFERSON MORTGAGE CORPORATION D/B/A FIRST JEFFERSON FUNDING
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 2101 EXECUTIVE DRIVE, SUITE 8-D, HAMPTON, VA TO 2101 EXECUTIVE DRIVE, 1ST FLOOR, HAMPTON, VA
BAN19991129 VIRGINIA COMMERCE BANCORP, INC.
TO ACQUIRE VIRGINIA COMMERCE BANK , VA
BAN19991130 WATSON, RUSSELL S. T/A FIRST AMERICAN HOME EQUITY
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2250 MURRELL ROAD, BUILDING B, STE. 2, LYNCHBURG, VA
BAN19991131 AMERICA'S MONEYLINE, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 4708 MERCANTILE DRIVE NORTH, FORT WORTH, TX
BAN19991132 PARADIGM MORTGAGE ASSOCIATES, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19991133 MORTGAGE USA, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 4041 UNIVERSITY DRIVE, FAIRFAX, VA TO 6404-P SEVEN CORNERS PLACE, FALLS CHURCH, VA
BAN19991134 ASSOCIATES FINANCIAL SERVICES COMPANY OF VIRGINIA, INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN19991135 INTEGRITY HOME MORTGAGE LLC
TO OPEN A MORTGAGE BROKER'S OFFICE AT 5450 PETERS CREEK ROAD, SUITE 212, ROANOKE, VA
BAN19991136 NORTH ATLANTIC MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2096 SCHUBERT DRIVE, VIRGINIA BEACH, VA
BAN19991137 HOMESTEAD ACCEPTANCE INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7636 WILLIAMSON ROAD N.W., ROANOKE, VA TO 7726 WILLIAMSON ROAD, N.W., ROANOKE, VA
BAN19991138 INTEGRITY HOME MORTGAGE LLC
TO OPEN A MORTGAGE BROKER'S OFFICE AT 103 EAST MAIN STREET, SALEM, VA
BAN19991139 AMERICA TRUST MORTGAGE CORP.
FOR A MORTGAGE BROKER'S LICENSE
BAN19991140 FINANCE AMERICA, LLC
FOR A MORTGAGE LENDER'S LICENSE
BAN19991141 SAUNDERS, CHERYL L. D/B/A PLAN B MORTGAGE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 8706 GLADEWATER COURT, RICHMOND, VA TO 2800 PARHAM ROAD, SUITE 205, RICHMOND, VA
BAN19991142 1ST AMERICAN MORTGAGE, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19991143 BENEFICIAL INDUSTRIAL LOAN ASSOCIATION
TO RELOCATE INDUSTRIAL LOAN OFFICE FROM 3420 HOLLAND ROAD, SUITE 107, VIRGINIA BEACH, VA TO 1716 CORPORATE LANDING PARKWAY, VIRGINIA BEACH, VA
BAN19991144 ACCENT CAPITAL COMPANY, LLC
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN19991145 EQUITY ONE OF VIRGINIA, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 18013 FOREST ROAD, SUITE E-02, FOREST, VA
BAN19991146 EQUITY ONE CONSUMER DISCOUNT COMPANY, INC.D/B/A EQUITY ONE CONSUMER LOAN
TO OPEN A CONSUMER FINANCE OFFICE
BAN19991147 EQUITY ONE CONSUMER DISCOUNT COMPANY, INC.D/B/A EQUITY ONE CONSUMER LOAN
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE SALES FINANCE BUSINESS WILL ALSO BE CONDUCTED
BAN19991148 EQUITY ONE CONSUMER DISCOUNT COMPANY, INC.D/B/A EQUITY ONE CONSUMER LOAN
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE BROKERING WILL ALSO BE CONDUCTED
BAN19991149 EQUITY ONE CONSUMER DISCOUNT COMPANY, INC.D/B/A EQUITY ONE CONSUMER LOAN
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE LENDING WILL ALSO BE CONDUCTED
BAN19991150 APPROVED FINANCIAL CORP.
TO RELOCATE INDUSTRIAL LOAN OFFICE FROM 3420 HOLLAND ROAD, SUITE 107, VIRGINIA BEACH, VA TO 1716 CORPORATE LANDING PARKWAY, VIRGINIA BEACH, VA
BAN19991151 MANDARIN MORTGAGE CORP.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 10004 N. DALE MABRY HIGHWAY, TAMPA, FL TO 11016 N. DALE MABRY HIGHWAY, SUITE 204, TAMPA, FL
BAN19991152 ADVANCED CALL CENTER TECHNOLOGIES, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN19991153 PROVIDENT BANK OF MARYLAND
TO OPEN A BRANCH AT 6228 N. KINGS HIGHWAY, ALEXANDRIA, VA
BAN19991154 EMBASSY MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1107-A SPRING STREET, SILVER SPRING, MD TO 8807 COLESVILLE ROAD, 4TH FLOOR, SILVER SPRING, MD
BAN19991155 NEW CENTURY CORPORATION (USED IN VA BY: NEW CENTURY MORTGAGE CORPORATION)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 17701 COWAN, 2ND FLOOR, SUITE 100, IRVINE, CA

BAN19991156 MORTGAGE PORTFOLIO SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 7400 BEAUFONT SPRINGS DRIVE, SUITE 105, RICHMOND, VA

BAN19991157 FIRST HOUSEHOLD FINANCE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE

BAN19991158 RAPPAPORT, MICHAEL J.
TO ACQUIRE 25 PERCENT OR MORE OF RESIDENTIAL LENDING CORPORATION

BAN19991159 WHOLESALE EXPRESS MORTGAGE CORPORATION, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1107 BAY FRONT AVENUE, NORTH BEACH, MD TO 2661 RIVA ROAD, SUITE 621, ANNAPOLIS, MD

BAN19991160 BENCHMARK MORTGAGE INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 6800 PARAGON PLACE, SUITE 215, RICHMOND, VA TO 6800 PARAGON PLACE, SUITE 475, RICHMOND, VA

BAN19991161 INTEGRITY MORTGAGE AND FINANCE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 11290 WOODHAVEN DRIVE, IJAMSVILLE, MD TO 184 THOMAS JOHNSON DRIVE, SUITE 202 L, FREDERICK, MD

BAN19991162 FIRST CHESAPEAKE MORTGAGE CORPORATION OF FREDERICKSBURG (USED IN VA BY: FIRST CHESAPEAKE MORTGAGE CORPORATION)
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 5801 ALLENTOWN ROAD, SUITE 106B, CAMP SPRINGS, MD TO 2661 RIVA ROAD, SUITE 621, ANNAPOLIS, MD

BAN19991163 MAIN STREET MORTGAGE AND INVESTMENT CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 10551 PATTERSON AVENUE, B171, RICHMOND, VA TO 10551 PATTERSON AVENUE, B119, RICHMOND, VA

BAN19991164 WALLICK & VOLK, INC.
FOR A MORTGAGE LENDER'S LICENSE

BAN19991165 RICHMOND POSTAL CREDIT UNION INCORPORATED, THE
TO MERGE INTO IT FEDERAL EMPLOYEES CREDIT UNION OF PETERSBURG, INCORPORATED, PETERSBURG, VA

BAN19991166 MORTGAGE TASK GROUP INC., THE
FOR A MORTGAGE BROKER'S LICENSE

BAN19991167 SEDUNIA, INC.
FOR A MONEY ORDER LICENSE

BAN19991168 INTUIT, INC.
TO ACQUIRE 25 PERCENT OR MORE OF ROCK FINANCIAL CORPORATION

BAN19991169 CONTIMORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 201 GIBRALTAR ROAD, SUITE 210, HORSHAM, PA TO 11279 PERRY HIGHWAY, SUITE 502, WEXFORD, PA

BAN19991170 EVERGREEN MONEYSOURCE MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3001 - 112TH AVENUE, N.E., SUITE 200, BELLEVUE, WA

BAN19991171 ATLANTIC BAY MORTGAGE GROUP, L.L.C.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1126 NORWOOD STREET, RADFORD, VA

BAN19991172 J. B. BRYAN FINANCIAL GROUP, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1905 HUGUENOT ROAD, SUITE 303, RICHMOND, VA TO 102 N. 5TH STREET, RICHMOND, VA

BAN19991173 SMITH RIVER BANKSHARES, INC.
TO ACQUIRE SMITH RIVER COMMUNITY BANK, N.A.

BAN19991174 METRO-COUNTY BANK OF VIRGINIA, INC.
TO OPEN A BRANCH AT 3124 WEST BROAD STREET, RICHMOND, VA

BAN19991175 KEATING, MICHAEL W.
TO ACQUIRE 25 PERCENT OR MORE OF METROPOLITAN MORTGAGE BANKERS, INC.

BAN19991176 F & M NATIONAL CORPORATION
TO ACQUIRE THE STATE BANK OF THE ALLEGHENIES

BAN19991177 NUMAX MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 204 MONROE STREET, SOUTH BOSTON, VA

BAN19991178 PROVIDENT BANK OF MARYLAND
TO OPEN A BRANCH AT 10864 SUDLEY MANOR DRIVE, PRINCE WILLIAM COUNTY, VA

BAN19991179 RESIDENTIAL LOAN CORPORATION
FOR A MORTGAGE BROKER'S LICENSE

BAN19991180 CENTEX CREDIT CORPORATION D/B/A CENTEX HOME EQUITY CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 300 ARBORETUM PLACE, SUITE 140, RICHMOND, VA TO 621 LYNNHAVEN PARKWAY, SUITE 275, VIRGINIA BEACH, VA

BAN19991181 DESTINY MORTGAGE GROUP, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 8835 COLUMBIA 100 PARKWAY, SUITE L, COLUMBIA, MD TO 15 CHARLES PLAZA, SUITE 200, BALTIMORE, MD

BAN19991182 DELTA FUNDING CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 99 SUNNYSIDE BOULEVARD, WOODBURY, NY

BAN19991183 MARTINEZ-BALDIVIA, ESTHER
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4810 BEAUREGARD STREET, SUITE 303, ALEXANDRIA, VA TO 101 S. WHITING STREET, SUITE 108, ALEXANDRIA, VA

BAN19991184 ROCK FINANCIAL CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 30600 TELEGRAPH ROAD, SUITE 4000, BINGHAM FARMS, MI TO 20555 VICTOR PARKWAY, LIVONIA, MI

BAN19991185 EHOMECREDIT CORP. D/B/A FHB FUNDING
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 9881 BROKEN LAND PARKWAY, SUITE 402, COLUMBIA, MD TO 250 OLD COUNTRY ROAD, MINEOLA, NY
BAN19991186 MORTGAGE ACCESS CORP. D/B/A WEICHERT FINANCIAL SERVICES
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 14520 SMOKETOWN ROAD, WOODBRIDGE, VA TO 12479 DILLINGHAM SQUARE, WOODBRIDGE, VA
BAN19991187 CALVERT MORTGAGE COMPANY, L.L.C.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1880 HOWARD AVENUE, SUITE 201, VIENNA, VA
BAN19991188 FIRST FIDELITY MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 113 LANDMARK SQUARE, VIRGINIA BEACH, VA
BAN19991189 CRESTAR BANK
TO OPEN A BRANCH AT 5260 CAMPBELL BOULEVARD, WHITE MARSH, MD
BAN19991190 BENCHMARK COMMUNITY BANK
TO OPEN A BRANCH AT 247 N. MAIN STREET, CHASE CITY, VA
BAN19991191 SUNSET MORTGAGE COMPANY L.P.
FOR A MORTGAGE LENDER'S LICENSE
BAN19991192 US MORTGAGE NETWORK L.P. (USED IN VA BY: US MORTGAGE NETWORK)
FOR A MORTGAGE BROKER'S LICENSE
BAN19991193 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3100 TOWER BOULEVARD, DURHAM, NC
BAN19991194 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 700 SPRING FOREST ROAD, RALEIGH, NC
BAN19991195 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 12142 WINDSOR HALL WAY, HERNDON, VA
BAN19991196 EDWARD D. JONES & CO., L.P. D/B/A EDWARD JONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1642 PLEASURE HOUSE ROAD, SUITE 103, VIRGINIA BEACH, VA
BAN19991197 FIRST GREENSBORO HOME EQUITY, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1307-B S COLLEGIATE DRIVE, WILKESBORO, NC
BAN19991198 FIRST GREENSBORO HOME EQUITY, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1300 WESTGATE CENTER DRIVE, WINSTON-SALEM, NC
BAN19991199 CAPITOL FINANCIAL SERVICES, INC. D/B/A CAPITOL HOME MORTGAGE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 139 PRINCE STREET, SUITE 4, TAPPAHANNOCK, VA
BAN19991200 DOMINION MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19991201 D. J. HARDA CORP.
FOR A MORTGAGE BROKER'S LICENSE
BAN19991202 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 3254 ACADEMY AVENUE, SUITE 25, PORTSMOUTH, VA TO 5752 CHURCHLAND BOULEVARD, PORTSMOUTH, VA
BAN19991203 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 903 WEST LINCOLN AVENUE, ANAHEIM, CA TO 952 POSTAL WAY, SUITE 15, VISTA, CA
BAN19991204 ASSOCIATES FINANCIAL SERVICES COMPANY, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN19991205 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 316 N.E. 4TH STREET, FORT LAUDERDALE, FL TO 2000 WEST COMMERCIAL BOULEVARD, FORT LAUDERDALE, FL
BAN19991206 CALIBRE FUNDING CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 8280 GREENSBORO DRIVE, SUITE 100, MCLEAN, VA TO 10387 MAIN STREET, SUITE 200, FAIRFAX, VA
BAN19991207 PSP FINANCIAL SERVICES, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN19991208 CEDAR CREEK MORTGAGE, L.L.C.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 321 SOUTH ROYAL AVENUE, FRONT ROYAL, VA
BAN19991209 LOAN EXPRESS, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1228 GINGERCRESENT, VIRGINIA BEACH, VA
BAN19991210 INFINITY MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2700 VIRGINIA BEACH BOULEVARD, VIRGINIA BEACH, VA TO 2859 VIRGINIA BEACH BOULEVARD, SUITE 104-E, VIRGINIA BEACH, VA
BAN19991211 U.S.A. FINANCIAL SERVICES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 302 E. DAVIS STREET, SUITE 201, CULPEPER, VA
BAN19991212 GALLEY, CHRISTOPHER
FOR A MORTGAGE BROKER'S LICENSE
BAN19991213 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 225 S. LAKE AVENUE, SUITE 705, PASADENA, CA TO 225 S. LAKE AVENUE, SUITE 710, PASADENA, CA
BAN19991214 BTS FINANCIAL GROUP, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN19991215 CENTRAL CAROLINA BANK AND TRUST COMPANY
TO ENGAGE IN TRUST BUSINESS AT 111 CORCORAN STREET, DURHAM, NC

BAN19991216 1ST SOUTHERN FINANCIAL GROUP INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 121 MECKLENBURG AVENUE, SOUTH HILL, VA TO 13107 OLD WHITE OAK ROAD, DEWITT, VA

BAN19991217 FIDELITY FIRST FINANCIAL CORP.
TO ACQUIRE 25 PERCENT OR MORE OF FIDELITY FIRST MORTGAGE, LLC

BAN19991218 CONSECO FINANCE SERVICING CORP.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 2347 STERLINGTON ROAD, SUITE 100, LEXINGTON, KY

BAN19991219 CONSECO FINANCE SERVICING CORP.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 4419 PHEASANT RIDGE ROAD, SUITE 206, ROANOKE, VA

BAN19991220 CONSECO FINANCE SERVICING CORP.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 4625 RIVER GREEN PARKWAY, N.W., DULUTH, GA

BAN19991221 COUNTRY FUNDING INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 59 TAM O'SHANTER DRIVE, MAHWAH, NJ TO 1600 ROUTE 208, FAIRLAWN, NJ

BAN19991222 CENTEX CREDIT CORPORATION D/B/A CENTEX HOME EQUITY CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 7025 ALBERT PICK ROAD, SUITE 301, GREENSBORO, NC

BAN19991223 EDWARD D. JONES & CO., L.P. D/B/A EDWARD JONES
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 890 PREDDY CREEK ROAD, BARBOURSVILLE, VA TO 1455 EAST RIO ROAD, CHARLOTTESVILLE, VA

BAN19991224 LOAN EXPRESS, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1211 HARDY ROAD, SUITE 7, VINTON, VA TO 1211 HARDY ROAD, SUITE 3, VINTON, VA

BAN19991225 SOUTHERN TRUST MORTGAGE, LLC
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 5544 GREENWICH ROAD, SUITE 301, VIRGINIA BEACH, VA

BAN19991226 BEACON MORTGAGE SERVICES, INCORPORATED
FOR A MORTGAGE BROKER'S LICENSE

BAN19991227 PHILPOTT, NANCY G. D/B/A PIEDMONT MORTGAGE SERVICES
FOR A MORTGAGE BROKER'S LICENSE

BAN19991228 CRESTAR BANK
TO OPEN A BRANCH AT 45156 FIRST COLONY WAY, CALIFORNIA, MD

BAN19991229 CRESTAR BANK
TO OPEN A BRANCH AT 225 BRIAR HILL DRIVE, SUITE O, BEL AIR, MD

BAN19991230 CRESTAR BANK
TO OPEN A BRANCH AT 5821 CROSSROADS CENTER, FAIRFAX COUNTY, VA

BAN19991231 CRESTAR BANK
TO OPEN A BRANCH AT 2304 HUNTERS WOODS PLAZA, RESTON, VA

BAN19991232 CRESTAR BANK
TO OPEN A BRANCH AT 444 WESTERN MARYLAND COLLEGE ROAD, WESTMINSTER, MD

BAN19991233 REGENCY MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 9124 MIDLOTHIAN TURNPIKE, SUITE 100, RICHMOND, VA TO 10660 CHEROKEE ROAD, RICHMOND, VA

BAN19991234 CONSUMERS MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 154 WIND CHIME COURT, RALEIGH, NC TO 503 K HIGHWAY 70 E, GARNER, NC

BAN19991235 CREDITLAND MORTGAGE.COM, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN19991236 BREEZY MART LLC
TO OPEN A CHECK CASHER AT 12249 MARTINSVILLE HIGHWAY, CASCADE, VA

BAN19991237 PACIFIC SHORE FUNDING CORPORATION (USED IN VA BY: PACIFIC SHORE FUNDING)
TO OPEN A MORTGAGE LENDER'S OFFICE AT 23046 AVENIDA DE LA CARLOTA, SUITE 150, LAGUNA HILLS, CA

BAN19991238 COMMUNITY MORTGAGE CENTERS, LLC
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2817 NORTH PARHAM ROAD, SUITE 5B, RICHMOND, VA

BAN19991239 FIRST MORTGAGE GROUP, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 10807 FIELDWOOD DRIVE, FAIRFAX, VA TO 10301 DEMOCRACY LANE, SUITE 120, FAIRFAX, VA

BAN19991240 FLAGSHIP CAPITAL SERVICES CORP.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 9870 HIGHWAY 92, SUITE 200, WOODSTOCK, GA TO 4757 CANTON HIGHWAY, MARIETTA, GA

BAN19991241 VALLEY BANK
TO CONVERT TO STATE BANK

BAN19991242 COUNTRYWIDE HOME LOANS, INC.D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 5821 FAIRVIEW ROAD, SUITE 117, MEMPHIS, TN

BAN19991243 EDWARD D. JONES & CO., L.P. D/B/A EDWARD JONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 5603 B HIGH STREET WEST, PORTSMOUTH, VA

BAN19991244 EDWARD D. JONES & CO., L.P. D/B/A EDWARD JONES
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2300 NINTH STREET SOUTH, SUITE 504, ARLINGTON, VA TO 900 NORTH TAYLOR STREET, ARLINGTON, VA

BAN19991245 NORTHERN AMERICAN MONEY TRANSFER, INC.
FOR A MONEY ORDER LICENSE

BAN19991246 WESTERN HOME MORTGAGE CORPORATION
FOR A MORTGAGE LENDER'S LICENSE

BAN19991247 COLUMBIA NATIONAL, INCORPORATED
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 5306 LEE HIGHWAY, WARRENTON, VA

BAN19991248 WOODLAND CAPITAL CORP.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 730 SECOND AVENUE SOUTH, SUITE 415, MINNEAPOLIS, MN TO 730 SECOND AVENUE SOUTH, 435 PEAVEY BUILDING, MINNEAPOLIS, MN

BAN19991249 CAPITAL ACCESS, LTD.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 5053-B BACKLICK ROAD, ANNANDALE, VA TO 13210 FITZWATER DRIVE, NOKESVILLE, VA

BAN19991250 CAPITAL ASSETS FINANCIAL, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 10800 MAIN STREET, SUITE 150, FAIRFAX, VA

BAN19991251 CITIFINANCIAL, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 1760 RIO HILL CENTER, CHARLOTTESVILLE, VA TO 2017 WOODBROOK COURT, CHARLOTTESVILLE, VA

BAN19991252 CITIFINANCIAL SERVICES, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 1760 RIO HILL CENTER, ALBEMARLE COUNTY, VA TO 2017 WOODBROOK COURT, ALBEMARLE COUNTY, VA

BAN19991253 VIRGINIA COMMONWEALTH FINANCIAL CORPORATION
FOR ACQUISITION OF SAVINGS INSTITUTION HOLDING CO.

BAN19991254 KBM MORTGAGE GROUP, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN19991255 COMMUNITY HOME MORTGAGE, LLC
FOR A MORTGAGE BROKER'S LICENSE

BAN19991256 AMERICREDIT CORPORATION OF CALIFORNIA D/B/A AMERICREDIT MORTGAGE SERVICES
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 801 CHERRY STREET, SUITE 2000, FORT WORTH, TX TO 4001 EMBARCADERO DRIVE, ARLINGTON, TX

BAN19991257 FIRST GUARANTY MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1300 HIGHWAY 35, PLAZA II, SUITE 204, OCEAN, NJ

BAN19991258 MADELEINE L.L.C.
TO ACQUIRE 25 PERCENT OR MORE OF AEGIS MORTGAGE CORPORATION

BAN19991259 WESTOVER MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4905 RADFORD AVENUE, SUITE 206, RICHMOND, VA TO 4905 RADFORD AVENUE, SUITE 107, RICHMOND, VA

BAN19991260 NUMAX MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 204 MONROE STREET, SOUTH BOSTON, VA TO 526 MAIN STREET, SUITE 22, SOUTH BOSTON, VA

BAN19991261 TICO CREDIT COMPANY, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE PROPERTY INSURANCE BUSINESS WILL ALSO BE CONDUCTED

BAN19991262 FIRST ALLIANCE MORTGAGE COMPANY
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 8000 TOWERS CRESCENT DRIVE, VIENNA, VA TO 8401 COLESVILLE ROAD, SUITE 504, SILVER SPRING, MD

BAN19991263 NEWTOWN ROAD CHECK CASHERS, INC.
TO OPEN A CHECK CASHER AT 1105 A NEWTOWN ROAD, NORFOLK, VA

BAN19991264 MORTGAGE EDGE CORPORATION D/B/A MEC ONLINE
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 7611 LITTLE RIVER TURNPIKE, SUITE, 402, ANNANDALE, VA TO 12650 DARBY BROOKE COURT, LAKE RIDGE, VA

BAN19991265 HOMEFN MORTGAGE CORPORATION
FOR A MORTGAGE LENDER'S LICENSE

BAN19991266 RONZETTI MORTGAGE AND INVESTMENT CORP.
FOR A MORTGAGE BROKER'S LICENSE

BAN19991267 ROYAL MORTGAGE CORP.
FOR A MORTGAGE BROKER'S LICENSE

BAN19991268 FIRST FEDERAL FUNDING, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN19991269 ASSURANCE MORTGAGE CORPORATION OF AMERICA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 6678 OWENS DRIVE, PLEASANTON, CA

BAN19991270 ASSURANCE MORTGAGE CORPORATION OF AMERICA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 7702 WOODLAND CENTER BLVD., SUITE 100, TAMPA, FL

BAN19991271 ASSURANCE MORTGAGE CORPORATION OF AMERICA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 13890 BRADDOCK ROAD, SUITE 100, CENTREVILLE, VA

BAN19991272 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 9 SOUTH COURT STREET, SUITE 201, WINDSOR, VA

BAN19991273 E-MORTGAGE, LLC
FOR A MORTGAGE BROKER'S LICENSE

BAN19991274 TOWER MORTGAGE & FINANCIAL SERVICES CORP.
FOR A MORTGAGE BROKER'S LICENSE

BAN19991275 HOUSEHOLD REALTY CORPORATION D/B/A HOUSEHOLD REALTY CORPORATION OF VIRGINIA
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 11218 JAMES SWART CIRCLE, SPACE A-10, FAIRFAX, VA TO 11270 JAMES SWART CIRCLE, SUITE C-3A, FAIRFAX, VA

BAN19991276 SAULS, BARBARA ANN
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7704 RICHMOND HIGHWAY, SUITE 200, ALEXANDRIA, VA TO 7686 RICHMOND HIGHWAY, SUITE 109, ALEXANDRIA, VA

BAN19991277 DYNEX FINANCIAL, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 4121 COX ROAD, SUITE 120A, GLEN ALLEN, VA TO 1901 CENTRAL DRIVE, SUITE 211, BEDFORD, TX

BAN19991278 CARDINAL MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 305 SOUTH WASHINGTON HIGHWAY, ASHLAND, VA TO 7245 A MECHANICSVILLE PIKE, MECHANICSVILLE, VA

BAN19991279 MORTGAGE RESOURCES INCORPORATED
TO OPEN A MORTGAGE BROKER'S OFFICE AT 7015 OLD KEENE MILL ROAD, SUITE 206, SPRINGFIELD, VA

BAN19991280 CRESTAR BANK
TO RELOCATE OFFICE FROM 101 EAST MAIN STREET, ORANGE, VA TO 100 BLOCK OF NORTH MADISON ROAD, ORANGE, VA

BAN19991281 CRESTAR BANK
TO RELOCATE OFFICE FROM 825 DULANEY VALLEY ROAD, TOWSON, MD TO 825 DULANEY VALLEY ROAD, SUITE TBD, TOWSON, MD

BAN19991282 COLEMAN GROUP, INC., THE
FOR A MORTGAGE BROKER'S LICENSE

BAN19991283 BUYER'S EDGE MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 5204 DAWES AVENUE, ALEXANDRIA, VA TO 5710 PICKWICK ROAD, CENTREVILLE, VA

BAN19991284 GOLDEN NATIONAL MORTGAGE BANKING CORPORATION
FOR A MORTGAGE LENDER'S LICENSE

BAN19991285 AMERICAN GENERAL FINANCE, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 401 E MAIN STREET, CHARLOTTESVILLE, VA TO 360 PANTOPS, CHARLOTTESVILLE, VA

BAN19991286 AMERICAN GENERAL FINANCE, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 3256 ACADEMY AVENUE, PORTSMOUTH, VA TO 4300 PORTSMOUTH BOULEVARD, CHESAPEAKE, VA

BAN19991287 AMERICAN GENERAL FINANCE, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 316 CAVALIER SQUARE, HOPEWELL, VA TO 629 SOUTHPARK BOULEVARD, COLONIAL HEIGHTS, VA

BAN19991288 AMERICAN GENERAL FINANCE OF AMERICA, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 3256 ACADEMY AVENUE, PORTSMOUTH, VA TO 4300 PORTSMOUTH BOULEVARD, CHESAPEAKE, VA

BAN19991289 AMERICAN GENERAL FINANCE OF AMERICA, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 401 EAST MAIN STREET, CHARLOTTESVILLE, VA TO 360 PANTOPS, CHARLOTTESVILLE, VA

BAN19991290 ASSOCIATES HOME EQUITY SERVICES, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM FREEPORT NORTH COMMERCE CENTER, COPPELL, TX TO 257 EAST, 200 SOUTH STREET, SUITE 800, SALT LAKE CITY, UT

BAN19991291 TRANSOUTH MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM FREEPORT NORTH COMMERCE CENTER, COPPELL, TX TO 257 EAST, 200 SOUTH STREET, SUITE 800, SALT LAKE CITY, UT

BAN19991292 ASSOCIATES FINANCIAL SERVICES OF AMERICA, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM FREEPORT NORTH COMMERCE CENTER, COPPELL, TX TO 257 EAST, 200 SOUTH STREET, SUITE 800, SALT LAKE CITY, UT

BAN19991293 MORTGAGE REGISTER CORPORATION, THE
FOR A MORTGAGE BROKER'S LICENSE

BAN19991294 ANYLOAN.COM
FOR A MORTGAGE LENDER AND BROKER LICENSE

BAN19991295 ASSOCIATES FINANCIAL SERVICES COMPANY OF VIRGINIA, INC.
TO OPEN A CONSUMER FINANCE OFFICE

BAN19991296 ASSOCIATES FINANCIAL SERVICES OF AMERICA, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM COLISEUM SQUARE SHOPPING CENTER, HAMPTON, VA TO 22 ENTERPRISE PARKWAY, SUITE 140, HAMPTON, VA

BAN19991297 NATIONAL STANDARD MORTGAGE CORP.
FOR A MORTGAGE LENDER'S LICENSE

BAN19991298 AMERICAN GENERAL FINANCE OF AMERICA, INC.
TO OPEN A CONSUMER FINANCE OFFICE

BAN19991299 LEGUIZAMON, DIEGO
TO ACQUIRE 25 PERCENT OR MORE OF EMBASSY MORTGAGE, INC.

BAN19991300 FIRST GREENSBORO HOME EQUITY, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1425 FREEWAY DRIVE, REIDSVILLE, NC

BAN19991301 RES-COMM MORTGAGE COMPANY, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 74 MOURNING DOVE DRIVE, STAFFORD, VA TO 7401 HEATHROW DRIVE, FREDERICKSBURG, VA

BAN19991302 BOSTON HOMES, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN19991303 APEX MORTGAGE SERVICES, L.L.C.
FOR A MORTGAGE BROKER'S LICENSE

BAN19991304 OXFORD CAPITAL, LLC
FOR A MORTGAGE LENDER'S LICENSE

BAN19991305 ANVIL FUNDING CORPORATION
FOR A MORTGAGE LENDER'S LICENSE
BAN19991306 MLI CAPITAL GROUP, INC. D/B/A MOUNTAIN INVESTMENT MORTGAGE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 451 UNIVERSITY BOULEVARD, SUITE D, HARRISONBURG, VA
BAN19991307 RBMG, INC.
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 18310 MONTGOMERY VILLAGE AVENUE, GAITHERSBURG, MD TO 200 HIGHLAND AVENUE, SUITE 303, NEEDHAM, MA
BAN19991308 NUGENT MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7315 WISCONSIN AVENUE, SUITE 1150, BETHESDA, MD TO 7315 WISCONSIN AVENUE, SUITE, 450 NORTH, BETHESDA, MD
BAN19991309 COURTESY RESIDENTIAL ASSET COMPANY LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN19991310 INTERBAY FUNDING, LLC
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 2665 SOUTH BAYSHORE DRIVE, SUITE 701, MIAMI, FL TO 2601 SOUTH BAYSHORE DRIVE, SUITE 400, MIAMI, FL
BFI990002 NANSEMOND CREDIT UNION INC.
FOR ORDER OF CONSERVATORSHIP
BFI990003 MORTGAGE SOLUTIONS INC.
ALLEGED VIOLATION OF VA CODE § 6.1-16
BFI990004 MORGAN HOME FUNDING CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-425
BFI990005 VEATCH MORTGAGE & INVESTMENT
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI990006 1ST AMERICAN FINANCIAL SERVICES
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI990007 DITECH FUNDING CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-416
BFI990014 DOVENMUEHLE FUNDING INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI990015 EASTERN RESIDENTIAL MORTGAGE
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI990017 EXECUTIVE MORTGAGE BANKERS LTD.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI990021 THOMAS, JAMES DAY
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI990022 JVS FINANCIAL GROUP INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI990023 MCA MORTGAGE CORPORATION
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI990025 MONEY ORGANIZATION OF MID-ATLANTIC INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI990027 MORCAP INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI990029 OCEANMARK FINANCIAL CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI990030 OLD STONE FUNDING GROUP INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI990033 TRIANGLE FUNDING CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI990034 US MORTGAGE CORP OF VA
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI990035 EXECUTIVE MORTGAGE BANKERS LTD.
ALLEGED VIOLATION OF VA CODE § 6.1-415.A.2
BFI990037 CAPITAL Z FINANCIAL SERVICES
ALLEGED VIOLATION OF VA CODE § 6.1-416.1
BFI990038 CAPITAL Z FINANCIAL SERVICES
ALLEGED VIOLATION OF VA CODE § 6.1-416.1
BFI990039 HARBOUR FINANCIAL MORTGAGE
ALLEGED VIOLATION OF VA CODE § 6.1-16
BFI990040 MORTGAGE ACCESS CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-416
BFI990041 FIRSTPLUS FINANCIAL INC.
ALLEGED VIOLATION OF VA CODE § 6.1-416
BFI990042 NATIONSTRUST MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI990043 GREAT EASTERN FINANCIAL SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI990044 ACCENT MORTGAGE SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI990045 MORGAN HOME FUNDING CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-416

BFI990046 TRANSAMERICA CORPORATION
ALLEGED VIOLATION OF VA CODE § 6.1-416.1
BFI990047 USA FINANCIAL SERVICES
ALLEGED VIOLATION OF VA CODE §§ 6.1-416, ET AL.
BFI990048 MORTGAGE AMERICA COMPANIES
ALLEGED VIOLATION OF VA CODE §
BFI990049 FIDELITY TRUST MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI990050 FEDERAL EMPLOYEE CREDIT OF PETERSBURG, INC.
FOR A MERGER WITH RICHMOND POSTAL CREDIT UNION, INC.
BFI990051 FIDELITY FUNDING ACQUISITION
ALLEGED VIOLATION OF VA CODE § 6.1-416.1
BFI990052 MAGELLAN HOME LOAN LTD.
ALLEGED VIOLATION OF VA CODE §
BFI990053 AMERICAN MORTGAGE BANKERS INC.
ALLEGED VIOLATION OF VA CODE § 12.1-13
BFI990054 DEGEORGE CAPITAL CORPORATION
ALLEGED VIOLATION OF VA CODE § 12.1-13
BFI990055 GREAT AMERICAN HOME MORTGAGE
ALLEGED VIOLATION OF VA CODE § 12.1-13
BFI990056 H K STONE FINANCIAL CORP.
ALLEGED VIOLATION OF VA CODE § 12.1-13
BFI990057 NATIONTRUST MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 12.1-13

CLK: CLERK'S OFFICE

CLK990019 ELECTION OF CHAIRMAN
ELECTION OF CHAIRMAN PURSUANT TO VA CODE § 12.1-7
CLK990090 ADP INC., ET AL.
FOR ORDER NULLIFYING MERGER
CLK990099 CURTUI, GAVRIL P. V. PECK, JOEL
FOR ORDER REQUESTING RESCISSION OF RESERVED NAME
CLK990269 J.S.A INC.
TO REACTIVATE CORPORATE EXISTENCE

INS: BUREAU OF INSURANCE

INS990001 HOMESURE OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE §§ 38.2-1408, ET AL.
INS990002 VIRGINIA AGGREGATES GROUP
ALLEGED VIOLATION OF 14 VAC 5-370-110 B
INS990003 HORACE MANN INSURANCE CO.
ALLEGED VIOLATION OF VA CODE § 38.2-1906
INS990004 TIG PREMIER INSURANCE CO.
ALLEGED VIOLATION OF VA CODE § 38.2-2220
INS990005 NATIONAL GENERAL INSURANCE CO.
ALLEGED VIOLATION OF VA CODE §§ 38.2-2014 AND 38.2-2230
INS990006 INTERSTATE INDEMNITY CO.
ALLEGED VIOLATION OF VA CODE § 38.2-1906
INS990007 AIU INSURANCE CO.
ALLEGED VIOLATION OF VA CODE § 38.2-2120
INS990008 CITIZENS INSURANCE CO. OF AMERICA
ALLEGED VIOLATION OF VA CODE §§ 38.2-1906, ET AL.
INS990009 ERIE INSURANCE EXCHANGE
ALLEGED VIOLATION OF VA CODE § 38.2-1906
INS990010 HANOVER INSURANCE CO.
ALLEGED VIOLATION OF VA CODE §§ 38.2-1906, ET AL.
INS990011 MASSACHUSETTS BAY INSURANCE CO.
ALLEGED VIOLATION OF VA CODE §§ 38.2-1906, ET AL.
INS990012 LIBERTY MUTUAL FIRE INSURANCE CO.
ALLEGED VIOLATION OF VA CODE § 38.2-317
INS990013 MCKEE, JOHN B.
FOR REVOCATION OF LICENSE
INS990014 REDDICK, SUSANNA. GAIL
FOR REVOCATION OF LICENSE
INS990015 VICTORIA FIRE & CASUALTY CO.
ALLEGED VIOLATION OF VA CODE § 38.2-1833
INS990016 JUNG, JANE M.
ALLEGED VIOLATION OF VA CODE §§ 38.2-1804, ET AL.
INS990017 WARBURG PINCUS VENTURES LP
FOR ACQUISITION OF COVENTRY HEALTH PLAN INC.

INS990018 PENCE, CAROLYN V.
ALLEGED VIOLATION OF VA CODE §§ 38.2-1822, ET AL.
INS990019 AFFILIATED AGENCIES INC.
FOR RULE TO SHOW CAUSE
INS990020 CENTRAL UNITED LIFE INSURANCE CO.
FOR APPROVAL OF ASSUMPTION REINSURANCE AGREEMENT PURSUANT TO VA CODE § 38.2-136.C
INS990021 DZIERSKI, DAVID AND CAROL
FOR REVIEW OF HOW INSURANCE CO., ET AL. DEPUTY RECEIVER'S DETERMINATION OF APPEAL
INS990022 TAYLOR, JOHN K., ET AL.
ALLEGED VIOLATION OF CHAPTER 26 OF TITLE 38.2
INS990023 BANNER TITLE COMPANY OF VA INC.
ALLEGED VIOLATION OF VA CODE § 6.1-2.21.E
INS990024 JOHN HANCOCK MUTUAL INSURANCE CO.
FOR REFUND OF 1997 PREMIUM LICENSE TAX DUE TO HISTORIC REHABILITATION TAX
INS990025 PIEDMONT INSURANCE AGENCY INC.
ALLEGED VIOLATION OF VA CODE §§ 6.1-2.21.E.1, ET AL.
INS990026 GENERAL INSURANCE COMPANY OF TRIESTE AND VENICE
ALLEGED VIOLATIONS OF VA CODE § 38.2-1833
INS990027 EX PARTE: REFUNDS
IN MATTER OF REFUNDING OVERPAYMENTS OF PREMIUM LICENSE TAX ON DIRECT GROSS PREMIUM INCOME OF INSURANCE COMPANIES FOR 1997
INS990028 EX PARTE: REFUNDS
IN MATTER OF REFUNDING OVERPAYMENT OF ASSESSMENT FOR MAINTENANCE OF BUREAU OF INSURANCE ON DIRECT GROSS PREMIUM INCOME OF INSURANCE COMPANIES FOR 1997
INS990029 EX PARTE: REFUNDS
IN MATTER OF REFUNDING OVERPAYMENTS OF FIRE PROGRAMS FUND ASSESSMENT BASED ON DIRECT GROSS PREMIUM OF INSURANCE COMPANIES FOR 1997
INS990030 EX PARTE: REFUNDS
IN MATTER OF REFUNDING OVERPAYMENT OF ASSESSMENT FOR MAINTENANCE OF BUREAU OF INSURANCE ON DIRECT GROSS PREMIUM INCOME OF INSURANCE COMPANIES FOR 1997
INS990031 EX PARTE: REFUNDS
IN MATTER OF REFUNDING OVERPAYMENT OF PREMIUM LICENSE TAX ON DIRECT GROSS PREMIUM INCOME OF INSURANCE COMPANIES FOR 1996
INS990032 CLAY, ERIC R.
ALLEGED VIOLATIONS OF VA CODE §§ 38.2-502 AND 38.2-1809
INS990033 NEIGHBORS, GARY E., ET AL.
ALLEGED VIOLATION OF VA CODE §§ 38.2-1809, 38.2-1813, AND 38.2-1822
INS990034 WCAMC SERVICE GROUP SELF-INSURANCE ASSOCIATION
ALLEGED VIOLATION OF 14 VAC 5-370-40 B1, ET AL.
INS990035 ATENA US HEALTHCARE INC.
ALLEGED VIOLATION OF 14 VAC 5-234-40 C
INS990036 AMERICAN CHAMBERS LIFE INSURANCE CO.
ALLEGED VIOLATION OF 14 VAC 5-234-40 C
INS990037 CHESAPEAKE LIFE INSURANCE CO.
ALLEGED VIOLATION OF 14 VAC 5-234-40 C
INS990038 CENTRAL RESERVE LIFE INSURANCE CO.
ALLEGED VIOLATION OF 14 VAC 5-234-40 C
INS990039 CONSECO MEDICAL INSURANCE CO.
ALLEGED VIOLATION OF 14 VAC 5-234-40 C
INS990040 FORTIS BENEFITS INSURANCE CO.
ALLEGED VIOLATION OF 14 VAC 5-234-40 C
INS990041 FORTIS INSURANCE COMPANY
ALLEGED VIOLATION OF 14 VAC 5-234-40 C
INS990042 INNOVATION HEALTH INC.
ALLEGED VIOLATION OF 14 VAC 5-234-40.C
INS990043 JOHN ALDEN LIFE INSURANCE CO.
ALLEGED VIOLATION OF 14 VAC 5-234-40 C
INS990044 JOHN HANCOCK MUTUAL LIFE INSURANCE
ALLEGED VIOLATION OF 14 VAC 5-231-40 C
INS990045 KAISER PERMANENTE INSURANCE CO.
ALLEGED VIOLATION OF 14 VAC 5-234-40 C
INS990046 NEW YORK LIFE INSURANCE CO.
ALLEGED VIOLATION OF 14 VAC 5-234-40 C
INS990047 OPTIMA HEALTH PLAN
ALLEGED VIOLATION OF 14 VAC 5-234-40 C
INS990048 OPTIMA HEALTH INSURANCE CO.
ALLEGED VIOLATION OF 14 VAC 5-234-40.C
INS990049 PIONEER LIFE INSURANCE COMPANY
ALLEGED VIOLATION OF 14 VAC 5-234-40 C
INS990050 SENTARA HEALTH PLANS
ALLEGED VIOLATION OF 14 VAC 5-234-40 C

INS990051 SENTRY LIFE INSURANCE COMPANY
ALLEGED VIOLATION OF 14 VAC 5-234-40 C
INS990052 UNICARE LIFE & HEALTH INSURANCE CO.
ALLEGED VIOLATION OF 14 VAC 5-234-40 C
INS990053 LOCKWOOD, PAUL AND SANDRA
FOR REVIEW OF HOW INSURANCE CO., ET AL. DEPUTY RECEIVER'S DETERMINATION OF APPEAL
INS990054 RELIANCE INSURANCE CO. OF ILLINOIS
ALLEGED VIOLATION OF CHAPTER 44 OF TITLE 38.2 OF CODE OF VIRGINIA
INS990055 VIEHMANN, OSCAR F.
ALLEGED VIOLATION OF VA CODE § 38.2-4086 D
INS990056 NHO INSURANCE AGENCY INC.
ALLEGED VIOLATION OF VA CODE § 38.2-4806 D
INS990057 COSTANZA INSURANCE AGENCY INC.
ALLEGED VIOLATION OF VA CODE § 38.2-4806 D
INS990058 AON RISK SERVICES INC. OF FLORIDA
ALLEGED VIOLATION OF VA CODE § 38.2-4806 D
INS990059 HILB ROGAL & HAMILTON CO. OF DC
ALLEGED VIOLATION OF VA CODE § 38.2-4806 D
INS990060 BLACK, THOMAS MICHAEL
ALLEGED VIOLATION OF VA CODE § 38.2-4806 D
INS990061 CLARKE, JR. ROGER E. AND WHITE OAK INC.
ALLEGED VIOLATION OF VA CODE §§ 38.2-1801, 38.2-1822 AND 38.2-1833
INS990062 VIRGINIA INSURANCE CENTERS INC.
ALLEGED VIOLATION OF VA CODE §§ 38.2-1801, ET AL.
INS990063 CAPITOL INDEMNITY CORPORATION
ALLEGED VIOLATION OF VA CODE §§ 38.2-1906, ET AL.
INS990064 GENERAL ACCIDENT INSURANCE CO.
ALLEGED VIOLATION OF VA CODE §§ 38.2-317 AND 38.2-1906
INS990065 AMERICAN AND FOREIGN INSURANCE CO.
ALLEGED VIOLATION OF VA CODE §§ 38.2-317 AND 38.2-1906
INS990066 ROYAL INSURANCE CO. OF AMERICA
ALLEGED VIOLATION OF VA CODE §§ 38.2-1906, ET AL.
INS990067 SELECTIVE WAY INSURANCE CO.
ALLEGED VIOLATION OF VA CODE §§ 38.2-317, ET AL.
INS990068 SELECTIVE INSURANCE CO. OF AMERICA
ALLEGED VIOLATION OF VA CODE §§ 38.2-317, ET AL.
INS990069 OMNI INSURANCE COMPANY
ALLEGED VIOLATION OF VA CODE §§ 38.2-1812, ET AL.
INS990070 ATLANTA CASUALTY COMPANY, ET AL.
ALLEGED VIOLATION OF VA CODE §§ 38.2-305, 38.2-610A, ET AL.
INS990071 LUMBERMENS MUTUAL CASUALTY CO.
ALLEGED VIOLATION OF VA CODE § 38.2-1906
INS990072 AMERICAN MANUFACTURERS MUTUAL INSURANCE CO.
ALLEGED VIOLATION OF VA CODE § 38.2-1906
INS990073 AMERICAN MOTORISTS INSURANCE CO.
ALLEGED VIOLATION OF VA CODE § 38.2-1906
INS990074 PRUDENTIAL HEALTH CARE SE DIVISION
ALLEGED VIOLATION OF VA CODE §§ 38.2-316 A, ET AL.
INS990075 DENNIE, PERRY
ALLEGED VIOLATION OF VA CODE §§ 38.2-1804, ET AL.
INS990076 FLETCHER, JUANITA AND AAA AVAILABLE INSURANCE AGENCY, INC.
ALLEGED VIOLATION OF VA CODE § 38.2-514.1, ET AL.
INS990077 O'SULLIVAN, MARIA P. AND SELECT SETTLEMENTS INC.
ALLEGED VIOLATION OF VA CODE §§ 38.2-1822, ET AL.
INS990078 AETNA US HEALTHCARE INC.
FOR NOTICE OF MERGER OF AETNA US HEALTHCARE INC. AND NYLCARE HEALTH PLANS OF THE MID-ATLANTIC INC.
INS990079 MOORE, EADDIE
FOR REVIEW OF HOW INSURANCE CO., ET AL. DEPUTY RECEIVER'S DETERMINATION OF APPEAL
INS990080 NATIONWIDE PROPERTY & CASUALTY INSURANCE COMPANY
ALLEGED VIOLATION OF VA CODE §§ 38.2-317 AND 38.2-1906
INS990081 NATIONWIDE MUTUAL FIRE INSURANCE CO.
ALLEGED VIOLATION OF VA CODE §§ 38.2-1906, ET AL.
INS990082 NATIONWIDE MUTUAL INSURANCE CO.
ALLEGED VIOLATIONS OF VA CODE §§ 38.2-317 AND 38.2-1906
INS990083 COMMONWEALTH DEALERS LIFE INSURANCE COMPANY
ALLEGED VIOLATION OF VA CODE §§ 38.2-502, ET AL.
INS990084 PRINCETON INSURANCE COMPANY
ALLEGED VIOLATION OF VA CODE §§ 38.2-1833, ET AL.
INS990085 SINRAM, CHRISTOPHER RYAN
ALLEGED VIOLATIONS OF VA CODE §§ 38.2-1813, ET AL.
INS990086 JAMESTOWN LIFE INSURANCE CO.
ALLEGED VIOLATION OF VA CODE § 38.2-3126 B

INS990087	RUTLEDGE, JAMES
	ALLEGED VIOLATIONS OF VA CODE § 38.2-512
INS990088	SAI MED HEALTH BENEFIT PLAN
	ALLEGED VIOLATION OF VA CODE § 38.2-1024
INS990089	SAI MED HEALTH PLAN LLC
	ALLEGED VIOLATION OF VA CODE § 38.2-1024
INS990090	ALEXANDER & ALEXANDER INC.
	ALLEGED VIOLATION OF VA CODE § 38.2-1802
INS990091	GOLIGHTLY, GALE W.
	ALLEGED VIOLATION OF VA CODE § 38.2-1802
INS990092	AIMONETTI, JEFFREY C.
	ALLEGED VIOLATION OF VA CODE §§ 38.2-1804, 38.2-1809 AND 38.2-1813
INS990093	FULTZ, HUBERT G.
	ALLEGED VIOLATION OF VA CODE §§ 38.2-512, ET AL.
INS990094	PENNSYLVANIA MANUFACTURERS INDEMNITY CO.
	ALLEGED VIOLATION OF VA CODE § 38.2-1906
INS990095	CITIZENS INSURANCE CO. OF AMERICA
	ALLEGED VIOLATION OF VA CODE § 38.2-1906
INS990096	PENNSYLVANIA MANUFACTURERS ASSOCIATION INSURANCE CO.
	ALLEGED VIOLATION OF VA CODE § 38.2-1906
INS990097	GENERAL INSURANCE CO. OF TRIESTE AND VENICE
	ALLEGED VIOLATION OF VA CODE §§ 38.2-304, 38.2-305 A, ET AL.
INS990098	GLOBE AMERICAN CASUALTY CO.
	ALLEGED VIOLATION OF VA CODE §§ 38.2-1833, ET AL.
INS990099	CONTINENTAL CASUALTY CO., ET AL.
	ALLEGED VIOLATION OF VA CODE §§ 38.2-231, ET AL.
INS990100	HAYWOOD, SOLOMON
	ALLEGED VIOLATION OF VA CODE §§ 38.2-1804, ET AL.
INS990101	ALLEN-SPENCER, PAULA
	ALLEGED VIOLATION OF VA CODE §§ 38.2-1801, ET AL.
INS990102	POTOMAC SETTLEMENT SERVICES
	ALLEGED VIOLATION OF VA CODE §§ 38.2-1813, ET AL.
INS990103	COMMONWEALTH LAND TITLE INSURANCE CO.
	ALLEGED VIOLATION OF VA CODE § 6.1-2.21
INS990104	HAWKINS, BRIAN K.
	ALLEGED VIOLATION OF VA CODE §§ 38.2-503, ET AL.
INS990105	ADMINISTRATION INCORPORATED
	ALLEGED VIOLATION OF 14 VAC 5-170-180 B 3, ET AL.
INS990106	LINNETTE, MONIQUE
	FOR REVOCATION OF LICENSE
INS990107	HARDY, ARMEE C.
	ALLEGED VIOLATION OF VA CODE §§ 38.2-1822, ET AL.
INS990108	FIRST AMERICAN TITLE INSURANCE CO.
	ALLEGED VIOLATION OF VA CODE §§ 38.2-1812, ET AL.
INS990109	HASSO, MICHAEL A.
	ALLEGED VIOLATION OF VA CODE §§ 38.2-1801, ET AL.
INS990110	COMPTON, JOHN W.
	ALLEGED VIOLATION OF VA CODE § 38.2-512
INS990111	MANOLAS, JR., GERALD J.
	ALLEGED VIOLATIONS OF VA CODE §§ 38.2-512 AND 38.2-1804
INS990112	CAMPANIA MANAGEMENT CO. INC.
	ALLEGED VIOLATION OF VA CODE § 38.2-4806 D
INS990113	SEDGEWICK OF VIRGINIA INC.
	ALLEGED VIOLATION OF VA CODE § 38.2-4806 D
INS990114	MCFARLAND, HAROLD A. AND MCFARLAND INSURANCE AGENCY INC.
	ALLEGED VIOLATION OF VA CODE §§ 38.2-1804 AND 38.2-1813
INS990115	MID-SOUTH INSURANCE CO.
	ALLEGED VIOLATION OF 14 VAC 5-234-40 B
INS990116	UNITED WISCONSIN LIFE INSURANCE CO.
	ALLEGED VIOLATION OF 14 VAC 5-234-40 B
INS990118	PARK, UNYOUNG
	FOR REVOCATION OF LICENSE
INS990119	SICO, ENRICO P. AND JANIS
	FOR REVIEW OF HOW INSURANCE CO., ET AL. DEPUTY RECEIVER'S DETERMINATION OF APPEAL
INS990120	U S PROPERTY & APPRASIAL SERVICES CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-2.21.E.1
INS990121	UNICARE LIFE & HEALTH INSURANCE CO.
	ALLEGED VIOLATION OF VA CODE § 38.2-3433 D
INS990122	RED SEA GROUP LTD
	ALLEGED VIOLATION OF VA CODE § 38.2-1024
INS990124	CONGRESS LIFE INSURANCE CO.
	ALLEGED VIOLATION OF VA CODE § 38.2-1036

INS990125 FIDELITY AND DEPOSIT COMPANY OF MARYLAND
ALLEGED VIOLATION OF VA CODE § 38.2-1906
INS990126 MONTGOMERY MUTUAL INSURANCE CO.
ALLEGED VIOLATION OF VA CODE § 38.2-1906
INS990127 FEDERATED MUTUAL INSURANCE CO.
ALLEGED VIOLATION OF VA CODE § 38.2-1906
INS990128 AUBIN, JOHN AND MAUREEN
FOR REVIEW OF HOW INSURANCE CO., ET AL. DEPUTY RECEIVER'S DETERMINATION OF APPEAL
INS990129 GRAPHIC ARTS BENEFIT CORP.
ALLEGED VIOLATION OF VA CODE § 38.2-4208 D
INS990130 MARTIN, FAY J.
ALLEGED VIOLATION OF VA CODE § 38.2-512
INS990131 NATIONAL GRANGE MUTUAL INSURANCE CO.
ALLEGED VIOLATION OF VA CODE §§ 38.2-608, 38.2-609, ET AL.
INS990132 SETTLERS LIFE INSURANCE CO.
FOR ORDER OF INSOLVENCY AND SUSPENSION OF LICENSE
INS990133 UNICARE
ALLEGED VIOLATION OF VA CODE § 38.2-3407.1
INS990134 WILLIS, BEN MATHEW
ALLEGED VIOLATION OF VA CODE § 38.2-1813
INS990135 CURLEE HERBERT S. AND KEY INSURANCE CO.
ALLEGED VIOLATION OF VA CODE §§ 38.2-1813, ET AL.
INS990136 HENSLEY, LUCIUS W.
ALLEGED VIOLATION OF VA CODE § 38.2-1804
INS990137 CRIDER, ROBERT AND LAURA
FOR REVIEW OF HOW INSURANCE CO., ET AL. DEPUTY RECEIVER'S DETERMINATION OF APPEAL
INS990138 FIRST NATIONAL LIFE INSURANCE
FOR APPROVAL OF ASSUMPTION REINSURANCE AGREEMENT PURSUANT TO VA CODE § 38.2-136 C
INS990139 FRANKLIN AMERICAN LIFE INSURANCE COMPANY
ALLEGED VIOLATION OF VA CODE § 38.2-1040
INS990140 INTERNATIONAL FINANCIAL SERVICES LIFE INSURANCE CO.
FOR APPROVAL OF ASSUMPTION REINSURANCE AGREEMENT PURSUANT TO VA CODE § 38.2-136
INS990141 INTERAMERICAS INSURANCE SERVICES INC.
ALLEGED VIOLATION OF VA CODE §§ 38.2-1822, ET AL.
INS990142 AMEX ASSURANCE COMPANY
ALLEGED VIOLATION OF VA CODE § 38.2-610.A
INS990143 COMMERCIAL COMPENSATION INSURANCE CO.
ALLEGED VIOLATION OF VA CODE § 38.2-1036
INS990144 AMERICAN PHYSICIANS LIFE INSURANCE COMPANY
TO ELIMINATE IMPAIRMENT AND RESTORE SURPLUS TO MINIMUM AMOUNT REQUIRED BY LAW
INS990145 HUDSON, JOHN W. AND HUDSON-BLUNT INSURANCE AGENCY INC.
ALLEGED VIOLATION OF VA CODE §§ 38.2-1813, ET AL.
INS990146 CONTINENTAL CASUALTY COMPANY
ALLEGED VIOLATION OF VA CODE §§ 38.2-1812, ET AL.
INS990147 PROVIDENT INDEMNITY LIFE INSURANCE CO.
TO ELIMINATE IMPAIRMENT AND RESTORE SURPLUS TO MINIMUM AMOUNT REQUIRED BY LAW
INS990148 ROBINSON, ROBERT M. AND POWELL INSURANCE AGENCY OF VIRGINIA
ALLEGED VIOLATION OF VA CODE §§ 38.2-1804, ET AL.
INS990149 GRUSE, JEFFREY A.
ALLEGED VIOLATION OF VA CODE §§ 38.2-1813, ET AL.
INS990151 BEER, CORA SUE
ALLEGED VIOLATION OF VA CODE § 38.2-1822
INS990152 APPRAISAL & TITLE MANAGEMENT CORP. OF AMERICA
ALLEGED VIOLATIONS OF VA CODE § 6.1-2.21, ET AL.
INS990153 MCGEE, CECIL F. AND CENTRAL INSURANCE SERVICES OF VIRGINIA, INC.
ALLEGED VIOLATION OF VA CODE §§ 38.2-1804, ET AL.
INS990154 PHYSICIANS MUTUAL INSURANCE CO.
ALLELGED VIOLATION OF VA CODE § 38.2-610
INS990155 LAWYERS TITLE INSURANCE CORP.
ALLEGED VIOLATION OF VA CODE § 38.2-1331
INS990156 VIRGINIA CHARTERED HEALTH PLAN INC.
ALLEGED VIOLATIONS OF VA CODE §§ 38.2-316 A, 38.2-316 C, ET AL.
INS990157 ATLANTA LIFE INSURANCE CO., GODWIN, GEORGE P., ET AL.
ALLEGED VIOLATION OF VA CODE § 38.2-1805 A
INS990158 COMMUNITY HEALTH CARE INSURANCE RECIPROCAL
FOR SUSPENSION OF LICENSE PURSUANT TO VA CODE § 38.2-1040
INS990159 MBH/GWG ESCROW CO.
ALLEGED VIOLATIONS OF VA CODE § 6.1-2.21
INS990160 KING, JOHN THOMAS
ALLEGED VIOLATIONS OF VA CODE §§ 38.2-1822, ET AL.
INS990161 HERITAGE NATIONAL HEALTHPLAN INC.
ALLEGED VIOLATIONS OF VA CODE §§ 38.2-502, 38.2-503, ET AL.

INS990162 INTERSTATE INDEMNITY CO.
ALLEGED VIOLATION OF VA CODE § 38.2-610 A

INS990163 CLARENDON NATIONAL INSURANCE CO.
ALLEGED VIOLATION OF VA CODE §§ 38.2-1822, 38.2-1833 AND 38.2-1812

INS990164 FOREMOST SIGNATURE INSURANCE CO.
ALLEGED VIOLATION OF VA CODE §§ 38.2-2114 F

INS990165 NATIONAL COUNCIL ON COMPENSATION INSURANCE, INC.
FOR REVISIONS OF ADVISORY LOSS COSTS AND ASSIGNED RISK WORKERS' COMPENSATION INSURANCE RATES

INS990166 DAIRYLAND INSURANCE COMPANY
ALLEGED VIOLATION OF VA CODE §§ 38.2-305, ET AL.

INS990167 CANAL INSURANCE COMPANY
ALLEGED VIOLATION OF VA CODE §§ 38.2-231, 38.2-305 A, ET AL.

INS990168 FRAWLEY, LORRAINE, G.
FOR REVIEW OF HOW INSURANCE CO., ET AL. DEPUTY RECEIVER'S DETERMINATION OF APPEAL

INS990169 EX PARTE: REFUNDS
IN MATTER OF REFUNDING OVERPAYMENTS OF FIRE PROGRAMS FUND ASSESSMENT ON DIRECT GROSS PREMIUM INCOME OF INSURANCE COMPANIES FOR 1998

INS990170 EX PARTE: REFUNDS
IN MATTER OF REFUNDING OVERPAYMENTS OF HELP ELIMINATE AUTOMOBILE THEFT (HEAT) FUND ASSESSMENT BASED ON DIRECT GROSS PREMIUM INCOME OF INSURANCE COMPANIES FOR 1998

INS990171 EX PARTE: REFUNDS
IN MATTER OF REFUNDING OVERPAYMENTS OF FLOOD PREVENTION AND PROTECTION ASSISTANCE FUND ASSESSMENT BASED ON DIRECT GROSS PREMIUM INCOME OF INSURANCE COMPANIES FOR 1998

INS990172 EX PARTE: REFUNDS
IN MATTER OF REFUNDING OVERPAYMENTS OF FLOOD PREVENTION AND PROTECTION ASSISTANCE FUND ASSESSMENT BASED ON DIRECT GROSS PREMIUM INCOME OF INSURANCE COMPANIES FOR 1996 - 1997

INS990173 EX PARTE: REFUNDS
IN MATTER OF REFUNDING OVERPAYMENTS OF VIRGINIA STATE POLICE INSURANCE FRAUD FUND ASSESSMENT BASED ON DIRECT GROSS PREMIUM INCOME OF INSURANCE COMPANIES FOR 1998

INS990174 K&K INSURANCE GROUP INC.
ALLEGED VIOLATION OF VA CODE § 38.2-4805

INS990175 COOPER, BRENDA A.
ALLEGED VIOLATIONS OF VA CODE §38.2-1813

INS990176 ASSOCIATED MARKETING
ALLEGED VIOLATION OF VA CODE § 38.2-1813

INS990178 MAISTROS, HARRY C.
FOR REVIEW OF HOW INSURANCE CO., ET AL DEPUTY RECEIVER'S DETERMINATION OF APPEAL

INS990179 SAWYERS, JIMMY W.
ALLEGED VIOLATION OF VA CODE §§ 38.2-1813, ET AL.

INS990180 EX PARTE: REGULATION
IN MATTER OF ADOPTING AMENDED REGULATION APPLICABLE TO SETTLEMENT AGENTS

INS990181 CONSUMERS LIFE INSURANCE CO.
ALLEGED VIOLATION OF VA CODE § 38.2-1040

INS990182 PRINTZ, E. JEAN
ALLEGED VIOLATIONS OF VA CODE §§ 6.1-2.22, ET AL.

INS990183 WESTMINSTER-CANTERBURY
ALLEGED VIOLATION OF VA CODE § 38.2-4904

INS990184 UNITED HEALTHCARE OF THE MID-ATLANTIC INC.
ALLEGED VIOLATION OF 14 VAC 5-270-40

INS990185 RICHMOND PREMIUM FINANCE CO.
ALLEGED VIOLATION OF 14 VAC 5-390-90

INS990186 AGENCY SERVICES INC.
ALLEGED VIOLATION OF 14 VAC 5-390-60 A

INS990187 COMMERCE CAPITAL INC.
ALLEGED VIOLATION OF 14 VAC 5-390-60 A

INS990188 WESTCHESTER PREMIUM ACCEPTANCE CORP.
ALLEGED VIOLATION OF 14 VAC 5-390-60 A

INS990189 UNIVERSITY OF VIRGINIA FOUNDATION
ALLEGED VIOLATION OF 14 VAC 5-410-40 D

INS990190 NASE GROUP INSURANCE TRUST
ALLEGED VIOLATION OF 14 VAC 5-410-40 D

INS990191 HEALTH ACCESS INSURANCE TRUST MANUFACTURING
ALLEGED VIOLATION OF 14 VAC 5-410-40 D

INS990192 HEALTH ACCESS INSURANCE TRUST WHOLESALE
ALLEGED VIOLATION OF 14 VAC 5-410-40 D

INS990193 HEALTH ACCESS INSURANCE TRUST SERVICE
ALLEGED VIOLATION OF 14 VAC 5-410-40 D

INS990194 EMPLOYER PROTECTION INSURANCE
ALLEGED VIOLATION OF 14 VAC 5-410-40 D

INS990195 EMPLOYER PROTECTION INSURANCE
ALLEGED VIOLATION OF 14 VAC 5-410-40 D

INS990196 EMPLOYER PORTECTION INSURANCE
ALLEGED VIOLATION OF 14 VAC 5-410-40 D
INS990197 EMPLOYER PROTECTION INSURANCE
ALLEGED VIOLATION OF 14 VAC 5-410-40 D
INS990198 EMPLOYER PROTECTION INSURANCE
ALLEGED VIOLATION OF 14 VAC 5-410-40 D
INS990199 EMPLOYER PROTECTION INSURANCE
ALLEGED VIOLATION OF 14 VAC 5-410-40 D
INS990200 WHOLESALER-DISTRIBUTORS INSURANCE TRUST
ALLEGED VIOLATION OF 14 VAC 5-410-40 D
INS990201 AMERICAN HOME ASSURANCE CO.
ALLEGED VIOLATION OF VA CODE §§ 38.2-310 A AND 38.2-1905 C
INS990202 EX PARTE: RULES
IN MATTER OF ADOPTING REVISIONS TO RULES GOVERNING ANNUAL AUDITED FINANCIAL REPORTS
INS990203 LEWIS, JR., HAROLD L. AND HARWOOD & GARRETT INC.
ALLEGED VIOLATIONS OF VA CODE § 38.2-1813
INS990204 BARNETT, WILLIAM N. AND BARNETT INSURANCE AGENCY
ALLEGED VIOLATIONS OF VA CODE §§ 38.2-1813, ET AL.
INS990205 EX PARTE: RULES
IN MATTER OF ADOPTING RULES ESTABLISHING MINIMUM VALUATION AND RESERVE STANDARDS FOR LIFE INSURANCE POLICIES
INS990206 ADVANTAGE HEALTHPLAN INC.
FOR APPROVAL OF ACQUISITION OF INNOVATION HEALTH INC.
INS990207 DENTICARE OF VIRGINIA
ALLEGED VIOLATION OF VA CODE §§ 38.2-510, ET AL.
INS990208 PRINTZ, JR., JACKSON T. AND US TITLES INC.
ALLEGED VIOLATIONS OF VA CODE §§ 38.2-4616, ET AL.
INS990209 CIGNA HEALTHCARE MID-ATLANTIC INC.
ALLEGED VIOLATION OF VA CODE §§ 38.2-316 A, ET AL.
INS990210 DOMINION DENTAL SERVICES INC.
ALLEGED VIOLATION OF VA CODE §§ 38.2-316 A, ET AL.
INS990211 AETNA U.S. HEALTHCARE (FORMERLY NYLCARE HEALTH PLANS OF THE MID-ATLANTIC, INC.)
ALLEGED VIOLATION OF VA CODE §§ 38.2-4306.1, ET AL.
INS990212 HANOVER INSURANCE COMPANY
ALLEGED VIOLATIONS OF VA CODE § 38.2-1906
INS990213 MASSACHUSETTS BAY INSURANCE CO.
ALLEGED VIOLATION OF VA CODE § 38.2-1906
INS990214 CITIZENS INSURANCE CO. OF AMERICA
ALLEGED VIOLATION OF VA CODE § 38.2-1906
INS990215 AMERICAN CHIROPRACTIC ASSOCIATION INSURANCE TRUST
ALLEGED VIOLATION OF 14 VAC 5-410-40 D
INS990216 WILSON, EDWIN
ALLEGED VIOLATIONS OF VA CODE §§ 38.2-502, ET AL.
INS990217 ARIAS ACQUISITIONS INC.
FOR APPROVAL OF ACQUISITION OF CONTROL OF OR MERGER WITH A DOMESTIC INSURER
INS990218 PACIFIC LIFE INSURANCE CO.
FOR APPROVAL OF ASSUMPTION REINSURANCE AGREEMENT PURSUANT TO VA CODE § 38.2-136 C
INS990219 FOX, LLOYD N.
ALLEGED VIOLATIONS OF VA CODE §§ 38.2-1804, ET AL.
INS990220 MEMERY, DOUGLAS G.
ALLEGED VIOLATIONS OF VA CODE § 38.2-1813
INS990221 BURNS & WILCOX LTD
ALLEGED VIOLATION OF VA CODE § 38.2-4805
INS990222 SEDGWICK OF GEORGIA INC.
ALLEGED VIOLATION OF VA CODE § 38.2-1802
INS990223 MBL LIFE ASSURANCE COMPANY
FOR APPROVAL OF ASSUMPTION REINSURANCE AGREEMENT PURSUANT TO VA CODE § 38.2-136 C
INS990224 PIA SERVICES INC. GROUP INSURANCE
ALLEGED VIOLATIONS OF 14 VAC 5-410-40 D
INS990226 COMMONWEALTH SURETY ASSOCIATES
ALLEGED VIOLATIONS OF VA CODE § 38.2-1812
INS990228 LEGAL RESOURCES OF VA INC.
ALLEGED VIOLATION OF VA CODE §§ 38.2-502, ET AL.
INS990229 TRIGON INSURANCE COMPANY
ALLEGED VIOLATION OF VA CODE §§ 38.2-316 A, ET AL.
INS990230 MBL LIFE ASSURANCE CORPORATION
PETITION
INS990231 CALIFORNIA COMPENSATION INSURANCE CO.
ALLEGED VIOLATION OF VA CODE § 38.2-1300
INS990232 NAVIGATORS INSURANCE COMPANY
ALLEGED VIOLATION OF VA CODE § 38.2-1300

INS990233 STATE CAPITAL INSURANCE CO.
ALLEGED VIOLATION OF VA CODE § 38.2-1300

INS990234 NORTHWESTERN NATIONAL INSURANCE CO.
ALLEGED VIOLATION OF VA CODE § 38.2-1300

INS990235 HIGHLANDS INSURANCE COMPANY
ALLEGED VIOLATION OF VA CODE § 38.2-1300

INS990236 GENERAL & COLOGNE LIFE RE OF AMERICA LIMITED
ALLEGED VIOLATION OF VA CODE § 38.2-1300

INS990237 PROSURANCE GROUP INC.
ALLEGED VIOLATION OF VA CODE § 38.2-4806 D

INS990238 JOHN HANCOCK VARIABLE LIFE INSURANCE CO.
ALLEGED VIOLATION OF VA CODE §§ 38.1-1812, ET AL.

INS990239 ALLSTATE INSURANCE CO.
ALLEGED VIOLATION OF VA CODE SECTIONS

INS990240 CLARK, JEFFREY D.
ALLEGED VIOLATIONS OF VA CODE §§ 38.2-1812, ET AL.

INS990241 METROPOLITAN TITLE & GUARANTY COMPANY
ALLEGED VIOLATION OF VA CODE § 6.1-2.23

INS990242 EX PARTE: REFUNDS
IN MATTER OF REFUNDING OVERPAYMENTS OF PREMIUM LICENSE TAX ON DIRECT GROSS PREMIUM INCOME AND RETALIATORY TAX OF INSURANCE COMPANIES FOR 1998

INS990243 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 1998

INS990244 EX PARTE: REFUNDS
IN MATTER OF REFUNDING OVER PAYMENTS OF PREMIUM LICENSE TAX ON DIRECT GROSS PREMIUM INCOME OF SURPLUS LINES BROKERS FOR 1999

INS990245 EX PARTE: REFUNDS
IN MATTER OF REFUNDING OVER PAYMENTS OF ASSESSMENT FOR MAINTENANCE OF BUREAU OF INSURANCE ON DIRECT GROSS PREMIUM INCOME OF SURPLUS LINES BROKERS FOR 1998

INS990246 SUPERIOR INSURANCE COMPANY
ALLEGED VIOLATION OF VA CODE §§ 38.2-305, ET AL.

INS990247 INTEGON INDEMNITY CORP., ET AL.
ALLEGED VIOLATION OF VA CODE §§ 38.2-305, 38.2-509 A, ET AL.

INS990248 OAK HILL TITLE COMPANY INC.
ALLEGED VIOLATIONS OF VA CODE §§ 6.1-2.21, 6.1-2.23, 6.1-2.24, AND 38.2-1813

INS990249 BRACKEN, MARY C. AND NEWTOWN INSURANCE AGENCY, INC.
ALLEGED VIOLATIONS OF VA CODE §§ 38.2-1813, ET AL.

INS990250 GIORDANO, DOMINIC AND MILLIE
FOR REVIEW OF HOW INSURANCE CO., ET AL. DEPUTY RECEIVER'S DETERMINATION OF APPEAL

INS990251 DAVIS, HARRY LEE
ALLEGED VIOLATION OF VA CODE §§ 38.2-512, ET AL.

INS990252 EX PARTE: RULES
IN MATTER OF ADOPTING RULES GOVERNING INDEPENDENT EXTERNAL REVIEW OF FINAL ADVERSE UTILIZATION REVIEW DECISIONS

INS990254 AON RISK SERVICES OF MASSACHUSETTS
ALLEGED VIOLATION OF VA CODE § 38.2-1802

INS990255 JOHN HANCOCK MUTUAL LIFE INSURANCE
HISTORIC REHABILIATATION TAX CREDIT - 1998

INS990256 LOCKMAN, JAMES AND LOCKMAN & ASSOCIATES INC.
ALLEGED VIOLATIONS OF VA §§ 38.2-1804, ET AL.

INS990257 BOWLES, SUSAN S.
ALLEGED VIOLATIONS OF VA CODE §§ 38.2-1804, ET AL.

INS990258 EX PARTE: REFUNDS
IN MATTER OF REFUNDING OVERPAYMENTS OF HELP ELIMINATE AUTOMOBILE THEFT (HEAT) FUND ASSESSMENT BASED ON DIRECT GROSS PREMIUM INCOME OF INSURANCE COMPANIES FOR 1997

INS990259 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 1997

INS990260 EX PARTE: REFUNDS
IN THE MATTER OF REFUNDING OVERPAYMENTS OF RETALIATORY TAX FOR 1996

INS990261 EX PARTE: REFUNDS
IN THE MATTER OF REFUNDING OVERPAYMENTS OF PREMIUM LICENSE TAX ON DIRECT GROSS PREMIUM INCOME AND RETALIATORY TAX OF INSURANCE COMPANIES FOR 1997

INS990262 ROWLAND, CHRISTOPHER W.
ALLEGED VIOLATION OF VA CODE § 38.2-1813

INS990263 ADVANTAGE TITLE LC
ALLEGED VIOLATIONS OF VA CODE §§ 6.1-2.23, 38.2-1813, 38.2-1826, 38.2-4616

INS990264 SEELEY, CRAIG AND REPUBLIC TITLE INC.
ALLEGED VIOLATIONS OF VA CODE § 6.1-2.23

INS990265 HARTFORD LIFE INSURANCE CO.
ALLEGED VIOLATION OF VA CODE §§ 38.2-3419.1, ET AL.

INS990266 HARTFORD FIRE INSURANCE CO.
ALLEGED VIOLATION OF VA CODE §§ 38.2-3419.1, ET AL.
INS990267 CANADA LIFE ASSURANCE CO.
ALLEGED VIOLATION OF VA CODE § 38.2-3419.1, ET AL.
INS990268 GENERAL ELECTRIC CAPITAL ASSURANCE CO.
ALLEGED VIOLATION OF VA. CODE §§ 38.2-3419.1, ET AL.
INS990269 HARTFORD LIFE & ACCIDENT INSURANCE CO.
ALLEGED VIOLATION OF VA CODE §§ 38.2-3419.1, ET AL.
INS990270 GE LIFE & ANNUITY ASSURANCE CO.
ALLEGED VIOLATION OF VA CODE §§ 38.2-3419.1, ET AL.
INS990271 PLOFCHAN, JR., THOMAS AND KATHERINE
ALLEGED VIOLATIONS OF VA CODE §§ 6.1-2.21, 6.1-2.23, 38.2-1812, AND 38.2-1822
INS990272 CAPITALCARE INC.
ALLEGED VIOLATION OF VA CODE §§ 38.2-305 B, ET AL.
INS990273 MORRELL, MARIA D. AND MORELL BILINGUAL SETTLEMENTS INC.
ALLEGED VIOLATIONS OF VA CODE §§ 6.1-2.21, ET AL.
INS990274 BRIGLIA, JR. WILLIAM J. AND APEX INSURANCE AGENCY GROUP, LTD.
ALLEGED VIOLATIONS OF VA CODE §§ 38.2-1822, ET AL.
INS990275 SENTINEL TITLE CORPORATION
ALLEGED VIOLATIONS OF VA CODE §§ 6.1-2.23, 38.2-1813 AND 14 VAC 395-60
INS990276 MOODY, CHRISTOPHER SORENSON
ALLEGED VIOLATION OF VA CODE § 38.2-1802
INS990277 COATES, BRYANT C.
ALLEGED VIOLATIONS OF VA CODE § 38.2-512
INS990278 GENERAL AMERICAN LIFE INSURANCE CO.
ALLEGED VIOLATION OF VA CODE §§ 38.2-3419.1, ET AL.
INS990279 AMERICAN FIDELITY ASSURANCE CO.
ALLEGED VIOLATION OF VA CODE §§ 38.2-3419.1, ET AL.
INS990280 EMPLOYERS LIFE INSURANCE CO.
ALLEGED VIOLATION OF 14 VAC 5-190-10, ET SEQ. AND VA CODE § 38.2-3419.1
INS990281 PETTY, BILLY WAYNE
FOR SUSPENSION OR REVOCATION OF LICENSE PURSUANT TO VA CODE § 38.2-1831
INS990282 PRINCE WILLIAM SELF-INSURANCE GROUP CASUALTY POOL
ALLEGED VIOLATION OF VA CODE § 15.2-2707, ET AL.
INS990283 AMERICAN MODERN HOME INSURANCE CO.
ALLEGED VIOLATIONS OF VA CODE §§ 38.2-1804 AND 38.2-1822
INS990284 CRUPITI, NITI
ALLEGED VIOLATIONS OF VA CODE §§ 6.1-2.22, ET AL.
INS990285 CORTIJO, MICHAEL J.
ALLEGED VIOLATIONS OF VA CODE §§ 38.2-512 AND 38.2-1804
INS990286 HANOVER EXCESS & SURPLUS INC.
ALLEGED VIOLATION OF VA CODE § 38.2- 4805
INS990287 SETTLERS LIFE INSURANCE CO.
FOR APPROVAL OF ACQUISITION OF CONTROL OF A DOMESTIC INSURER
INS990288 AGUILAR, JORGE C. AND AGUILAR ENTERPRISES INC.
ALLEGED VIOLATIONS OF VA CODE §§ 38.2-1809, 38.2-1813, AND 38.2-1822
INS990289 SOUTHERN HEALTH SERVICES INC.
ALLEGED VIOLATION OF VA CODE §§ 38.2-3407, ET AL.
INS990290 AFFINITY INSURANCE SERVICES
ALLEGED VIOLATION OF VA CODE § 38.2-1802
INS990291 RELIANCE NATIONAL INDEMNITY CO.
ALLEGED VIOLATION OF VA CODE § 38.2-1906 D
INS990292 LEADER NATIONAL INSURANCE CO.
ALLEGED VIOLATION OF VA CODE §§ 38.2-305 A, ET AL.
INS990293 ANDERSON, WILLIAM L.
ALLEGED VIOLATIONS OF VA CODE § 38.2-1813
INS990294 EX PARTE: PRESCRIPTION
PRESCRIPTION OF APPOINTMENT AND APPOINTMENT RENEWAL FEES
INS990295 EX PARTE: ASSESSMENT
ASSESSMENT UPON CERTAIN COMPANIES AND SURPLUS LINES BROKERS FOR CALENDAR YEAR 2000
INS990296 EX PARTE: ASSESSMENT
ASSESSMENT UPON CERTAIN INSURERS AND HEALTH MAINTENANCE ORGANIZATIONS FOR MAINTENANCE FOR BUREAU OF INSURANCE FOR CALENDAR YEAR 2000
INS990297 MARKEL AMERICAN INSURANCE CO.
ALLEGED VIOLATION OF VA CODE §§ 38.2-1812, ET AL.
INS990298 AMERICAN BANKERS LIFE ASSURANCE CO. OF FLORIDA
ALLEGED VIOLATIONS OF VA CODE §§ 38.2-1812 AND 38.2-1822
INS990300 ASSOCIATES FINANCIAL LIFE INSURANCE CO.
ALLEGED VIOLATIONS OF VA CODE § 38.2-1812
INS990301 NORTHERN NECK INSURANCE CO.
ALLEGED VIOLATIONS OF VA CODE §§ 38.2-1812 AND 38.2-1833

INS990302 AEGIS SECURITY INSURANCE CO.
ALLEGED VIOLATIONS OF VA CODE §§ 38.2-1812 AND 38.2-1822
INS990303 SIROIS, MARY ELLEN
FOR REVOCATION OF LICENSE
INS990304 BURNS & WILCOX LTD
ALLEGED VIOLATION OF VA CODE § 38.2-4805
INS990305 COMMERCIAL COMPENSATION INSURANCE CO.
TO ELIMINATE IMPAIRMENT ANAD RESTORE SURPLUS TO MINIMUM AMOUNT REQUIRED BY LAW
INS990306 INNOVATION HEALTH INC.
FOR SUSPENSION OF LICENSE AS HEALTH MAINTENANCE ORGANIZATION

PST: DIVISION OF PUBLIC SERVICE TAXATION

PST980018 AMSC SUBSIDIARY CORPORATION
FOR REVIEW AND CORRECTION OF 1998 EQUALIZED ASSESSED VALUE
PST990001 EX PARTE: INTERAGENCY
INTERAGENCY AGREEMENT BETWEEN VIRGINIA STATE CORPORATION COMMISSION AND VIRGINIA DEPARTMENT OF TAXATION
PST990002 WILLIAMSBURG LIMOUSINES INC.
ALLEGED VIOLATION OF VA CODE § 58.1-2654
PST990003 DOMINION COACH CO T/A VIRGINIA OVERLAND BUS LINES
FOR REFUND OF SPECIAL TAX
PST990004 DELTA RESOURCES INC.
INFORMAL COMPLAINT
PST990005 NEXTEL COMMUNICATIONS
FOR REVIEW AND CORRECTION OF ASSESSMENTS OF PERSONAL PROPERTY

PUA: DIVISION OF PUBLIC UTILITY ACCOUNTING

PUA980034 BELL ATLANTIC-VIRGINIA INC.
NOTICE OF COMPLIANCE WITH FINAL ORDER IN CASE NO. PUA960044
PUA980050 AQUASOURCE UTILITY INC., ET AL.
FOR APPROVAL TO ACQUIRE CONTROL OF SYDNOR HYDRODYNAMICS, INC.
PUA980052 NTEL COMMUNICATIONS, L.L.C. AND THE NET 2000 COMPANIES
FOR AUTHORITY TO TRANSFER OWNERSHIP AND CONTROL OF PUBLIC UTILITY
PUA980053 AQUASOURCE UTILITY INC.
FOR APPROVAL TO ACQUIRE CONTROL OF WATER DISTRIBUTORS, INC., MOUNTAINVIEW WATER CO., INC., ET AL.
PUA990001 VIRGINIA ELECTRIC AND POWER CO.
FOR AUTHORITY TO SELL PUBLIC SERVICE CORPORATION PROPERTY
PUA990002 HYPERION TELECOMMUNICATIONS OF VIRGINIA, INC., ET AL.
FOR APPROVAL TO MERGE INTO AND TRANSFER ASSESTS, INCLUDING PARTNERSHIP INTERESTS, TO HYPERION COMMUNICATIONS OF VIRGINIA, LLC
PUA990003 WINSTAR WIRELESS OF VIRGINIA, INC. AND WINSTAR WIRELESS OF VIRGINIA, LLC
FOR AUTHORITY TO MERGE AND TRANSFER ASSETS
PUA990004 NORTHERN VIRGINIA ELECTRIC COOPERATIVE
FOR AMENDED AUTHORITY FOR TRANSACTIONS WITH AFFILIATE
PUA990005 PICUS COMMUNICATIONS, LLC AND ATLANTIC TELECOM, INC.
FOR APPROVAL OF ACQUISITION OF TELEPHONE ASSETS
PUA990009 RESTON LAKE ANNE AIR CONDITIONING CORP.
FOR AUTHORITY TO RENEW LEASE AGREEMENT AND EMPLOYMENT AGREEMENTS PREVIOUSLY APPROVED
PUA990014 CENTRAL VIRGINIA ELECTRIC COOPERATIVE
FOR AUTHORITY TO SELL LAND AND BUILDING IN LOVINGSTON, VA
PUA990016 CTC COMMUNICATIONS CORPORATION AND CTC TELECOM CORPORATION
FOR APPROVAL OF PRO FORMA INTERNAL CORPORATE REORGANIZATION
PUA990018 VIRGINIA ELECTRIC AND POWER CO.
FOR EXTENSION OF TIME TO FILE ANNUAL REPORT OF AFFILIATED TRANSACTIONS
PUA990019 ALLEGIANCE TELECOM, INC. AND ALLEGIANCE FINANCE COMPANY, INC.
FOR APPROVAL OF PRO FORMA INTRACORPORATE REORGANIZATION
PUA990020 DOMINION RESOURCES INC. AND CONSOLIDATED NATURAL GAS CO.
FOR APPROVAL OF AGREEMENT AND PLAN OF MERGER
PUA990021 INDIAN RIVER WATER CO.
FOR APPROVAL TO TRANSFER THE INDIAN RIVER WATER CO. STOCK TO SIMON FAMILY CHARITABLE FOUNDATION
PUA990022 AQUASOURCE UTILITY, INC. AND DEWEY E. HOLDAWAY
FOR APPROVAL TO ACQUIRE CONTROL OF ALL THE ASSETS OF CHERRY HILL WATER COMPANY
PUA990023 APPALACHIAN POWER COMPANY
FOR CONSENT TO AND APPROVAL OF MODIFICATION TO EXISTING INTER-COMPANY AGREEMENT WITH AFFILIATES
PUA990024 FOX RUN WATER COMPANY INC.
FOR APPROVAL TO ACQUIRE UTILITY ASSETS
PUA990025 POTOMAC EDISON COMPANY, THE
FOR CONSENT TO AND APPROVAL OF MODIFICATION TO EXISTING INTER-COMPANY AGREEMENT WITH AFFILIATES

PUA990027 GLOBAL CROSSING LTD. AND FRONTIER CORPORATION
FOR APPROVAL TO TRANSFER CONTROL OF FRONTIER CORPORATION'S VIRGINIA OPERATING SUBSIDIARIES TO GLOBAL CROSSING LTD.

PUA990028 NORTHPOINT COMMUNICATIONS OF VIRGINIA, INC.
FOR NUNC PRO TUNC APPROVAL OF INTERNAL CORPORATE REORGANIZATION

PUA990029 CORECOMM VIRGINIA INC.
FOR APPROVAL TO ACQUIRE ASSETS OF USN COMMUNICATIONS, INC.

PUA990030 AQUASOURCE UTILITY, INC., LAND'OR UTILITY COMPANY, INC. AND CLAY P. HERRON
FOR APPROVAL FOR AQUASOURCE TO ACQUIRE CONTROL OF LAND'OR UTILTIY COMPANY, INC. AND APPROVAL OF AFFILIATE TRANSACTIONS

PUA990031 POTOMAC EDISON CO., THE D/B/A ALLEGHENY POWER
FOR APPROVAL OF POLE ATTACHMENT AGREEMENT WITH ALLEGHENY COMMUNICATIONS CONNECT, INC.

PUA990032 DALE SERVICE CORPORATION, THE ESTATE OF CECIL D. HYLTON AND HYLTON ENTERPRISES (VA), INC.
FOR APPROVAL OF AFFILIATES AGREEMENT

PUA990033 VIRGINIA ELECTRIC AND POWER CO. AND RAPPAHANNOCK ELECTRIC COOPERATIVE
FOR AUTHORITY TO SELL AND PURCHASE PUBLIC SERVICE CORPORATION PROPERTY

PUA990035 SYDNOR HYDRODYNAMICS, INC.
FOR APPROVAL OF SALE TO JAMES CITY COUNTY OF THREE WATER SYSTEMS

PUA990036 CFW COMMUNICATIONS COMPANY AND NETACCESS, INC.
FOR APPROVAL FOR ACQUISITION BY CFW COMMUNICATIONS CO. OF NETACCESS, INC. AND ITS WHOLLY OWNED SUBSIDIARY

PUA990037 POTOMAC EDISON COMPANY, THE D/B/A ALLEGHENY POWER
FOR APPROVAL OF CONTRACT WITH AFFILIATED INTEREST

PUA990038 TELIGENT OF VIRGINIA, INC., TELIGENT, INC. AND TELIGENT SERVICES, INC.
FOR APPROVAL OF TRANSFER OF CONTROL OF TELIGENT OF VIRGINIA, INC. FROM TELIGENT, INC. TO TELIGENT SERVICES, INC. A WHOLLY OWNED SUBSIDIARY OF TELIGENT, INC.

PUA990039 GTE SOUTH INCORPORATED AND GTE CONSOLIDATED SERVICES INCORPORATED
FOR APPROVAL OF AFFILIATE TRANSACTIONS

PUA990040 READ MOUNTAIN WATER CO., INC.
FOR AUTHORITY TO SELL ASSETS TO COUNTY OF ROANOKE

PUA990041 MCI WORLDCOM, INC., WORLDCOM NETWORK SERVICES, INC., ET AL.
FOR APPROVAL OF UTILITY TRANSFER AND RELATED TRANSACTIONS AND FOR AUTHORITY TO CHANGE NAMES

PUA990042 MEDIA GENERAL, INC. AND COX COMMUNICATIONS, INC.
FOR PRIOR APPROVAL OF ACQUISITION AND DISPOSITION OF CONTROL

PUA990043 AT&T CORP. AND MEDIAONE GROUP INC.
FOR APPROVAL OF CHANGE OF CONTROL OF MEDIAONE TELECOMMUNICATIONS OF VIRGINIA INC.

PUA990044 IXC COMMUNICATIONS, INC. AND CINCINNATI BELL INC.
FOR APPROVAL OF TRANSFER OF CONTROL

PUA990046 VIRGINIA-AMERICAN WATER CO. AND UNITED WATERWORKS, INC.
FOR AUTHORITY PURSUANT TO UTILITY TRANSFERS ACT

PUA990049 GTE SOUTH INCORPORATED, GTE SERVICE CORPORATION AND AG COMMUNICATION SYSTEMS CORPORATION
FOR APPROVAL OF AFFILIATE TRANSACTION

PUA990050 GTE SOUTH INCORPORATED, GTE SERVICE CORPORATION AND AG COMMUNICATION SYSTEMS CORPORATION
FOR APPROVAL OF AFFILIATE TRANSACTION

PUA990051 GTE SOUTH INCORPORATED AND GTE WIRELESS SERVICE CORPORATION
FOR APPROVAL OF AFFILIATE TRANSACTIONS

PUA990052 APPALACHIAN POWER COMPANY
FOR AUTHORITY FOR MODIFICATIONS TO EXISTING SERVICE AGREEMENT

PUA990053 APPALACHIAN POWER COMPANY AND AEP COMMUNICATIONS, LLC
FOR APPROVAL OF AFFILIATE AGREEMENT

PUA990054 EX PARTE: RULES
IN THE MATTER OF ADOPTING ADDITIONS AND AMENDMENTS TO COMMISSION'S RULES GOVERNING FILING OF RATE INCREASE APPLICATIONS

PUA990055 VIRGINIA ELECTRIC AND POWER CO. AND VPS COMMUNICATIONS, INC.
FOR APPROVAL OF AFFILIATE TRANSACTION

PUA990056 POTOMAC EDISON COMPANY, THE
FOR AUTHORITY TO DISPOSE OF UTILITY ASSETS

PUA990058 GTE SOUTH INCORPORATED AND GTE COMMUNICATIONS CORPORATION
FOR APPROVAL TO ENTER INTO AGREEMENT RELATING TO RESALE OF LONG DISTANCE SERVICES

PUA990059 VIRGINIA ELECTRIC AND POWER CO.
FOR APPROVAL OF AFFILIATE TRANSACTIONS

PUA990060 VIRGINIA ELECTRIC AND POWER CO. AND VP PROPERTY, INC.
FOR APPROVAL OF AFFILIATE TRANSACTIONS

PUA990061 VIRGINIA ELECTRIC AND POWER CO. AND VIRGINIA POWER SERVICES, INC.
FOR APPROVAL OF AFFILIATE TRANSACTION

PUA990062 BARC ELECTRIC COOPERATIVE
FOR APPROVAL OF AFFILIATE TRANSACTION

PUA990063 VIRGINIA ELECTRIC AND POWER CO.
FOR AUTHORITY TO SELL PUBLIC SERVICE CORPORATION PROPERTY

PUA990065 WASHINGTON GAS LIGHT CO.
FOR AUTHORITY TO ENGAGE IN AFFILIATE TRANSACTIONS AND FOR APPROVAL OF AFFILIATE AGREEMENTS

PUA990066 COMM SOUTH COMPANIES OF VIRGINIA, INC., COMM SOUTH COMPANIES, INC. AND TOPP TELECOM, INC.
FOR APPROVAL OF TRANSFER OF CONTROL

PUA990068 VIRGINIA ELECTRIC AND POWER CO., VIRGINIA NATURAL GAS, INC., ET AL.
FOR CERTAIN EXEMPTIONS FROM REQUIREMENTS OF VA CODE § 56-77 A AND FOR APPROVAL AND TERMINATION OF AGREEMENTS

PUA990069 KENTUCKY UTILITIES CO., D/B/A OLD DOMINION POWER COMPANY
FOR APPROVAL OF TRANSFER OF INTEREST IN TWO 164-MEGAWATT COMBUSTION TURBINES

PUA990070 WINTERGREEN VALLEY UTILITY CO., L.P.
FOR AUTHORITY TO TRANSFER CONTROL OF PUBLIC UTILITY

PUA990071 WASHINGTON GAS LIGHT CO. AND SHENANDOAH GAS CO.
FOR AUTHORITY TO MERGE SHENANDOAH GAS COMPANY WITH AND INTO WASHINGTON GAS LIGHT CO.

PUA990072 UNITED WATER RESOURCES INC. AND LYONNAISE AMERICAN HOLDINGS INC.
FOR AUTHORITY UNDER AFFILIATES ACT

PUA990073 APPALACHIAN POWER COMPANY
FOR AMENDMENT OF AFFILIATES AGREEMENT GOVERNING OPERATION AND MAINTENANCE OF SPORN GENERATING PLANT

PUA990074 ASSOCIATED GROUP, INC., THE AND LIBERTY AGI, INC.
FOR APPROVAL OF ACQUISITION OF MORE THAN TWENTY-FIVE PERCENT (25%) OF STOCK IN TELIGENT, INC., DIRECT PARENT OF TELIGENT OF VIRGINIA, INC. BY LIBERTY AGI, INC.

PUA990075 DELMARVA POWER & LIGHT CO.
FOR APPROVAL OF AFFILIATE TRANSACTIONS

PUA990076 AQUASOURCE UTILITY INC.
FOR ACQUISTION OF HERITAGE HOMES OF VIRGINIA BY AQUASOURCE UTILITY ,INC.

PUA990077 AQUASOURCE UTILITY INC.
FOR ACQUISITION OF INDIAN RIVER WATER COMPANY

PUA990078 ROANOKE GAS CO. AND RGC VENTURES
FOR APPROVAL OF AFFILIATE AGREEMENT

PUA990080 POTOMAC EDISON COMPANY, THE
FOR APPROVAL OF AFFILIATE AGREEMENT

PUA990081 PEOPLES MUTUAL TELEPHONE CO. AND MJD VENTURES INC.
FOR APPROVAL OF AFFILATE TRANSACTION

PUC: DIVISION OF COMMUNICATIONS

PUC980150 1-800-RECONEX, INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC980152 NOS COMMUNICATIONS, INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC980162 PAETEC COMMUNICATIONS OF VIRGINIA, INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC980165 EAGLE COMMUNICATIONS, INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC980169 AX TELECOMMUNICATIONS, INCORPORATED
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC980190 EZ TALK COMMUNICATIONS, L.L.C.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC990002 CONNECT CCCVA D/B/A CONNECT!
FOR APPROVAL OF ARBITRATION AGREEMENT

PUC990003 UNITED TELEPHONE-SOUTHEAST, INC.
FOR PERMISSION TO GRANDFATHER CERTAIN CUSTOM CALLING SERVICE PACKAGES

PUC990004 GTE SOUTH INCORPORATED
TO IMPLEMENT EXTENDED LOCAL SERVICE FROM RICHLANDS EXCHANGE TO BELL ATLANTIC-VIRGINIA, INC.'S LEBANON EXCHANGE

PUC990005 UNITED TELEPHONE-SOUTHEAST, INC. AND PREFERRED CARRIER SERVICES OF VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990006 CENTRAL TELEPHONE COMPANY OF VIRGINIA AND PREFERRED CARRIER SERVICES OF VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990007 BELL ATLANTIC-VIRGINIA INC. AND PAETEC COMMUNICATIONS, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990008 UNITED TELEPHONE-SOUTHEAST, INC.
TO CLASSIFY NATIONAL DIRECTORY ASSISTANCE AS COMPETITIVE

PUC990009 CENTRAL TELEPHONE CO. OF VIRGINIA
TO CLASSIFY NATIONAL DIRECTORY ASSISTANCE AS COMPETITIVE

PUC990010 CENTRAL TELEPHONE CO. OF VIRGINIA
FOR APPROVAL OF TARIFF REVISIONS TO OFFER SPRINT SOLUTIONS, A NEW RESIDENTIAL SERVICE PACKAGED OFFERING

PUC990011 UNITED TELEPHONE – SOUTHEAST, INC.
FOR APPROVAL OF TARIFF REVISIONS TO OFFER SPRINT SOLUTIONS, A NEW RESIDENTIAL SERVICE PACKAGED OFFERING

PUC990012 BELL ATLANTIC-VIRGINIA, INC. AND ACI CORP. - VIRGINIA
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990013 WINSTAR WIRELESS OF VIRGINIA, LLC
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC990015 CHESAPEAKE TELECOMMUNICATIONS CORPORATION
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC990016 BELL ATLANTIC-VIRGINIA, INC. AND PRISM VIRGINIA OPERATIONS LLC
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990019 NTEGRITY TELECONTENT SERVICES OF VIRGINIA, INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC990020 GTE SOUTH INCORPORATED AND TRITON PCS OPERATING COMPANY, L.L.C.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990021 BELL ATLANTIC-VIRGINIA, INC. AND ERNEST COMMUNICATIONS, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990022 QUANTREX COMMUNICATIONS, INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC990023 STARPOWER COMMUNICATIONS LLC
FOR DECLARATORY JUDGMENT

PUC990025 UNIDIAL COMMUNICATIONS OF VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC990026 PICUS COMMUNICATIONS, LLC
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES AND FOR INTERIM OPERATING AUTHORITY

PUC990027 CORECOM VIRGINIA, INC.
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC990028 DSLNET COMMUNICATIONS VA, INC.
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC990029 DIECA COMMUNICATIONS, INC. D/B/A COVAD COMMUNICATIONS COMPANY
FOR ARBITRATION OF UNRESOLVED ISSUES FROM INTERCONNECTION NEGOTIATIONS WITH GTE SOUTH, INC. PURSUANT TO § 252 OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990030 BELL ATLANTIC-VIRGINIA, INC. AND XDSL NETWORKS, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990031 BELL ATLANTIC-VIRGINIA, INC. AND US LEC OF VIRGINIA, L.L.C.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990032 EXCEL TELECOMMUNICATIONS OF VIRGINIA, INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC990033 BELL ATLANTIC-VIRGINIA, INC.
TO EXPAND LOCAL SERVICE AREA OF CLOVER EXCHANGE TO INCLUDE SPRINT/CENTEL'S HALIFAX AND SOUTH BOSTON EXCHANGES

PUC990034 GTE SOUTH INCORPORATED
TO CLASSIFY NATIONAL DIRECTORY ASSISTANCE SERVICE AS COMPETITIVE

PUC990035 GTE SOUTH INCORPORATED
TO IMPLEMENT EXTENDED LOCAL SERVICE FROM OAKWOOD EXCHANGE TO BELL ATLANTIC-VIRGINIA, INC.'S DAVENPORT EXCHANGE

PUC990036 MEDIA GENERAL TELECOMMUNICATIONS, INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC990037 COMM SOUTH COMPANIES OF VIRGINIA, INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC990038 BELL ATLANTIC-VIRGINIA, INC. AND OMNIPOINT COMMUNICATIONS CAP OPERATIONS, LLC
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990039 GTE SOUTH INCORPORATED AND DPI-TELECONNECT, L.L.C.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990040 BELL ATLANTIC-VIRGINIA, INC. AND AX TELECOMMUNICATIONS, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990041 BELL ATLANTIC-VIRGINIA, INC. AND NOW COMMUNICATIONS, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990042 GTE SOUTH INCORPORATED AND NEXTLINK VIRGINIA, L.L.C.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990043 AT&T COMMUNICATIONS OF VIRGINIA INC. V. BELL ATLANTIC-VIRGINIA, INC.
COMPLAINT OF AT&T REGARDING BA-VA'S SWITCHED ACCESS RATES

PUC990044 JONES TELECOMMUNICATIONS OF VIRGINIA, INC.
FOR AMENDMENT OF CERTIFICATE

PUC990045 BELL ATLANTIC-VIRGINIA, INC.
TO IMPLEMENT EXTENDED LOCAL SERVICE FROM CHATHAM EXCHANGE TO SPRINT/CENTEL'S BACHELORS HALL EXCHANGE

PUC990046 COX VIRGINIA TELCOM INC.
FOR ENFORCEMENT OF INTERCONNECTION AGREEMENT FOR RECIPROCAL COMPENSATION FOR TERMINATION OF LOCAL CALLS TO ISP'S

PUC990047 DPI-TELECONNECT, L.L.C.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC990048 BELL ATLANTIC-VIRGINIA, INC. AND CAVALIER TELEPHONE, L.L.C.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990051 CONCERT COMMUNICATIONS SALES OF VIRGINIA LLC
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICE

PUC990052 CENTRAL TELEPHONE OF VIRGINIA
FOR APPROVAL OF INTERCONNECTION AGREEMENT WITH PAGENET, INC. UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990053 UNITED TELEPHONE-SOUTHEAST, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT WITH PAGENET, INC. UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990054 GTE SOUTH INCORPORATED AND AX TELECOMMUNICATIONS, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990056 CENTRAL TELEPHONE CO. OF VIRGINIA AND DPT-TELECONNECT, L.L.C.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990057 BELL ATLANTIC-VIRGINIA, INC. AND SPRINT COMMUNICATIONS CO., L.P.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990058 BELL ATLANTIC-VIRGINIA, INC. AND UNIDIAL COMMUNICATIONS, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990059 VIRGINIA NETWORK INCORPORATED
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATION SERVICES

PUC990060 NOW COMMUNICATIONS OF VIRGINIA, INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC990061 UNITED TELEPHONE-SOUTHEAST, INC. AND DPI TELECONNECT, L.L.C.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990062 BELL ATLANTIC-VIRGINIA, INC. AND FIRST REGIONAL TELECOM, LLC
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990063 U S WEST !NTERPRISE AMERICA OF VIRGINIA, INC.
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC990064 ROUSSIS, DIMOS T/A DT&T COMMUNICATIONS
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC990065 JONES, CONNIE DIANA T/A HILTON VILLAGE PARLOR RESTAURANT
ALLEGED VIOLATION OF VA CODE § 56-508.15

PUC990066 ESHETE, ALEX T.
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC990067 CABANISS, WILLIAM V. T/A THE CORNERSTONE
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC990068 STUKES, CHARLES T/A SURE CONNECT COMMUNICATIONS
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC990069 MCCAIN, TAMARA T/A FOXY HAIR GALLERY
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC990070 ROKNI, IMELDA C.
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC990071 WATERMAN, JON D. T/A JDW PAY TELEPHONE CO., INC.
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC990072 ALSTON, CLARENCE
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC990073 AWOJOODU, SAMSON O.
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC990074 ATLANTIC TELECOM, INC.
TO CANCEL CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC990075 BELL ATLANTIC-VIRGINIA, INC. AND DSL NET COMMUNICATIONS VA, INC. D/B/A DSL.NET
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990076 GTE SOUTH INCORPORATED AND SPRINTCOM, INC. D/B/A SPRINT PCS
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990077 NTEL COMMUNICATIONS, LLC
TO CANCEL EXISTING CERTIFICATE AND ISSUE CERTIFICATE REFLECTING NEW NAME

PUC990078 VPS COMMUNICATIONS, INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC990079 NCN VIRGINIA CORP.
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATION SERVICES

PUC990081 KMC TELECOM OF VIRGINIA INC.
FRESH LOOK PETITION

PUC990082 CENTRAL TELEPHONE CO. OF VIRGINIA AND UNITED TELEPHONE-SOUTHEAST, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990083 PHONE RECONNECT OF AMERICA INC.
FOR CERTIFICATE TO PROVIDE AND RESELL LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC990084 IXC COMMUNICATIONS SERVICES OF VIRGINIA, INC.
FOR CERTIFICATE TO PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC990085 UNITED TELEPHONE-SOUTHEAST, INC.
TO IMPLEMENT EXTENDED LOCAL SERVICE FROM MARION EXCHANGE TO KONNAROCK EXCHANGE

PUC990086 UNITED TELEPHONE-SOUTHEAST, INC.
TO IMPLEMENT EXTENDED LOCAL SERVICE FROM CHILHOWIE EXCHANGE TO KONNAROCK EXCHANGE

PUC990087 UNITED TELEPHONE-SOUTHEAST, INC.
TO IMPLEMENT EXTENDED LOCAL SERVICE FROM SALTVILLE EXCHANGE TO KONNAROCK EXCHANGE

PUC990088 ADVANCED TELECOM GROUP OF VIRGINIA, INCORPORATED
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC990089 BELL ATLANTIC-VIRGINIA, INC.
FOR APPROVAL OF TARIFF REVISIONS TO INTRODUCE CALL54 SERVICE AND CLASSIFY IT AS COMPETITIVE
PUC990090 FIRST REGIONAL TELECOM, LLC
FOR WAIVER OF CERTAIN RULES FOR LOCAL EXCHANGE COMPETITION
PUC990091 BELL ATLANTIC-VIRGINIA, INC. AND NTEL COMMUNICATIONS, LLP
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996
PUC990092 AMSC SUBSIDIARY CORPORATION OF VIRGINIA
TO CANCEL EXISTING CERTIFICATE AND ISSUE CERTIFICATE REFLECTING NEW NAME
PUC990094 TAZEWELL COUNTY
FOR REDUCTION IN CERTAIN TARIFF RATES OF GTE SOUTH INC.
PUC990095 2ND CENTURY COMMUNICATIONS OF VIRGINIA, INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES
PUC990096 BELL ATLANTIC-VIRGINIA, INC. AND VITTS NETWORKS, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996
PUC990097 BELL ATLANTIC-VIRGINIA, INC. AND CCCVA INC. D/B/A CONNECT!
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996
PUC990098 AFFINITY NETWORK INCORPORATED
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES
PUC990099 P. V. TEL OF VIRGINIA, LLC
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES
PUC990100 BELL ATLANTIC CORPORATION AND GTE CORPORATION
FOR APPROVAL OF AGREEMENT AND PLAN OF MERGER
PUC990101 BELL ATLANTIC-VIRGINIA, INC.
FOR APPROVAL OF NETWORK SERVICES INTERCONNECTION TARIFF - S.C.C.-VA.-NO. 218
PUC990102 ROUSSIS, DIMON T/A DT&T COMMUNICATIONS
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.
PUC990103 GTE SOUTH INCORPORATED AND DIECA COMMUNICATIONS COMPANY D/B/A COVAD COMMUNICATIONS COMPANY
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996
PUC990104 GTE SOUTH INCORPORATED AND SHENTEL COMMUNICATIONS COMPANY
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996
PUC990105 BELL ATLANTIC-VIRGINIA, INC. AND ESSEX TELECOMMUNICATIONS OF VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996
PUC990106 BLUESTAR NETWORKS OF VIRGINIA, INC.
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES
PUC990107 CFW NETWORK INC.
TO EXPAND SERVICE TERRITORY FOR PROVISION OF LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES
PUC990108 HARVARDNET-VIRGINIA, INC.
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATION SERVICES
PUC990110 COX VIRGINIA TELCOM INC.
FOR APPROVAL OF RELOCATION OF NETWORK INTERFACE DEVICE TO MINIMUM POINT OF ENTRY
PUC990111 BELL ATLANTIC-VIRGINIA, INC. AND ALLEGIANCE TELECOM OF VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996
PUC990112 ROANOKE AND BOTETOURT TELEPHONE COMPANY
TO IMPLEMENT EXTENDED LOCAL SERVICE FROM TROUTVILLE EXCHANGE TO BUCHANAN EXCHANGE
PUC990113 BELL ATLANTIC-VIRGINIA, INC. AND SPRINT COMMUNICATIONS COMPANY, L.P.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996
PUC990115 CAT COMMUNICATIONS INTERNATIONAL, INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES
PUC990116 BELL ATLANTIC-VIRGINIA, INC.
TO IMPLEMENT EXTENDED LOCAL SERVICE FROM SALEM EXCHANGE TO MONTVALE EXCHANGE
PUC990117 BELL ATLANTIC-VIRGINIA, INC.
TO IMPLEMENT EXTENDED LOCAL SERVICE FROM WARRENTON EXCHANGE TO UPPERVILLE EXCHANGE
PUC990118 BELL ATLANTIC-VIRGINIA, INC.
TO IMPLEMENT EXTENDED LOCAL SERVICE FROM CHRISTIANBURG EXCHANGE TO DUBLIN EXCHANGE
PUC990119 BELL ATLANTIC-VIRGINIA, INC.
TO IMPLEMENT EXTENDED LOCAL SERVICE FROM STEPHENS CITY EXCHANGE TO BERRYVILLE EXCHANGE
PUC990120 GTE SOUTH INCORPORATED AND XDSL NETWORKS, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996
PUC990121 GTE SOUTH INCORPORATED
ANNUAL INFORMATION FILING
PUC990122 GTE SOUTH INCORPORATED AND FOCAL COMMUNICATIONS CORPORATION OF VIRGINIA
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996
PUC990123 GTE SOUTH INCORPORATED
TO IMPLEMENT EXTENDED LOCAL SERVICE FROM MANASSAS EXCHANGE TO ARCOLA EXCHANGE
PUC990124 ARBROS COMMUNICATIONS LICENSING COMPANY, VA
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES
PUC990125 JATO COMMUNICATIONS CORP. OF VIRGINIA
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES
PUC990127 BELL ATLANTIC-VIRGINIA, INC. AND NOS COMMUNICATIONS, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996
PUC990128 COMMCOTEC CORPORATION OF VIRGINIA
FOR CERTIFICATE TO PROVIDE TELECOMMUNICATION SERVICES

PUC990130 QWEST COMMUNICATIONS CORPORATION OF VIRGINIA
FOR CERTIFICATE TO PROVIDE FACILITIES BASED INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC990131 BELL ATLANTIC-VIRGINIA, INC. AND QWEST COMMUNICATIONS CORPORATION
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990132 GTE SOUTH INCORPORATED
TO IMPLEMENT EXTENDED LOCAL SERVICE FROM RICHLANDS EXCHANGE TO BELL ATLANTIC-VIRGINIA INC.'S DAVENPORT EXCHANGE

PUC990133 GTE SOUTH INCORPORATED
TO IMPLEMENT EXTENDED LOCAL SERVICE FROM BIG PRATER EXCHANGE TO BELL ATLANTIC-VIRGINIA INC.'S DAVENPORT EXCHANGE

PUC990134 GTE SOUTH INCORPORATED
TO IMPLEMENT EXTENDED LOCAL SERVICE FROM GRUNDY EXCHANGE TO BELL ATLANTIC-VIRGINIA INC.'S DAVENPORT EXCHANGE

PUC990135 BELL ATLANTIC-VIRGINIA, INC. AND METROCALL, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252 (E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990136 GTE SOUTH INCORPORATED AND TOPP COMM, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT

PUC990137 BELL ATLANTIC-VIRGINIA, INC. AND PICUS COMMUNICATIONS, LLC
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252 (E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990138 BELL ATLANTIC-VIRGINIA, INC.
FOR APPROVAL TO POSTPONE IMPLEMENTATION OF RULE GOVERNING DISCONNECTION OF LOCAL TELEPHONE SERVICE

PUC990139 GTE SOUTH INCORPORATED AND PHONE RECONNECT OF AMERICA
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990140 OMC COMMUNICATIONS OF VIRGINIA, INC.
TO CANCEL CERTIFICATE NO. T-416

PUC990141 CARDINAL COMMUNICATIONS OF VIRGINIA, INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC990142 BELL ATLANTIC-VIRGINIA, INC.
TO IMPLEMENT EXTENDED LOCAL SERVICE FROM CLINTWOOD EXCHANGE TO DANTE EXCHANGE

PUC990143 GTE SOUTH INCORPORATED AND QUANTREX COMMUNICTIONS, INC.
FOR APPROVAL OF INTERCONNECITON AGREEMENT UNDER § 252(E) OT THE TELECOMMUNICATIONS ACT OF 1996

PUC990146 BELL ATLANTIC-VIRGINIA, INC. AND AIRTOUCH PAGING OF VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990147 BELL ATLANTIC-VIRGINIA, INC. AND SHENTEL COMMUNICATIONS CO.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990148 BELL ATLANTIC-VIRGINIA, INC.
TO IMPLEMENT EXTENDED LOCAL SERVICE FROM ALEXANDRIA AND ARLINGTON EXCHANGE TO ARCOLA EXCHANGE

PUC990149 ACI CORP.-VIRGINIA
TO CANCEL EXISTING CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES AND TO ISSUE NEW CERTIFICATES REFLECTING NEW CORPORATE NAME OF SUCCESSOR COMPANY

PUC990150 CENTRAL TELEPHONE CO. OF VIRGINIA, UNITED TELEPHONE-SOUTHEAST, INC. AND HYPERION COMMUNICATIONS OF VIRGINIA, LLC
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990152 PRIMUS TELECOMMUNICATIONS.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND EXCHANGE ACCESS TELECOMMUNICATIONS SERVICES

PUC990153 BELL ATLANTIC-VIRGINIA, INC. AND MFN OF VA, L.L.C.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990154 BELL ATLANTIC-VIRGINIA, INC. AND 360 COMMUNICATIONS CO. OF CHARLOTTESVILE D/B/A ALLTEL
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990155 WILLIAMS COMMUNICATIONS OF VIRGINIA, INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC990156 STARPOWER COMMUNICATIONS LLC
COMPLAINT FOR BREACH OF INTERCONNECTION AGREEMENT

PUC990158 QWEST COMMUNICATIONS INTERNATIONAL INC. AND U S WEST, INC.
FOR APPROVAL OF MERGER BETWEEN PARENT CORPS.

PUC990159 EX PARTE: INVESTIGATION
INVESTIGATION OF AREA CODE RELIEF FOR 804 NUMBERING PLAN AREA

PUC990160 CENTRAL TELEPHONE CO. OF VIRGINIA AND UNITED TELEPHONE-SOUTHEAST, INC.
FOR APPROVAL TO AMEND ALTERNATIVE REGULATORY PLAN

PUC990161 GTE SOUTH INCORPORATED AND NET2000 COMMUNICATIONS SERVICES, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990162 CHOCTAW COMMUNICATIONS OF VIRGINIA INC. D/B/A SMOKE SIGNAL COMMUNICATIONS
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC990163 NET2000 COMMUNICATIONS OF VIRGINIA
FOR APPROVAL OF PARTIAL DISCONTINUANCE OF SERVICE

PUC990164 NEW EDGE NETWORK OF VIRGINIA INC. D/B/A NEW EDGE NETWORKS
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC990165 BELL ATLANTIC-VIRGINIA, INC. AND DPI-TELECONNECT, L.L.C.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER §252(E) OF THE TELECOMMUNICTIONS ACT OF 1996

PUC990166 BELL ATLANTIC-VIRGINIA, INC. AND US LEC OF VIRGINIA, L.L.C.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990167 BELL ATLANTIC-VIRGINIA, INC. AND HARVARDNET, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990168 UNITED TELEPHONE-SOUTHEAST INC. AND COMPASS TELECOMMUNICATIONS, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990169 CENTRAL TELEPHONE CO. OF VIRGINIA AND COMPASS TELECOMMUNICATIONS, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990170 UNITED TELEPHONE-SOUTHEAST, INC. AND PHONELINK, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990171 CENTRAL TELEPHONE CO. OF VIRGINIA AND VIRGINIA NETWORK, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990172 UNITED TELEPHONE-SOUTHEAST INC. AND VIRGINIA NETWORK, INC.
FOR APPROVAL OF INTER CONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990173 CENTRAL TELEPHONE CO. OF VIRGINIA AND PV TEL OF VIRGINIA
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990174 UNITED TELEPHONE-SOUTHEAST, INC. AND PV TEL OF VIRGINIA
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990175 GTE SOUTH INCORPORATED AND PICUS COMMUNICATIONS, LLC
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990179 METRO TELECONNECT INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE

PUC990180 GTE SOUTH INCORPORATED AND NOW COMMUNICATIONS INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990181 UNITED TELEPHONE-SOUTHEAST, INC. AND NOW COMMUNICATIONS INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990182 CENTRAL TELEPHONE CO. OF VIRGINIA AND MAX-TEL COMMUNICATIONS
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990183 UNITED TELEPHONE-SOUTHEAST, INC. AND UNIVERSAL TELECOM INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990184 CENTRAL TELEPHONE CO. OF VIRGINIA AND NOW COMMUNICATIONS INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990185 UNITED TELEPHONE-SOUTHEAST, INC. AND MAX-TEL COMMUNICATIONS
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990186 CENTRAL TELEPHONE CO. OF VIRGINIA AND UNIVERSAL TELECOM INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICTIONS ACT OF 1996

PUC990187 AT&T COMMUNICATIONS OF VIRGINIA
TO DISCONTINUE 500 PERSONAL NUMBER AND EASY REACH SERVICES

PUC990188 BELL ATLANTIC-VIRGINIA, INC. AND CORECOMM VIRGINIA INC. D/B/A CORECOMM
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990190 BELL ATLANTIC-VIRGINIA, INC. AND ESSENTIAL.COM INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990191 CAVALIER TELEPHONE LLC
FOR ARBIBRATION OF INTERCONNECTION RATES, TERMS AND CONDITIONS AND RELATED RELIEF

PUC990192 BELL ATLANTIC-VIRGINIA, INC. AND SMARTBEEP, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990195 IG2 INC.
FOR CERTIFICATE TO PROVIDE TELECOMMUNICATION SERVICES

PUC990197 CENTRAL TELEPHONE CO. OF VIRGINIA AND CHOCTAW COMMUNICATIONS
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990198 UNITED TELEPHONE-SOUTHEAST, INC. AND CHOCTAW COMMUNICATIONS
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990200 GTE SOUTH INCORPORATED AND DSLNET COMMUNICATIONS OF VIRGINIA INC. D/B/A DSLNET
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990202 COX COMMUNICATIONS INC. AND COX COMMUNICATIONS TELCOM, INC.
FOR CANCELLATION OF CERTIFICATE NOS. TT-69A AND T-446

PUC990203 GTE SOUTH INCORPORATED AND 1-800-RECONNEX
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990204 AT&T WIRELESS AND GTE SOUTH INCORPORATED
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990205 CENTRAL TELEPHONE CO. OF VIRGINIA, UNITED TELEPHONE-SOUTHEAST, INC. AND COMM SOUTH COMMUNICATIONS INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990206 ACCESS VIRGINIA, INC.
FOR CANCELLATION OF CERTIFICATE NO. T-382

PUC990207 LOCKHEED MARTIN IMS
FOR APPROVAL OF NPA RELIEF PLAN FOR 540 AREA CODE

PUC990209 QWEST COMMUNICATIONS CORP.
FOR CERTIFICATE TO PROVIDE LOCAL TELECOMMUNICATIONS SERVICE

PUC990211 UNITED TELEPHONE-SOUTHEAST, INC.
FOR APPROVAL OF PUBLIC NOTICE TO CUSTOMERS IN KONNAROCK EXCHANGE

PUC990212 BROADBAND OFFICE COMMUNICATIONS - VIRGINIA, INC.
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC990213 GTE SOUTH INCORPORATED
TO IMPLEMENT EXTENDED LOCAL SERVICE FROM LORTON AND LORTON METRO EXCHANGES TO ARCOLA EXCHANGE

PUC990214 GTE SOUTH INCORPORATED AND APPALACHIAN CELLULAR
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990215 GTE SOUTH INCORPORATED AND COMM SOUTH COMPANIES, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 2529(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990216 BELL ATLANTIC-VIRGINIA, INC AND COMPUTER BUSINESS SCIENCES INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990217 GTE SOUTH INCORPORATED AND FRONTIER TELEMANAGEMENT LLC
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990218 GTE SOUTH INCORPORATED AND NETWORK ACCESS SOLUTIONS, LLC
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 253(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990222 WILLIAMS COMMUNICATIONS OF VIRGINIA
FOR AUTHORITY TO AMEND CERTIFICATE

PUC990223 CENTRAL TELEPHONE CO. OF VIRGINIA AND NORTHPOINT COMMUNICATIONS
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990224 UNITED TELEPHONE-SOUTHEAST, INC. AND NORTHPOINT COMMUNICATIONS INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990225 CENTRAL TELEPHONE CO. OF VIRGINIA AND DSLNET COMMUNICATIONS OF VIRGINIA INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990226 UNITED TELEPHONE-SOUTHEAST, INC. AND DSLNET COMMUNICATIONS OF VIRGINIA INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990227 BELL ATLANTIC-VIRGINIA, INC. AND FURST GROUP
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990228 GTE SOUTH INCORPORATED AND CHOCTAW COMMUNICATIONS
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990229 GTE SOUTH INCORPORATED AND BUSINESS TELECOM
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990230 SBC TELECOM INC.
FOR CERTIFICATE TO PROVIDE FACILITIES-BASED AND RESOLD COMPETITIVE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC990231 FRONTIER TELEMANAGEMENT LLC
FOR AUTHORITY TO AMEND CERTIFICATE

PUC990232 CONECTIV COMMUNICATIONS OF VIRGINIA
FOR CERTIFICATE TO PROVIDE TELECOMMUNICATION SERVICES

PUC990233 BELL ATLANTIC-VIRGINIA, INC. AND ACSI LOCAL SWITCHED SERVICES, INC. D/B/A E.SPIRE
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990234 CENTRAL TELEPHONE CO. 0F VIRGINIA, UNITED TELEPHONE-SOUTHEAST, INC. AND BUSINESS TELECOM INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990235 CENTRAL TELEPHONE CO. OF VIRGINIA, UNITED TELEPHONE-SOUTHEAST, INC. AND 360 COMMUNICAITONS CO. D/B/A ALLTELL COMMUNICATIONS INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990236 CENTRAL TELEPHONE CO. OF VIRGINIA, UNITED TELEPHONE-SOUTHEAST, INC. AND COMMERCIAL MOBILE RADIO SERVICES
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990238 BELL ATLANTIC-VIRGINIA, INC.
TO IMPLEMENT EXTENDED LOCAL SERVICE FROM BLACKSBURG EXCHANGE TO DUBLIN EXCHANGE

PUC990240 BELL ATLANTIC-VIRGINIA, INC. AND TSR WIRELESS, LLC
FOR APPROVAL OF INTERCONNECITON AGREEMENT UNDER § 2352(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990241 BELL ATLANTIC-VIRGINIA, INC. AND ARBROS COMMUNICATIONS LICENSING COMPANY, VIRGINIA
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990242 BELL ATLANTIC-VIRGINIA, INC. AND PHONELINK, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC990243 EX PARTE: RATES
INVESTIGATION TO SET RATES, TERMS AND CONDITIONS FOR PROVISION OF BELL-ATLANTIC-VIRGINIA, INC. PROVIDING DSL LOOPS

PUE: DIVISION OF ENERGY REGULATION

PUE980916 RED HILL MOBILE ESTATES
FOR CERTIFICATE TO PROVIDE WATER AND SEWER SERVICE

PUE990001 FOX RUN WATER COMPANY
FOR AMENDMENT TO CERTIFICATE NO. W-281

PUE990002 AUBON WATER COMPANY
FOR RATE INCREASE

PUE990003 POWELL VALLEY NATURAL GAS
FOR CERTIFICATE TO PROVIDE NATURAL GAS SERVICE

PUE990004 GB FOLTZ CONTRACTING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE990005 POTOMAC EDISON COMPANY, THE
TO REVISE FUEL FACTOR
PUE990006 WEST ROCKINGHAM WATER CO.
ALLEGED VIOLATION OF VA CODE § 56-265.13:4
PUE990007 MOUNTAINVIEW WATER CO. INC.
TO AMEND CERTIFICATE NO. W-263(A)
PUE990008 LAKE MONTICELLO SERVICE CO.
TO AMEND CERTIFICATE NOS. 2-197 AND S-64
PUE990009 VIRGINIA ELECTRIC & POWER CO.
FOR CERTIFICATE TO BUILD AND OPERATE DULLES JCT-RESTON 230 KV TRANSMISSION LINE
PUE990011 BRANSCOME PAVING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990012 C&S EXCAVATING
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990013 CAPCO CONSTRUCTION CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990014 CENTRAL PLUMBING & HEATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990015 CHAPEL VALLEY LANDSCAPE CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990016 DECK SYSTEMS
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990017 DND BACKHOE SERVICE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990018 DOTZLER ELECTRICAL CONTRACTING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990019 EL KELLOGG CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990020 FARO CONSTRUCTION CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990021 FENCING UNLIMITED INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990022 FLIPPO CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990023 HOME LIGHTING SYSTEMS
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990024 JOE MORGAN BUILDERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990025 JSC CONCRETE CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990026 KINGDOM WORK CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990027 LEO CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990028 MANOJ K SHAH INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990029 MERRIFIELD GARDEN CENTER CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990030 ORION ASSOCIATES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990031 PETERSON & COLLINS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990032 PRECON CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990033 RCI CONTRACTORS
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990034 SEVILLE HOMES
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990035 SPARTAN ELECTRIC/SPARTAN ENTERPRISES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990036 TYSONS SERVICE CORP. OF VIRGINIA
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990037 WISE GUYS CONTRACTING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990038 B&M CONCRETE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990039 EMERSON CONSTRUCTION GROUP INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990040 COUNTS & DOBYNS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990041 EAVERS BROTHER EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE990042 GENERAL EXCAVATION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990043 HC EAVERS & SONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990044 J&L ELECTRICAL CONTRACTORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990045 KENBRIDGE BUILDING SYSTEMS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990046 MARCH INC.
ALLEGED VIOLATION OF VA CODE § 56-267.17 A
PUE990047 MAYTON CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990048 SKINNER, PAUL B.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990049 POWERS MASONRY UNLIMITED
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990050 SKIBECK PIPELINE COMPANY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990051 TCS COMMUNICATIONS
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990052 A&W CONTRACTORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE990053 BEACH STRUCTURES
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE990054 GRAND EFFECT LANDSCAPING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990055 GSI CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE990056 KH NEEDHAM INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990057 PREMIER COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990058 SOUTHSIDE UTILITIES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990059 SUBURBAN CABLE COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990061 VEGA ELECTRIC
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990062 A&W CONTRACTING CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990063 MAWYER, CHAD
ALLEGED VIOLATION OF VA CODE § 56-265.17.A
PUE990064 COX COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990065 DAVID A. REED & SONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990066 HENRY S. BRANSCOME INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990067 LOBO CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990068 NORTHERN VIRGINIA ELECTRIC COOPERATIVE
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990069 QUALITY EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990070 RG GRIFFITH INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990071 RL RIDGELL CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990072 ROANOKE GAS COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990073 ROSS REESE CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990074 SIMOES CONCRETE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990075 SOUTHERN CABLE
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990076 TELECOMM CORP. OF VIRGINIA
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990077 ALEX E. PARIS CONTRACTING CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990078 CLARKS EXCAVATING CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE990079 COMMONWEALTH EXCAVATING & PIPELINE CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990080 CONTRACTING ENTERPRISES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990081 JP TURNER AND BROTHERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990082 SPECIAL PLUMBING
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990083 UNITED CITIES GAS COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990084 UNIVERSITY REALTY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990085 VALLEY EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990086 BERNARD HUFF INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990087 MARTIN AND GASS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990088 S AND N COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990089 RB HINKLE CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990090 WC SPRATT INCORPORATED
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990091 SUBURBAN CABLE COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990092 ROCKINGHAM CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990093 NORTHERN PIPELINE CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990094 WASHINGTON GAS LIGHT COMPANY
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE990095 VIRGINIA NATURAL GAS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990096 VIRGINIA ELECTRIC & POWER CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990097 COLUMBIA GAS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE990098 GTE SOUTH INCORPORATED.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE990099 EASTERN METAL PRODUCTS & FABRICATORS, INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.17 A, ET AL.
PUE990100 DIAMONDS UTILITY CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 D
PUE990101 ATLAS PLUMBING & MECHANICAL
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990102 CASCADE CONTRACTING INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE990103 UTILIQUEST LLC
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE990104 KENTUCKY UTILTIES COMPANY D/B/A OLD DOMINION POWER CO.
TO REVISE FUEL FACTOR PURSUANT TO VA CODE § 56-249.6
PUE990105 CHAPARRAL CABLE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990106 VIRGINIA LINEN SERVICE INC.
FOR FORMAL HEARING PURSUANT TO RULE 5:6
PUE990107 FRIZZELL CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990108 GDC INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990109 HOLLADAY CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990110 HOBBS, JACK
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990111 KEYSTONE PIPELINE SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990112 LEO CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE990113 MANJO K SHAH INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990114 RB HINKLE CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A

PUE990115 RW ASKEW NURSERIES INC.
ALLEGED VIOLATION OF VA CODE § 56-265-24 A
PUE990116 RAYMOND C. HAWKINS CONSTRUCTION CO., INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990117 RODGERS BROTHERS SERVICE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990118 BERNARD HUFF INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE990119 SEGMENTAL WALL SPECIALISTS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990120 SERVICE ELECTRIC CORP. OF VIRGINIA
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990121 BREEDEN MECHANICAL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990122 SOUTHERN CABLE
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990123 CAPITOL CABLE CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990124 STUMPBUSTERS
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990125 HARMAN CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990126 JOHNSON ELECTRIC COMPANY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990127 MASTEC INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990128 SUBURBAN CABLE COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990129 MOFFETT PAVING & EXCAVATING CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990130 TELE-COMMUNICATIONS CORP. OF VIRGINIA
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990131 MYERS CABLE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990132 NORTHERN VIRGINIA ELECTRIC COOPERATIVE
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990133 STRONG COMPANIES INC, THE
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990134 PERRY ENGINEERING CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990135 TIDEWATER PAVESTONE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990136 PRINCE GEORGE PLUMBING & HEATING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990137 RICHARD L. CROWDER CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990138 TRIPLE H CONTRACTING CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990139 HAGGERTY, ROBERT
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990140 UNITED CITIES GAS COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990141 SHELTON'S HEATING & PLUMBING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990142 TIDEWATER UNDERGROUND COMMUNICATIONS, INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990143 DS ROBINSON INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990144 VIRGINIA ELECTRIC & POWER CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990145 NORTHERN PIPELINE CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990147 ABC LAWN & LANDSCAPE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990148 WC SPRATT INCORPORATED
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990149 ATLAS PLUMBING & MECHANICAL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990150 COX COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990151 BRAVOS CONCRETE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A

PUE990152 FRED W. BORDEN INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990153 CHESAPEAKE EXCAVATION & UTILITIES, INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990154 COCHRAN CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990155 COMMCORP INCORPORATED
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990156 CURTIS CONTRACTING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990157 D&F CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990158 THOMAS, DON
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990159 CHESTERFIELD CONSTRUCTION SERVICES INC. T/A EMERALD HOMES
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990160 SPEIGHT MARSHALL & FRANCIS PC
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990161 TA SHEETS MECHANICAL GENERAL
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990162 BYERS LOCATE SERVICES LLC
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE990163 CAPCO CONSTRUCTION CORPORATION
ALLEGED VIOLATION OF VA CODE §§ 56-265.24, ET AL.
PUE990164 WASHINGTON GAS LIGHT COMPANY
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE990165 COLUMBIA GAS OF VIRGINIA
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE990166 VIRGINIA ELECTRIC & POWER CO.
ANNUAL INFORMATIONAL FILING
PUE990167 VIRGINIA GAS PIPELINE CO.
FOR CERTIFICATE FOR CONSTRUCTION OF NATURAL GAS TRANSMISSION LINE
PUE990168 COLUMBIA GAS OF VIRGINIA INC.
ANNUAL INFORMATIONAL FILING
PUE990169 DELMARVA POWER & LIGHT CO.
ANNUAL INFORMATIONAL FILING
PUE990170 WASHINGTON GAS LIGHT COMPANY
ANNUAL INFORMATIONAL FILING
PUE990171 UNITED CITIES GAS COMPANY
ANNUAL INFORMATIONAL FILING
PUE990174 KENTUCKY UTILITIES CO. D/B/A OLD DOMINION POWER CO.
ANNUAL INFORMATIONAL FILING
PUE990175 APPALACHIAN POWER COMPANY
ANNUAL INFORMATIONAL FILING
PUE990176 ROCKINGHAM CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990177 TEETS EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990178 BASIC CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990179 C LEWIS WALTRIP II INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990180 CAPCO CONSTRUCTION CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990181 DA FOSTER COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE990182 JONES UTILITY CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990183 KEVCOR CONTRACTING CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990184 LEONARD GIBSON EXCAVATING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990185 MARTIN AND GASS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990186 N V HOMES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE990187 NORTHERN VIRGINIA ELECTRIC COOPERATIVE
ALLEGED VIOLATION OF VA CODE 56-265.19 A
PUE990188 PRECON CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990189 PREMIER COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A

PUE990190	ROSS & SONS UTILITY CONTRACTOR INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990191	SOUTHERN GRADING INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990192	SOUTHSIDE UTILITIES INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE990193	SUPER CONCRETE CO. INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990194	SUPERIOR BACKHOE SERVICE ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990195	WILKINS & ASSOCIATES INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990196	AP BROWN CONCRETE INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990197	ASPHALT ROADS & MATERIALS CO. INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990198	GERALD L. DAVIS & ASSOCIATES INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990199	COCHRAN CONSTRUCTION COMPANY ALLEGED VIOLATION OF VA CODE § 56-265.24 D
PUE990200	E GRANVILLE WADE JR. INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE990201	INSIGHT COMMUNICATIONS CO. LP ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990202	JRC MECHANICAL INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990203	MOD-U-KRAF HOMES INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990204	WE CURLING INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE990205	ATLAS PLUMBING & MECHANICAL INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990206	B&S CONTRACTING INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990207	BATTLEFIELD UTILITY CONTRACTORS, INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990208	BEL ARBOR BUILDERS INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990209	BLAUCH BROTHERS INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990210	CARROLL ELECTRIC INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990211	CASCADE CONTRACTING INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990212	CENTRAL BUILDERS INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990213	HENRY S. BRANSCOME INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE990214	CLARKS EXCAVATING CO. INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE990215	COLLIER CONSTRUCTION INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990216	ESSEX CONCRETE CORPORATION ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990217	GTE SOUTH INCORPORATED ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990218	JB WINE & SON INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990219	JR PRICE CONSTRUCTION ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990220	JOHN R. MORRISON EXCAVATING ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990221	MID-ATLANTIC PIPELINERS INC. ALLEGED VIOLATION OF VA CODE § 56-265.2 A
PUE990222	NORM'S CONCRETE ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990223	OSMOSE INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990224	PALMETTO CABLE ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990225	R. B. HINKLE CONSTRUCTION INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A

PUE990226 RTD EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990227 SITE IMPROVEMENT ASSOC. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990228 SOUTHERN CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990229 TIDEWATER UNDERGROUND COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990230 TUCON SYSTEMS INCORPORATED
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990232 TA SHEETS MECHANICAL GENERAL CONTRACTOR INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE990233 WASHINGTON GAS LIGHT CO.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE990234 VIRGINIA NATURAL GAS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990235 VIRGINIA ELECTRIC & POWER CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990236 MCDONNELL CONTRACTING
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE990237 MAUGHAN CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990238 MASTEC INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.17 A, ET AL.
PUE990239 HUBBARD TELEPHONE CONTRACTORS INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.17 A, ET AL.
PUE990240 FRED W. BORDEN INCORPORATED
ALLEGED VIOLATION OF VA CODE §§ 56-265.17 A, ET AL.
PUE990241 COLUMBIA GAS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE990242 NORTHERN PIPELINE CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE990243 AMERICAN UNDERGROUND INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.17 A, ET AL.
PUE990244 G W CORPORATION
FOR CHANGE IN RATES PURSUANT TO THE SMALL WATER AND SEWER PUBLIC UTILITY ACT
PUE990245 COLUMIBA GAS OF VIRGINIA INC.
TO EXTEND CUSTOMER CHOICE PILOT PROGRAM
PUE990246 COLUMBIA GAS OF VIRGINIA INC.
ALLEGED VIOLATION OF 49 C.F.R. § 192.605(A), ET AL.
PUE990247 BYERS LOCATE SERVICES LLC
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990248 NOCUTS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990249 ONE CALL CONCEPTS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.22 A
PUE990253 MANQUIN WATER COMPANY
FOR CERTIFICATE TO PROVIDE WATER SERVICE
PUE990255 PELHAM MANOR WATER SUPPLY CO.
TO EXTEND TIME FOR FILING PLANS DIRECTED IN CASE NO. PUE960129
PUE990256 LISPORT EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990257 B FRANK JOY COMPANY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990258 A&J DEVELOPMENT & EXCAVATION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990259 BURTON & ROBINSON INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990260 CE TOWLER INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990261 COLE'S EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990262 DW LYLE CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990263 DREAM/SCAPE PROFESSIONAL LANDSCAPING, INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990264 EAVERS BROTHERS EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990265 FINCHAM EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990266 HAMMOND-MITCHELL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE990267 HOLLAND CUSTOM HOMES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990268 M&S ELECTRIC
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990269 MAGNUM SERVICES OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990270 MARTINS CONSTRUCTION CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990271 MOFFET PAVING & EXCAVATING CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990272 MOON ENGINEERING CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990273 MYERS CABLE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990274 RELIABLE COMMUNICATION SERVICES, INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990275 RICHARD L. CROWDER CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990276 ROCKINGHAM CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.17 A, ET AL.
PUE990277 S AND N COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990278 SB BALLARD INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990279 SR DRAPER PAVING COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990280 SHENANDOAH VALLEY CONTRACTORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990281 SOUTHERN CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990282 TALL TIMBERS CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990283 TURNER CONCRETE
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990284 VIRGINIA GAS STORAGE CO.
ANNUAL INFORMATIONAL FILING
PUE990285 VIRGINIA GAS PIPELINE CO.
ANNUAL INFORMATIONAL FILING
PUE990286 VIRGINIA GAS DISTRIBUTION CO.
ANNUAL INFORMATIONAL FILING
PUE990287 AMES CONCRETE CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990288 ATLANTIC ENVIRONMENTAL SERVICES LLC
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990289 ATLAS PLUMBING & MECHANICAL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990290 VENTURE CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990291 BELT ENTERPRISES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990292 WCC CABLE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990293 BONITT BUILDERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990294 BREEDEN MECHANICAL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990295 CE WOOLWINE CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990296 CAPITAL INSTALLATION OF HAMPTON, INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990297 CHAPPELL'S WELDING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990298 CHESAPEAKE BAY CONTRACTORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990299 CIRCLE CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990300 CONTRACTORS PAVING CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990301 DITTMAR COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990302 FLIPPO CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE990303 FOLEY PLUMBING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990304 FRED W. BORDEN INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990305 GLOBAL CABLE SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990306 GOLDIN & STAFFORD INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990307 HAMILTON ELECTRIC INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990308 HOY CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990309 J. D. BAKER & SONS
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990310 JOHN GRIFFIN CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990311 LEAGUE CONSTRUCTION CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990312 NICHOLAS & CO. CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990313 ORION ASSOCIATES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE990314 PHOENIX BUILDERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990315 PIPE LAYERS UNLIMITED CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE990316 RB HINKLE CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE990317 SOUTHSIDE UTILITIES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990318 SPINIELLO CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990319 SPRINKLERS BY DESIGN
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990320 SUBURBAN CABLE COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990321 MARTIN AND GASS INCORPORATED
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990322 FISHEL COMPANY, THE
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990323 UNITED CITIES GAS CO.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990324 VICO CONSTRUCTION CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE990325 VIRGINIA NATURAL GAS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990326 W&W ELECTRIC CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990327 WAYJO INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990328 WEINSTEIN MANAGEMENT CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990329 WHITE ELECTRIC COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE990330 A&W CONTRACTING CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE990331 VIRGINIA ELECTRIC & POWER CO.
ALLEGED VIOLATION OF VA CODE §§ 56-265.18, ET AL.
PUE990332 CHECKMATE COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990333 CAROLINA CONDUIT SYSTEMS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990334 BASIC CONSTRUCITON COMPANY
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE990335 COLUMBIA GAS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE990336 GENERAL EXCAVATION INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE990337 J SANDERS CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990338 NORTHERN VIRGINIA ELECTRIC COOPERATIVE
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.

PUE990339 TRIPLE H CONTRACTING CO.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE990340 SUBURBAN GRADING & UTILITIES INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE990341 HENRY S. BRANSCOME INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990342 CASCADE CONTRACTING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990343 BYERS LOCATE SERVICES LLC
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990344 DELMARVA POWER & LIGHT CO.
FOR INCREASE IN ELECTRIC FUEL RATE PURSUANT TO VA CODE § 56-249.6
PUE990345 CW WRIGHT CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990346 MASTEC INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990347 WASHINGTON GAS LIGHT CO.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE990348 VIRGINIA NATURAL GAS INC.
FOR APPROVAL OF MODIFICATION TO CERTIFICATE NO. GT-60
PUE990349 EX PARTE: RULES
IN THE MATTER OF ADOPTING RULES GOVERNING PARTICIPATION OF INCUMBENT ELECTRIC UTILITIES IN REGIONAL TRANSMISSION ENTITIES
PUE990350 APPALACHIAN POWER COMPANY
FOR APPROVAL TO IMPLEMENT RESIDENTIAL EXPERIMENTAL RATE
PUE990351 VIRGINIA ELECTRIC & POWER CO.
FOR CERTIFICATE OF AUTHORITY TO CONSTRUCT TRANSMISSION FACILITIES IN FAUQUIER CO.
PUE990352 APPALACHIAN POWER COMPANY
FOR APPROVAL OF TARIFF RIDERS
PUE990353 VIRGINIA ELECTRIC & POWER CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990354 JB WINE & SON INCORPORATED
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990355 TA SHEETS MECHANICAL GENERAL CONTRACTOR INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE990356 S AND N COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990357 CASCADE CONTRACTING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990358 COMMONWEALTH EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990359 HENRY S. BRANSCOME INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990360 ROCKINGHAM CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE990361 OLDE TOWNE EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.17 A, ET AL.
PUE990362 WASHINGTON GAS LIGHT CO.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE990363 VICO CONSTRUCTION CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990364 SUMMIT USA LAND DEVELOPMENT CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990365 BYERS LOCATE SERVICES LLC
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990366 COLUMBIA GAS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990367 VIRGINIA ELECTRIC & POWER CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990368 CABLE ASSOCIATES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990369 SUBURBAN CABLE COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990370 BASIC CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990371 JSC CONCRETE CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990372 LEO CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990373 WE CURLING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE990374	NOCUTS INC. ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990375	NOCUTS INC. ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990376	ALEX BEST CONCRETE INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990377	ASH-GAYLE INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990378	ASHBY HOMES INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990379	ATLANTIC FOUNDATIONS INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990380	DONALD BOWERS PLUMBING ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990381	ECHOLS BROTHERS INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990382	ERWIN CONSTRUCTION INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990383	GINDA & WAX INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990384	JONES PLUMBING ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990385	MAIN STREET VILLAGE ASSOCIATES LLC ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990386	MID-ATLANTIC PIPELINERS INC. ALLEGED VIOLATION OF VA CODE § 56-265.2 A
PUE990387	MYERS CABLE INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE990388	ROCKY MOUNT PAVING COMPANY ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990389	SJ CONNER AND SONS INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990390	S STEPHENS CABLE CONSTRUCTION INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990391	SKY CABLE INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990392	WHIT WILLIAMS INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990393	ATLAS PLUMBING & MECHANICAL INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990394	C & L PLUMBING INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990395	DELAWARE CORPORATION ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE990396	GAINES MASONRY & CONCRETE ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990397	GRAVES UNDERGROUND UTILITIES ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990398	GRIFFITH CONSTRUCTION & LANDSCAPING ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990399	HENDERSON CONSTRUCTION CO. INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990400	JAMES G. DAVIS CONSTRUCTION CORP. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990401	T.K. VANN SERVICES, INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990402	SHIELDS CONSTRUCTION CO. INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990403	TRUMBO ELECTRIC INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990404	TURNER CONSTRUCTION CO. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990405	CA BARRS CONTRACTOR INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990406	DISCOUNT PLUMBING INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE990407	KEYSTONE PIPELINE SERVICES INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990408	LINDSEY BROTHERS INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990409	PRECON CONSTRUCTION COMPANY ALLEGED VIOLATION OF VA CODE § 56-265.24 A

PUE990410 VIRGINIA NATURAL GAS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990411 A B C WATERPROOFING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990412 APRIL SHOWERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990413 BISON INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990414 C&D EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990415 CJ FISHER & SONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990416 CANTRELL EXCAVATING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990417 CENTRAL CONTRACTING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990418 CMG CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990419 COPELAND EXCAVATION & CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990420 EASTERN ELECTRIC COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990421 FOUR SEASONS LANDSCAPE & LAWN
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990422 GH WOLFF JR. EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990423 GSI CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990424 HENKELS & MCCOY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990425 LAKESIDE CONCRETE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990426 MIKE ROB CABLE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990427 ROSENBAUM FENCE COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990428 SUBURBAN GRADING & UTILITIES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990429 SUPERIOR BACKHOE SERVICE
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990430 SWEDE'S CONCRETE CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990431 VIRGINIA ENTERPRISES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990432 UTILX CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990433 MEADOWOOD FARM SERVICE CORP.
FOR CERTIFICATE TO PROVIDE SEWERAGE SERVICE
PUE990434 EVAN ENERGY COMPANY
TO FURNISH ANCILLARY DELIVERY OF NATURAL GAS TO VIRGINIA DEPT OF CORRECTIONS
PUE990435 EQUITABLE PRODUCTION CO.
NOTIFICATION OF INTENT TO FURNISH GAS SERVICE
PUE990436 COLUMBIA GAS OF VIRGINIA INC.
ALLEGED VIOLATION OF GAS PIPELINE SAFETY ACT
PUE990437 SHENANDOAH GAS COMPANY
ANNUAL INFORMATIONAL FILING
PUE990438 COMMONWEALTH PUBLIC SERVICE CORP.
FOR GENERAL INCREASE IN RATES AND REVISION IN TARIFFS
PUE990439 BLACKSTONE PAVING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990440 CASCADE CONTRACTING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990441 CJ'S PLUMBING & HEATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990442 COLUMBIA GAS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990443 COMMONWEALTH EXCAVATING AND PIPELINE CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE990444 CONTRACTING & DESIGN INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990445 DAVE'S LANDSCAPING & LAWN CARE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE990446	DAVIS EXCAVATING INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990447	JACK ST. CLAIR INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990448	SOUTHWEST CONSTRUCTION INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990449	UNITED CITIES GAS COMPANY
	ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990450	BASIC CONSTRUCTION COMPANY
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990451	C HEADDEN LANDSCAPING INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990452	BAILEY, HASSELL & ASSOCIATES
	ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE990453	CABLE ASSOCIATES INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990454	DUNN ELECTRIC CO. INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990455	HATHAWAY ELECTRIC INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990456	JANOTKA CONSTRUCTION
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990457	E C PACE COMPANY INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990458	MM GUNTER & SON INCORPORATED
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990459	HALL MECHANICAL & ASSOCIATES INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE990460	PENINSULA CONTRACTORS INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990461	HOLLADAY CONSTRUCTION CO. INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990462	RB CONSTRUCTION INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990463	SANITARY ENGINEERING CO. INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990464	JTE CIVIL INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE990465	SHIRLEY CONSTRUCTION CORP.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990466	MAGNUM SERVICES OF VIRGINIA
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990467	SMITH & KEENE ELECTRICAL SERVICE INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990468	MASTERS INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990469	NORTHERN PIPELINE CONSTRUCTION
	ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE990470	RICHARD'S TREE SERVICE
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990471	ROCKINGHAM CONSTRUCTION CO. INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990472	ROBERSON, RONNIE W.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990473	S F CONSTRUCTION INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990474	SAYLOR PLUMBING INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990475	SIGN CENTRAL
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990476	TETTERTON'S BACKHOE SERVICE
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990477	WARD CABLE SERVICE
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990478	WASHINGTON HOMES INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990479	CAPITOL CONTRACTORS INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990480	ATLANTICO ELECTRIC INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990481	EASTERN TECHNICAL COMMUNICATIONS INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A

PUE990482	HAMILTON CONTRACTORS INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990483	ADENAUER PAVING ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990484	C & S CABLE CONTRACTING INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE990485	CHESAPEAKE EXCAVATION AND UTILITIES INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990486	PJC ENTERPRISES INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990487	JERRY L. MORAN EXCAVATING INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990488	MAUGHAN CONSTRUCTION CO. INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990489	MYERS CABLE INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990490	WILLIAM A. HAZEL INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990491	AMERICAN EXCAVATING INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990492	ATMOS ENERGY CORP. ALLEGED VIOLATION OF GAS PIPELINE SAFETY REGULATIONS
PUE990493	BONITT BUILDERS INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990494	BREEDEN MECHANICAL INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990495	CHAPEL VALLEY LANDSCAPE CO. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990496	CHESAPEAKE MILL ALLIANCE INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990497	DOWNS CONSTRUCTION COMPANY ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990498	GREEN TEAM INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990499	HILCO INCORPORATED ALLEGED VIOLATION OF VA CODE § 56-275.24 A
PUE990500	KETCHUM UNDERGROUND UTILITIES ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990501	L T BOWDEN INCORPORATED ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990502	P.E.C. CONSTRUCTION INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990503	PRINCE WILLIAM PIPELINE CORP. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990504	SUNDANCE ELECTRICAL CONTRACTORS INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990505	FISHEL COMPANY, THE ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990506	WCC CABLE INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990507	ATLAS PLUMBING & MECHANICAL INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990508	BROTHERS SIGNAL CO. INC., THE ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE990509	HOPKINS & WAYSON INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990510	UTILX CORPORATION ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990511	VIRGINIA ELECTRIC & POWER CO. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990512	FRED W. BORDEN INCORPORATED ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990513	WASHINGTON GAS LIGHT COMPANY ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE990514	VIRGINIA NATURAL GAS INC. ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE990515	HENDERSON CONSTRUCTION CO. INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE990516	FIRST SOUTH UTILITY CONSTRUCTION INC. ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE990517	MARTIN & GASS INCORPORATED ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.

PUE990518 HUBBARD TELEPHONE CONTRACTORS INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.17 C, ET AL.
PUE990519 LEO CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990520 PRECON CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990521 S&N COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990522 DRIGGS CORPORATION, THE
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990523 GTE SOUTH INCORPORATED.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990524 HENRY S. BRANSCOME INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990525 PARADIGM CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990526 VIRGINIA UNDERGROUND UTILITY
ALLEGED VIOLATION OF VA CODE § 56-265.16:1
PUE990527 ATLANTIC CABLE & TRENCH INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.17 B, ET AL.
PUE990528 TK VANN SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990529 UTILIQUEST, LLC
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE990530 NOCUTS INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE990531 VIRGINIA GAS DISTRIBUTION CO.
FOR GENERAL INCREASE IN NATURAL GAS RATES
PUE990532 SYDNOR HYDRODYNAMICS AND AQUASOURCE UTILITY-VIRGINIA
FOR CERTIFICATE FOR LAKE SHAWNEE WATER SYSTEM
PUE990533 ASSOCIATED NAVAL ARCHITECT INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990534 ARMADA HOFFLER CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990535 BOOKMAN CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990536 C&S CABLE CONTRACTING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990537 CONTRACTORS PAVING CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990538 GUY C. EAVERS EXCAVATING CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990539 HOLLADAY CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990540 L&H CONTRACTING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990541 LAWHORNE BROTHERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990542 OMNI ELECTRICAL CONSTRUCTORS
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990543 SKYLINE EXCAVATING CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990544 TRI-STAR CABLE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990545 WATEREDGE CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990546 CA BARRS CONTRACTOR INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990547 GERALD L. DAVIS & ASSOCIATES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990548 ONE CALL CONCEPTS LOCATING SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990549 PRESTIGE CABLE TV INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE990550 SITE-RITE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990551 SQUARE DEAL DEMOLITION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990552 SUBURBAN CABLE COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990553 BATTLEFIELD EXCAVATION LLC
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE990554 C&T PAVING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990555 CATV SUBSCRIBER SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990556 COLONY HOUSE BUILDERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990557 CONTRACTING ENTERPRISES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE990558 CROWELL BROTHERS CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990559 EDWARDS PLUMBING & BACKHOE
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990560 HT BOWLING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990561 HENDERSON CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990562 EX PARTE: RULES
IN MATTER OF AMENDMENT TO RULES GOVERNING UTILITY RATE INCREASE APPLICATIONS
PUE990563 A & L CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990564 ADVANCED CONSTRUCTION TECHNIQUES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990565 ASSOCIATED BUILDERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990566 BATTLEFIELD UTILITY CONTRACTORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990567 C & P PLUMBING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990568 D A FOSTER COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990569 DOWN UNDER CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990570 ELECTRICAL DESIGN
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990571 JML CROSS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE990572 INFRACORPS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990573 JUST LOCATING
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990574 MAGNUM SERVICES OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990575 MAUGHAN CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990576 NORTHERN PIPELINE CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE990577 OSMOSE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990578 PERRY ENGINEERING CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE990579 R E LEE ELECTRIC COMPANY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990580 S W RODGERS COMPANY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990581 TEEL CONSTRUCTION INC
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990582 KLEIN, WILLIAM F.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990583 A & W CONTRACTING CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990584 BUYRNINGWOOD FARM INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990585 CABLE ASSOCIATES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990586 CITY UTILITIES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990587 HUBBARD TELEPHONE CONTRACTORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE990588 MACDONALD GLENNON INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990589 POTOMAC CONCRETE CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE990590 R & P LUCAS UNDERGROUND UTILITIES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990591 US&H COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990592 WOLF CONTRACTORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990593 CENTRAL WATER COMPANY INC.
FOR CERTIFICATE TO PROVIDE WATER AND SEWER SERVICE
PUE990594 JOB CARE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990595 KOBANE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990596 LT BOWDEN INCORPORATED
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990597 LOUDOUN TUNNELING CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990598 RA CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990599 SHANNON BAUM SIGNS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990600 SIGN POST INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990601 TAVARES CONCRETE CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990602 WASHINGTON GAS LIGHT CO.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990603 VIRGINIA NATURAL GAS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990604 VIRGINIA ELECTRIC & POWER CO.
ALLEGED VIOLATION OF VA CODE §§ 56-265.17 C, ET AL.
PUE990605 T A SHEETS MECHANICAL GENERAL CONTRACTOR INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE990606 OSP CONSULTANTS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990607 OLDE TOWNE EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE990608 MASTEC INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990609 HENRY S. BRANSCOME INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990610 FORT MYER CONSTRUCTION CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990611 COLUMBIA GAS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990612 AR COFFEY & SONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990613 WINNEY, ROBERT A. D/B/A THE WATERWORKS CO. OF FRANKLIN COUNTY
TO CHANGE RATES AND CHARGES
PUE990614 UTILIQUEST LLC
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE990615 NOCUTS INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE990616 B&J ENTERPRISES
FOR CERTIFICATE TO PROVIDE SERVICES IN VIRGINIA
PUE990617 VIRGINIA ELECTRIC & POWER CO.
TO AMEND TEMPORARILY OR WAIVE LICENSE CONDITIONS REGARDING OPERATION OF DAM
PUE990618 VIRGINIA NATURAL GAS INC.
ANNUAL INFORMATIONAL FILING
PUE990619 WINNEY, ROBERT A. D/B/A THE WATERWORKS CO. OF FRANKLIN COUNTY
ALLEGED VIOLATION OF VA CODE § 56-265.13:7
PUE990620 SHIRLEY CONSTRUCTION CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990621 TEMP-RITE SERVICE CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990622 HAROLD, WILLIE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990623 WOLF CONTRACTORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990624 ED LAWRENCE CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE990625 HENDERSON CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A

PUE990626 HOUSTON-STAFFORD ELECTRIC INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990627 HOLDER, JOHN E.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990628 KITZMILLER BACKHOE SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990629 LEO CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE990630 MORRIS ROBERT L. T/A ELLICOTT CITY UNDERGROUND INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990631 MAGNUM SERVICES OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990632 MID EASTERN BUILDERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990633 NOAH ELECTRIC INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990634 NORTHERN VIRGINIA ELECTRIC COOPERATIVE
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990635 PAULS PAVING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990636 RAPPAHANNOCK ELECTRIC COOPERATIVE
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990637 ROCKINGHAM CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE990638 KB COMPANY, THE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990639 THOMAS BROTHERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE990640 ARMADA HOFFLER CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990641 ATLANTIC CABLE & TRENCH INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990642 BASIC CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990643 BAY AREA LANDSCAPING AND IRRGATION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990644 EAST COAST LEISURE CENTERS
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990645 ACCOKEEK FENCE COMPANY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990646 BRAVOS CONCRETE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990647 CAROLINA CONDUIT SYSTEMS INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE990648 MASTEC INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990649 PATTON HARRIS RUST AND ASSOCIATES
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990650 PRECON CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990651 DRIGGS CORPORATION, THE
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990652 BECKER LANDSCAPING & TREE SERVICE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990653 BRYANT-BERRY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990654 EXCALIBUR CABLE COMMUNICATIONS
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990655 OK CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990656 PROMARK UTILITY LOCATORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990657 SOUTHERN ELECTRICAL SERVICE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990658 TYREE ORGANIZATION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990659 BREEDEN MECHANICAL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990660 CHAPEL VALLEY LANDSCAPE CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990661 SAUNDERS CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A

PUE990662 SIGNET SIGNS
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990663 WILLIAM B. SLOAN COMPANY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990664 WASHINGTON GAS LIGHT COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990665 VIRGINIA NATURAL GAS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990666 OSP CONSULTANTS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990667 UTILIQUEST LLC
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE990668 MCDEAN INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.17 A, ET AL.
PUE990669 HUBBARD TELEPHONE CONTRACTORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990670 COLUMBIA GAS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990671 ATLAS PLUMBING & MECHANICAL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990672 NOCUTS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990673 DA FOSTER COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990674 SOUTHWESTERN VIRGINIA GAS CO.
ANNUAL INFORMATIONAL FILING
PUE990675 COMMONWEALTH EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990677 VIRGINIA-AMERICAN WATER CO.
FOR GENERAL INCREASE IN RATES
PUE990679 VIRGINIA ELECTRIC & POWER CO.
FOR APPROVAL OF TERMINATION OF RIDER J-INTERRUPTIBLE WATER HEATING SERVICE
PUE990680 VIRGINIA ELECTRIC & POWER CO.
TO REVISE SCHEDULES SG-STANDBY GENERATOR AND CS-CURTAILABLE SERVICE AND TO WITHDRAW SCHEDULES SG-1 AND CS-1
PUE990681 VIRGINIA NATURAL GAS INC.
ALLEGED VIOLATION OF VA CODE § 56-508
PUE990682 DISTINCTIVE SIGN POSTS
ALLEGED VIOLATION OF VA CODE §§ 56-265.17 A, ET AL.
PUE990683 S AND S UNDERGROUND
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990684 VIRGINIA ELECTRIC & POWER CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990685 BLUE RIDGE PLUMBING
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990686 CONTRACTING ENTERPRISES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE990687 HENDERSON CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.17 C, ET AL.
PUE990688 LEO CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990689 PERRY ENGINEERING CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990690 RG GRIFFITH INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990691 ROCK HOMES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990692 SCHROCK INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990693 TAVARES CONCRETE COMPANY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990694 UNITED CITIES GAS COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990695 WCC CABLE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990696 FRED W. BORDEN INCORPORATED
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990697 S&S CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990698 D&M CONCRETE CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE990699 HOWARD B. HANKINS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990700 KEYSTONE PIPELINE SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990701 MARSHALL MEREDITH INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990702 ROTO ROOTER
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990703 VICO CONSTRUCTION CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990704 TIDEWATER UNDERGROUND COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990705 R&P LUCAS UNDERGROUND UTILITIES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990706 AMERICAN EASTERN INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990708 COLUMBIA GAS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE990709 VIRGINIA NATURAL GAS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990710 WASHINGTON GAS LIGHT CO.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE990711 UTILIQUEST LLC
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE990712 GSI CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990713 EAGLE CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990714 NOCUTS INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE990715 STONE MOUNTAIN ENERGY
TO MAKE AN EXEMPT SALE OF GAS AND TO PROVIDE TRANSMISSION AND DELIVERY SERVICE IN LEE COUNTY
PUE990716 APPALACHIAN POWER CO.
TO REVISE FUEL FACTOR PURSUANT TO VA CODE § 56-249.6
PUE990717 VIRGINIA ELECTRIC & POWER CO.
TO REVISE FUEL FACTOR PURSUANT TO VA CODE § 56-249.6
PUE990718 BELL ATLANTIC-VIRGINIA, INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990719 GARRY RANKIN ENTERPRISES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990720 AD KNIGHT PLUMBING INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE990721 ATLANTIC CABLE & TRENCH INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990722 BAKER INSTALLATIONS OF VA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990723 MR. MASONRY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990724 SANITARY ENGINEERING CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990725 VIRGINIA NATURAL GAS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990726 WAYJO INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990727 MORRIS ROBERT L. T/A ELLICOTT CITY UNDERGROUND INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990728 GOSSOM & COSTELLO PAVING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990729 INDIAN CREEK TREE FARM INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990730 JONES ELECTRIC CONTRACTOR INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990731 KAN-DO ENTERPRISES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990732 MYERS CABLE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990733 NORTHERN PIPELINE CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990734 QUALITY CABLE COMPANY LTD
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990735 RAM DEVELOPMENT CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A

PUE990736 RICHMOND AMERICAN HOMES OF VIRGINIA
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990737 SIMERSEN CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990738 SOUTHWEST CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990739 US CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990740 WCC CABLE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990741 ATLAS PLUMBING & MECHANICAL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990742 ADDISON, ALLAN
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990743 AUGUST LANDSCAPING
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990744 BIOTURF LAWN CARE & SPRINKLER
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990745 MIKE BUEL EXCAVATING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990746 F&L PLUMBING & HEATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990747 HALL MECHANICAL & ASSOCS. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE990748 LEO CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990749 SUMMIT USA LAND DEVELOPMENT
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990750 TEETS EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990751 YORK SERVICE COMPANY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990752 COMCAST CABLEVISION OF CHESTERFIELD COUNTY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990753 CONTRACTORS PAVING CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990754 COOPER & CLAIBORNE CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990755 EVERGREEN SPRINKLER SYSTEMS
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990756 HUBBARD TELEPHONE CONTRACTORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990757 JAKE MOORE & SONS EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990758 MASTEC INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990759 PREMIER COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 D
PUE990760 R&P LUCAS UNDERGROUND UTILITIES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990761 DON FORD CONTRACTING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990762 FL SHOWALTER INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990763 HARRY L. BROWN & ASSOCIATES LTD
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990764 JAMES RIVER GROUNDS MANAGEMENT INC.
ALLEGED VIOLATION OF VA CODE § 56-265.18
PUE990765 L&H CONTRACTING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990766 MORAN BROTHERS EXCAVATING CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990767 SB BALLARD INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990768 UNITED CITIES GAS COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990769 ROCKINGHAM CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE990770 RB HINKLE CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE990771 INFRACORPS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.

PUE990772 HYLAND SERVICES INCORPORATED
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE990773 HAMMOND-MITCHELL INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.17 A, ET AL.
PUE990774 FRED W. BORDEN INCORPORATED
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE990775 COLUMBIA GAS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE990776 CAPCO CONSTRUCTION CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990777 WASHINGTON GAS LIGHT CO.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990778 VIRGINIA ELECTRIC & POWER CO.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE990779 UTILIQUEST LLC
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE990780 NOCUTS INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE990782 ENRON FEDERAL ENERGY SOLUTIONS
FOR DECLARATORY ORDER
PUE990783 WINNEY, ROBERT A. D/B/A THE WATERWORKS COMPANY OF FRANKLIN COUNTY
FOR INCREASE IN TARIFF
PUE990784 UTILIQUEST LLC
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990786 EX PARTE: RULES
IN THE MATTER CONCERNING RULES IMPLEMENTING THE STATE CORPORATION COMMISSION'S AUTHORITY TO ENFORCE THE UTILITY DAMAGE PREVENTION ACT
PUE990787 EQUITABLE PRODUCTION COMPANY
TO CANCEL AUTHORITY TO PROVIDE GAS SERVICE TO BUSTER BROWN APPAREL
PUE990788 EX PARTE: REGULATION
IN THE MATTER OF ESTABLISHING REGULATIONS FOR NET ENERGY METERING PURSUANT TO VA CODE § 56-594
PUE990789 ACS ENVIRONMENTAL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990790 ATLANTIC CLEARING & GRADING CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990791 CURTIS CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990792 DUNNAM & DUNNAM INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990793 EAST COAST PLUMBING & HEATING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990794 FL SHOWALTER INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990795 HOWARD B. HANKINS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990796 HE DIETZ INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990797 INNERVIEW LTD
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990798 MAGNOLIA PLUMBING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990799 OTG CUSTOM CONCRETE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990800 S&N COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990801 CHARLESTON COMPANY, THE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990802 STRONG COMPANIES, THE
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990803 WJ VAKOS MANAGEMENT COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990804 WATEREDGE CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990805 WAYJO INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990806 COLUMBIA GAS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990807 HE SARGENT INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990808 PLUMMER BROS CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE990809 A&W CONTRACTING CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990810 BLUE RIDGE PLUMBING
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990811 CW WRIGHT CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990812 CRABTREE CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990813 CUTTING EDGE CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990815 NOCUTS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990816 UNDERGROUND TECHNOLOGY INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE990817 UNITED CITIES GAS COMPANY
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE990818 SUBURBAN CABLE COMPANY
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE990819 SPECIAL PLUMBING
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE990820 MASTEC INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990821 H&S CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE990822 G&H CONTRACTING INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.17 A, ET AL.
PUE990823 EV WILLIAMS INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.18 ET AL.
PUE990824 ATLANTIC CABLE & TRENCH INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE990825 WASHINGTON GAS LIGHT COMPANY
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE990826 UTILIQUEST LLC
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE990827 VIRGINIA NATURAL GAS INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE990828 VIRGINIA ELECTRIC & POWER CO.
ALLEGED VIOLATION OF VA CODE §§ 56-265.17 C, ET AL.
PUE990829 DA FOSTER COMPANY
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE990830 FERGUSON & RAMEY ELECTRICAL
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE990831 GH WOLFF JR. EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990832 JG MILLER INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990833 JOHNSON EXCAVATING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990834 JSC CONCRETE CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990835 LAKESIDE CONCRETE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990836 NEWTON ASPHALT CO. INC. OF VIRGINIA
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990837 NORTHERN PIPELINE CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990838 NOVACON CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990839 R BRATTI ENTERPRISES
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990840 RAYMOND C. HAWKINS CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990841 S&S TREE SERVICE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990842 SALAMEH BROS CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990843 SEVILLE HOMES
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990844 WT BEARDOW CO. EARTH MOVING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990845 BEACH CLEARING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE990846	CAVALIER CUSTOM HOMES & REMODELING, INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990847	DIRECTIONAL BORING LLC ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990848	HENKELS & MCCOY INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990849	HUBBARD TELEPHONE CONTRACTORS ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990850	KEYSTONE PIPELINE SERVICES INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990851	MESSER LANDSCAPE INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990852	NEALEY INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE990853	PRECON CONSTRUCTION COMPANY ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990854	R&P LUCAS UNDERGROUND UTILITIES ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990855	ROSENBAUM FENCE COMPANY ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990856	TIDEWATER UTILITY CONSTRUCTION ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990857	WW CONSTRUCTION CO. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990858	WATERFRONT MARINE CONSTRUCTION ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE99085	WILKINS & ASSOCIATES INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990860	ALLISON PLUMBING ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990861	ASAP ELECTRICAL & PLUMBING ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990862	ATLAS PLUMBING & MECHANICAL ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990863	CHARLES HELMICK WELL AND PUMP SERVICE ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990864	CLINE ASSOCIATES INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990865	CROWELL BROTHERS ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990866	DIAMOND SEAL PAVING ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990867	EDWARDS PLUMBING & BACKHOE ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990868	EQUITY WATERLINE INCORPORATED ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990869	HAMOND-MITCHELL INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990870	HENDERSON CONSTRUCTION CO. INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990871	SHERFIELD, JOHN ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990872	MCI WORLDCOM ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE990873	OWENS & DOVE INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990874	MORISSETTE, PETE ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990875	PRICE BUILDINGS INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990876	RR SNIPES CONSTRUCTION CO. INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990877	SJ HENRY COMPANY INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990878	SOUTHWEST CONSTRUCTION INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990879	UTILITY NETWORKS CONSTRUCTION ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE990880	UTILX CORPORATION ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE990882	WEST ROCKINGHAM WATER CO. FOR RATE INCREASE

PUF: DIVISION OF ECONOMICS AND FINANCE

PUF990001 GTE SOUTH INCORPORATED
FOR AUTHORITY TO INCUR SHORT-TERM INDEBTEDNESS

PUF990002 UNITED TELEPHONE-SOUTHEAST, INC.
FOR AUTHORITY TO INCUR SHORT-TERM INDEBTEDNESS FROM AFFILIATES OR BANKS AND LEND SHORT TERM FUNDS TO AFFILIATES

PUF990003 CENTRAL TELEPHONE CO. OF VIRGINIA
FOR AUTHORITY TO INCUR SHORT TERM INDEBTEDNESS FROM AFFILIATES OR BANKS AND LEND SHORT TERMS FUNDS TO AFFILIATES

PUF990004 SHENANDOAH TELEPHONE COMPANY AND SHENANDOAH TELECOMMUNICATIONS COMPANY
FOR AUTHORITY TO MAKE LOANS TO PARENT

PUF990005 VIRGINIA ELECTRIC AND POWER CO.
FOR AUTHORITY TO ISSUE MEDIUM-TERM NOTES

PUF990007 CENTRAL TELEPHONE CO. OF VIRGINIA
ALLEGED VIOLATION OF VA CODE § 56-65.1

PUF990010 KENTUCKY UTILITIES CO. D/B/A OLD DOMINION POWER CO. AND LG&E ENERGY CORP.
FOR AUTHORITY TO INCUR SHORT-TERM INDEBTEDNESS AND PARTICIPATE IN MONEY POOL

PUF990011 DELMARVA POWER AND LIGHT COMPANY
FOR AUTHORITY TO ISSUE UP TO $53.5 MILLION OF TAX-EXEMPT REFUNDING BONDS

PUF990012 PRINCE GEORGE ELECTRIC COOPERATIVE
FOR AUTHORITY TO ISSUE LONG-TERM DEBT

PUF990013 WASHINGTON GAS LIGHT COMPANY
FOR AUTHORITY TO MAKE PERIODIC INVESTMENTS IN LIMITED LIABILITY COMPANY

PUF990014 NORTHERN NECK ELECTRIC COOPERATIVE
FOR AUTHORITY TO ISSUE LONG-TERM DEBT

PUF990015 PEOPLES MUTUAL TELEPHONE CO.
FOR AUTHORITY TO GUARANTEE DEBT

PUF990016 WASHINGTON GAS LIGHT COMPANY
FOR AUTHORITY TO ISSUE SHORT-TERM DEBT AND SELL COMMERCIAL PAPER TO AFFILIATES

PUF990017 WASHINGTON GAS LIGHT COMPANY AND SHENANDOAH GAS COMPANY
FOR AUTHORITY TO MAKE AND RECEIVE CASH ADVANCES

PUF990018 VIRGINIA NATURAL GAS INC. AND CONSOLIDATED NATURAL GAS COMPANY
FOR AUTHORITY TO ISSUE SHORT-TERM DEBT, LONG-TERM DEBT, AND COMMON STOCK TO AN AFFILIATE

PUF990019 CENTRAL TELEPHONE CO. OF VIRGINIA
FOR AUTHORITY TO ISSUE LONG-TERM INDEBTEDNESS

PUF990020 UNITED TELEPHONE-SOUTHEAST, INC.
FOR AUTHORITY TO ISSUE LONG-TERM INDEBTEDNESS

PUF990021 RAPPAHANNOCK ELECTRIC COOPERATIVE
FOR AUTHORITY TO ISSUE LONG-TERM DEBT

PUF990022 RAPPAHANNOCK ELECTRIC COOPERATIVE
FOR AUTHORITY TO ISSUE LONG-TERM DEBT

PUF990023 CRAIG-BOTETOURT ELECTRIC COOPERATIVE
FOR AUTHORITY TO ISSUE LONG-TERM DEBT

PUF990024 GTE SOUTH INCORPORATED
FOR AUTHORITY TO INCUR LONG-TERM DEBT

PUF990025 GTE SOUTH INCORPORATED
FOR AUTHORITY TO INCUR SHORT-TERM INDEBTEDNESS

PUF990027 KENTUCKY UTILITIES CO. D/B/A OLD DOMINION POWER COMPANY
FOR AUTHORITY TO EXECUTE A CROSS-BORDER LEASE

PUF990029 BARC ELECTRIC COOPERATIVE
FOR AUTHORITY TO ISSUE LONG-TERM DEBT

PUF990030 A&N ELECTRIC COOPERATIVE
FOR AUTHORITY TO ISSUE LONG-TERM DEBT

PUF990031 CENTRAL VIRGINIA ELECTRIC COOPERATIVE
FOR AUTHORITY TO ISSUE LONG-TERM DEBT

PUF990032 DELMARVA POWER AND LIGHT COMPANY
FOR AUTHORITY TO BORROW UP TO $275 MILLION IN SHORT-TERM INDEBTEDNESS THROUGH A SYSTEM MONEY POOL

PUF990033 VIRGINIA ELECTRIC AND POWER CO.
FOR AUTHORITY TO ISSUE EXTENDIBLE COMMERCIAL NOTES

PUF990034 ATMOS ENERGY CORPORATION
FOR AUTHORITY TO INCUR SHORT-TERM INDEBTEDNESS

PUF990035 APPALACHIAN POWER COMPANY
FOR AUTHORITY TO ISSUE DEBT SECURITIES

PUF990036 VIRGINIA-AMERICAN WATER CO.
FOR AUTHORITY TO ISSUE LONG-TERM DEBT

PUF990037 SOUTHSIDE ELECTRIC COOPERATIVE
FOR AUTHORITY TO ISSUE LONG-TERM DEBT

PUF990038 COLUMBIA GAS OF VIRGINIA INC. AND COLUMBIA ENERGY GROUP
FOR INTERCOMPANY FINANCING FOR 2000

PUF990039 MECKLENBURG ELECTRIC COOPERATIVE
FOR APPROVAL TO CONVERT FINANCING FROM RUS TO FFB

SEC: DIVISION OF SECURITIES AND RETAIL FRANCHISING

SEC990001 DOMINION TRADING ENTERPRISES LC
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990002 YEAMAN, KENNETH E.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990003 WILLIAMSON, WARREN S.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990004 DREANO, JOSEPH J.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990005 FIRST WILSHIRE SECURITIES
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990006 FSC SECURITIES CORPORATION
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990007 RENAISSANCE VENTURES LLC
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990008 ELCA ENDOWMENT FUND POOLED TRUST
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC990009 PARK, MICHAEL J.
FOR ORDER OF COMPROMISE AND SETTLEMENT
SEC990010 TIDEWATER INVESTMENT SERVICES
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990011 PIZZINO, PETER J.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990012 CHURCH DEVELOPMENT FUND INC.
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC990013 NATIONAL COVENANT PROPERTIES
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC990014 COSOLETO, JOSEPH J.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990016 BOYCE, PATRICK JAMES
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990017 PRISTER, THOMAS SCOTT
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990018 GOLD ASSET MANAGEMENT INC.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990019 GOLD, MARC LEWIS
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990020 EX PARTE: RULES
AMENDMENTS TO SECURITIES ACT RULES
SEC990021 KNIGHT, WILLIAM FRANCIS
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990022 EX PARTE: RULES
AMENDMENTS TO RETAIL FRANCHISING ACT
SEC990023 POWERS, EDWARD MICHAEL
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990024 SCHNEIDER SECURITIES INC.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990025 AMERICAN GIFT FUND POOLED INCOME FUND
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC990026 BRANDT, STEVEN F.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990027 VIRGINIA HIGHER EDUCATION TUITION TRUST FUND
FOR OFFICIAL INTERPRETATION PURSUANT TO VA CODE § 13.1-525
SEC990028 REICHERT, DAVID ALLEN
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990029 FOGLESONG, LYTLE EARL
ALLEGED VIOLATION OF VA CODE § 13.1-521
SEC990030 SEROY, GERALD
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990031 MAJIC CONCEPTS INC.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990032 SPILL, STEVE
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990033 OBJECTIVE: INC. AND ROSS, CHARLES G.
ALLEGED VIOLATION OF VA CODE §§ 13.1-504, ET AL.
SEC990034 OPTIONS INVESTMENT CO. INC., KUDA, RICHARD J. AND FRASZ, JOHN
ALLEGED VIOLATION OF VA CODE §§ 13.1-501, ET SEQ.

SEC990035 ABBEY-ASHFORD SECURITIES INC.
ALLEGED VIOLATION OF VA CODE §§ 13.1-504(A), ET AL.
SEC990036 TYLER, III, J. A. JONES
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990037 CROCKER, KEVIN J.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990038 CANANDA LIFE INSURANCE CO.
FOR OFFICIAL INTERPRETATION PURSUANT TO VA CODE § 13.1-525
SEC990039 SUN LIFE ASSURANCE CO. OF CANADA
FOR OFFICIAL INTERPRETATION PURSUANT TO VA CODE § 13.1-525
SEC990040 BOYD, DANIEL E.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990041 SINGMAN, COREY DOUGLAS
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990042 WHITLOCK, EVELYN M.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990043 BRANKLEY, JR., ROBERT E. T/A OYAGE GROUP
ALLEGED VIOLATION OF VA CODE § 13.1-521
SEC990044 NORTHERN VIRGINIA FUNERAL CHOICES INC. V. OLD TOWN FUNERAL CHOICES L.L.C.
FOR CANCELLATION OF SERVICE MARK
SEC990045 KAUFMAN, PETER MARC
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990046 COX, THOMAS J.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990047 MOSBY, ROBERT ARNOLD
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990048 WILLIS BROADCASTING CORP.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990049 WILLIS, SR., LEVI E.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990050 VICKERS, TERRY G.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990051 KAZANA, CHRISTOPHER
ALLEGED VIOLATION OF VA CODE § 13.1-521
SEC990052 HENRY, JOHN T.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990053 METROPOLITAN COMMUNITY CHURCH OF WASHINGTON, THE
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC990054 NUCKOLS, K. BRUCE
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990055 DEHAVEN, WILLIAM A., PETITIONER V. POOL & SKI STOP, INC., DEFENDANT
FOR CANCELLATION OF CERTIFICATE OF REGISTRATION
SEC990056 AKIN, III, HENRY M.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990057 SWEAT, DAVID SCOTT
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990058 COLLINS, DONALD E.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990059 BOARD OF CHURCH EXTENSION AND HOME MISSIONS OF THE CHURCH OF GOD, INC.
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC990060 PROFITEK INC.
ALLEGED VIOLATION OF VA CODE § 13.1-503 A (4)
SEC990061 SMITH, EDWARD GEORGE
ALLEGED VIOLATION OF VA CODE § 13.1-503 A (4)
SEC990062 EURIPIDES, MICHAEL R.
ALLEGED VIOLATION OF VA CODE §§ 13.1-504, ET AL.
SEC990063 JCM MANAGEMENT CO.
FOR OFFICIAL INTERPRETATION PURSUANT TO VA CODE § 13.1-525
SEC990064 HAMILTON, THOMAS L.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990065 FOGLESONG, LYTLE EARL
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990066 FIRST FINANCIAL PLANNERS INC.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990067 FFP SECURITIES INC.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990068 FFP ADVISORY SERVICES INC.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990069 PROFITEK INC.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC990070 SMITH, EDWARD GEORGE
FOR OFFER OF COMPROMISE AND SETTLEMENT

SEC990071	CHUCKER & REIBACH FOR OFFER COMPROMISE AND SETTLEMENT
SEC990072	FIRST RESEARCH FINANCE INC. FOR OFFER OF COMPROMISE AND SETTLEMENT