Ninety-Eighth Annual Report

of the

State Corporation Commission

of

Virginia

For the Year Ending December 31, 2000

GENERAL REPORT

Letter of Transmittal

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

RICHMOND, VIRGINIA, *December 31, 2000*

To the Honorable James S. Gilmore

Governor of Virginia

Sir:

We have the honor to transmit herewith the ninety-eighth Annual Report of the State Corporation Commission for the year 2000.

Respectfully submitted,

Hullihen Williams Moore, Chairman

Clinton Miller, Commissioner

Theodore V. Morrison, Jr., Commissioner

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State Corporation Commission

COMMISSIONERS

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

Joel H. Peck

Clerk of the Commission

*Term as Chairman expired January 31, 2000.

**Elected Chairman effective for term of one year, February 1, 2000

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 15, 1989 to	
Hullihen Williams Moore	February 26, 1992 to	
Clinton Miller	February 15, 1996 to	

From 1903 through 2000 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	Moore	10	Morrison	13
Miller	6				

Preface

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

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

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

COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

Rules of Practice and Procedure

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PART I
THE STATE CORPORATION COMMISSION

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

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

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

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

PART II
ORGANIZATION

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

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

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

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

(a) Accounting and Finance.

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

(b) Bureau of Financial Institutions.

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

(c) Bureau of Insurance.

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

(d) Clerk's Office.

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

(e) Communications.

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

(f) Corporate Operations.

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

(g) Economic Research and Development.

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

(h) Energy Regulation.

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

(i) General Counsel.

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

(j) Motor Carrier.

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

(k) Public Service Taxation.

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

(l) Railroad Regulation.

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

(m) Securities and Retail Franchising.

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

(n) Uniform Commercial Code.

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

PART III
ADMINISTRATIVE FUNCTIONS

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

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

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

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

PART IV
PARTIES TO PROCEEDINGS

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

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

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

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

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

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

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

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

4:9. *Commission's Staff.* Members of the Commission's staff appear neither in support of, nor in opposition to, any party in any cause, but solely on behalf of the general public interest to see that all the facts appertaining thereto are clearly presented to the Commission. They may conduct

investigations and otherwise evaluate the issue or issues raised, may testify and offer exhibits with reference thereto, and shall be subject to cross-examination as any other witness. In all proceedings the Commission's staff is represented by the General Counsel division of the Commission.

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

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

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

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

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

PART V
PLEADINGS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5:10. *Contents.*

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

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

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

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

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

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

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

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

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

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

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

5:13. *Filing and Service by Mail.* Any formal pleading or other related document or paper shall be considered filed with the Commission upon receipt of the original and required copies by the Clerk of the Commission at the following address: State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23216. Said original and copies shall immediately be stamped by the Clerk showing date and time of receipt. Informal complaints shall conform to Rule 5:4. Any formal pleading or other document or paper required to be served on the parties to any proceeding, absent special order of the Commission to the contrary, shall be effected by delivery of a true copy thereof, or by depositing same in the United

States mail properly addressed and stamped, on or before the day of filing. Notices, findings of fact, opinions, decisions, orders or any other papers to be served by the Commission may be served by United States mail; provided however, all writs, processes, and orders of the Commission acting in conformity with Code § 12.1-27 shall be attested and served in compliance with Code § 12.1-29. At the foot of any formal pleading or other document or paper required to be served, the party making service shall append either acceptance of service or a certificate of counsel of record that copies were mailed or delivered as required. Counsel herein shall be as defined in Rule 1:5, Rules of the Supreme Court of Virginia.

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

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

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

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

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

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

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

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

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

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

(ii) Motion for More Definite Statement: Whenever an application, protest, or rule to show cause is so vague, ambiguous, or indefinite as to make it unreasonably difficult to determine a fair and adequate response thereto, the Commission, at its discretion, on proper request, or of its own motion, may require the filling of a more definite statement or an amended application, protest, or rule and make such provision for the filing of responsive pleadings and postponement of hearing as it may consider necessary and proper. Any such motion and the response thereto must be filed within the time prescribed by the Commission.

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

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

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

PART VI
PREHEARING PROCEDURES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) The simplification or limitation of issues;

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

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

(d) The limitation of witnesses;

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

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

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

PART VII
PROCEEDINGS BEFORE A HEARING EXAMINER

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

PART VIII
FORMAL HEARING

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

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

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

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

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

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

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

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

(vi) The presentation of evidence.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

LEADING MATTERS DISPOSED OF BY FORMAL ORDERS

BUREAU OF FINANCIAL INSTITUTIONS

CASE NO. BAN19990977
JANUARY 18, 2000

APPLICATION OF
4ADREAM, L.L.C.

Pursuant to § 6.1-416,1 of the Code of Virginia

ORDER OF APPROVAL

4ADream, L.L.C., a Texas limited liability company, filed an application under § 6.1-416.1 of the Code of Virginia to acquire 100 percent of the voting shares of Washington Home Mortgage Services, Inc. d/b/a Home Mortgage USA. 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. BAN19991158
MARCH 31, 2000

APPLICATION OF
MICHAEL J. RAPPAPORT

To acquire Residential Lending Corporation

ORDER OF APPROVAL

Michael J. Rappaport of College Park, Maryland filed an application under § 6.1-416.1 of the Code of Virginia to acquire fifty (50) percent of the voting stock of Residential Lending Corporation. 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. BAN19991175
JANUARY 4, 2000

APPLICATION OF
MICHAEL W . KEATING

Pursuant to § 6.1-416.1 of the Code of Virginia

ORDER OF APPROVAL

Michael W. Keating of Centreville, Virginia filed an application under § 6.1-416.1 of the Code of Virginia to acquire 50 percent of the voting shares of Metropolitan Mortgage Bankers, Inc. 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 this matter be placed among the ended cases.

CASE NO. BAN19991217
JANUARY 4, 2000

APPLICATION OF
FIDELITY FIRST FINANCIAL CORP.

To acquire Fidelity First Mortgage, LLC

ORDER OF APPROVAL

Fidelity First Financial Corp., a Delaware corporation, filed an application under § 6.1-416.1 of the Code of Virginia to acquire 99 percent of the voting shares of Fidelity First Mortgage, 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 this matter be placed among the ended cases.

CASE NO. BAN19991241
FEBRUARY 2, 2000

APPLICATION OF
VALLEY BANK (in organization)

For a certificate of authority to do business as a state bank upon the conversion of Valley Bank, National Association

ORDER GRANTING A
CERTIFICATE OF AUTHORITY

Valley Bank has applied for a certificate of authority to do business as a Virginia state-chartered bank with its main office at 36 Church Avenue, SW, City of Roanoke, Virginia. Sections 6.1-33 and 6.1-38 of the Code of Virginia provide for the issuance of a certificate, effective upon the conversion of a national banking association into a state bank. The application was investigated by the Bureau of Financial Institutions.

The Bureau reports that Valley Bank has been incorporated as a Virginia corporation, empowered by its certificate of incorporation to do a banking business. The corporation was formed to be the successor to Valley Bank, National Association, which has its main office at 36 Church Avenue, SW, Roanoke. That bank has assets of approximately $136.5 million and operates three branches at: (1) 4467 Starkey Road, SW, Roanoke County, Virginia; (2) 2203 Crystal Spring Avenue, SW, City of Roanoke, Virginia; and (3) 8 East Main Street, City of Salem, Virginia. The Bureau reports also that the applicable requirements of §§ 6.1-13, 6.1-33 and 6.1-38 of the Code have been met and recommends approval of the application.

Having considered the application and the report of the Bureau, the Commission finds that the prerequisites to conversion to a state-chartered bank have been met in this case, and that the certificate of authority should be granted.

Therefore a certificate of authority to do a banking business as a state bank, with its main office at 36 Church Avenue, SW, City of Roanoke, Virginia and branches at: (1) 4467 Starkey Road, SW, Roanoke County, Virginia; (2) 2203 Crystal Spring Avenue, SW, City of Roanoke, Virginia; and (3) 8 East Main Street, City of Salem, Virginia, is issued to Valley Bank, contingent upon the following conditions: (a) the applicant shall obtain insurance of its deposit accounts by the Federal Deposit Insurance Corporation, (b) the capital stock of the applicant shall be $4,300,000, its surplus shall be $4,300,000 and its retained earnings shall be at least $799,000, and (c) the applicant shall notify the Bureau of the date on which it will commence business as a state bank. In the event the applicant does not fulfill the foregoing conditions, the authority granted herein will expire six (6) months from this date, unless the six-month period is extended.

CASE NO. BAN19991253
JANUARY 27, 2000

APPLICATION OF
VIRGINIA COMMONWEALTH FINANCIAL CORPORATION

To acquire all the voting shares of Caroline Savings Bank

ORDER APPROVING THE ACQUISITION

Virginia Commonwealth Financial Corporation has applied for approval of its proposed acquisition of 100 percent of the voting shares of Caroline Savings Bank. The application was investigated by the Bureau of Financial Institutions, which reviewed the filing under § 6.1-194.87 of the Code of Virginia.

Having considered the application and the report of investigation, the Commission finds that: (1) the proposed acquisition will not be detrimental to the safety and soundness of the applicant or of the savings institution sought to be acquired; (2) the applicant is qualified by character, experience and financial responsibility to control and operate a state savings institution; (3) the proposed acquisition will not be prejudicial to the interests of depositors, creditors, beneficiaries of fiduciary accounts or shareholders of the savings institution sought to be acquired; and (4) the proposed acquisition is in the public interest.

Therefore, the Commission approves the application of Virginia Commonwealth Financial Corporation to acquire all the voting shares of Caroline Savings Bank, provided that the acquisition becomes effective within twelve (12) months and that the Bureau of Financial Institutions is notified of the acquisition in writing within ten (10) days of its occurrence. This matter shall be placed among the ended cases.

CASE NO. BAN19991258
FEBRUARY 2, 2000

APPLICATION OF
MADELEINE L.L.C.

To acquire 93.08 percent of Aegis Mortgage Corporation d/b/a UC Lending

ORDER APPROVING AN ACQUISITION

Madeleine L.L.C., a New York limited liability company, filed an application under § 6.1-416.1 of the Code of Virginia to acquire 93.08 percent of the voting stock of Aegis Mortgage Corporation d/b/a UC Lending. 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 this matter be placed among the ended cases.

CASE NO. BAN19991299
FEBRUARY 15, 2000

APPLICATION OF
DIEGO LEGUIZAMON

To acquire Embassy Mortgage, Inc.

ORDER OF APPROVAL

Diego Leguizamon of Annandale, Virginia, filed an application under § 6.1-416.1 of the Code of Virginia to increase his ownership of the voting stock of Embassy Mortgage, Inc. to one hundred percent (100%). 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. BAN20000045
JUNE 14, 2000

APPLICATION OF
SPECIALTY FINANCE PARTNERS

To acquire 29.6 percent of the voting shares of LendingTree, Inc.

ORDER OF APPROVAL

Specialty Finance Partners, a Bermuda general partnership, filed an application under § 6.1-416.1 of the Code of Virginia to acquire 29.6 percent of the voting shares of LendingTree, Inc., a licensee under Chapter 16 of Title 6.1 of the Code of Virginia. 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. BAN20000050
MAY 26, 2000

APPLICATION OF
COLIN C. CONNELLY

To acquire 50 percent of the voting shares of Millennium Mortgage Corporation

ORDER OF APPROVAL

Colin C. Connelly of Chester, Virginia, filed an application under § 6.1-416.1 of the Code of Virginia to acquire 50 percent of the voting shares of Millennium Mortgage Corporation. 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 NOS. BAN20000057 and BAN20000204
MARCH 29, 2000

APPLICATIONS OF
HANOVER BANK

For a certificate of authority to begin business as a bank at 8071 Mechanicsville Turnpike, Mechanicsville, Hanover County, Virginia and for authority to operate a branch at 4241 Mechanicsville Turnpike, Mechanicsville, Hanover County, Virginia

ORDER GRANTING AUTHORITY

Hanover Bank, a Virginia corporation, has applied for a certificate of authority, under Chapter 2 of Title 6.1 of the Code of Virginia, to begin business as a bank at 8071 Mechanicsville Turnpike, Mechanicsville, Hanover County, Virginia. The applicant also has applied for authority to operate a branch at 4241 Mechanicsville Turnpike, Mechanicsville, Hanover County, Virginia. The applications were investigated by the Bureau of Financial Institutions ("Bureau").

Having considered the applications and the investigation report of the Bureau, the Commission finds that the public interest will be served by additional banking facilities in Hanover County where the applicant proposes to have such offices. The Commission also finds that:

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

(2) 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) The oaths of all directors have been taken and filed in accordance with § 6.1-48 of the Code;

(4) The applicant was formed in order to conduct a legitimate banking business;

(5) 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; and

(6) The deposits of the bank are to be insured by the Federal Deposit Insurance Corporation.

ACCORDINGLY, IT IS ORDERED that Hanover Bank is granted a certificate of authority to do a banking business at the specified locations, provided the following conditions are met before the bank opens for business:

1. Capital funds totaling $5,000,000 are paid in to the bank and allocated as follows: $2,300,000 to capital stock and $2,700,000 to surplus;

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

3. The bank receives the approval of the Commissioner of Financial Institutions of its appointment of a chief executive officer and notifies the Commissioner of the date it will open for business.

If the bank should not open for business within one (1) year from this date, the authority granted herein shall expire unless the authority is extended by the Commission.

CASE NOS. BAN20000070 and BAN20000075
FEBRUARY 10, 2000

APPLICATIONS 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 notices required by § 6.1-406 of the Code of Virginia of its proposed acquisitions of Hardwick Holding Company of Dalton, Georgia and First Banking Company of Southeast Georgia of Statesboro, Georgia and their bank subsidiaries. The Bureau of Financial Institutions investigated the proposed transactions.

Having considered the notices and the report of the Bureau of Financial Institutions, the Commission finds that the proposed acquisitions will not have a detrimental effect on the safety or soundness of any Virginia bank. Therefore, the Commission hereby approves the acquisitions of Hardwick Holding Company and First Banking Company of Southeast Georgia by BB&T Corporation, provided 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. These matters shall be placed among the ended cases.

CASE NO. BAN20000132
AUGUST 31, 2000

APPLICATION BY
MIRADOR DIVERSIFIED SERVICES, INC.

To acquire all of the voting shares of United Mortgagee, Inc.

DENIAL

On March 8, 2000, Mirador Diversified Services, Inc. ("Mirador") of Virginia Beach, Virginia, filed an application with the Bureau of Financial Institutions ("Bureau") to acquire all the voting shares of United Mortgagee, Inc. ("UMI"), a licensee under the Mortgage Lender and Broker Act. The applicant disclosed that it completed the subject acquisition on December 28, 1999, without obtaining prior Commission approval. The application was investigated by the Bureau. During the investigation, it was further discovered that: (1) UMI, under the management of John Jones, president of Mirador and UMI, relocated its authorized office without Commission approval and failed to file a relocation application, in spite of several subsequent requests from the Bureau; (2) John Jones falsely stated he and Linda Raynell were the only senior officers and directors of Mirador; (3) there are several senior officers and directors of Mirador with respect to whom additional requested information has not been provided; (4) John Jones and Linda Raynell each submitted an inaccurate Personal Financial Report and Biographical Information form; (5) Mr. Jones and Ms. Raynell, the only reported officers, directors and principals of Mirador, both have poor personal credit with a number of unpaid collections, liens, judgments and charged off accounts between them; (6) external auditors of Mirador recently issued an opinion, upon auditing the company's financial statements, raising doubt about the company's ability to continue as a going concern without additional equity or debt financing; (7) the Commissioner of the Bureau has approved proceedings to revoke the license of UMI for non-payment of the Fiscal 2000 annual fee due May 25, 2000; and (8) UMI submitted two checks totaling $4,000 in February 2000 to Commonwealth Information Services, Inc. ("CIS"), under the signature of John Jones, for payment of a bill and the checks were returned for insufficient funds. CIS has not received payment to date. Based on the report of investigation, it appears that the applicant and its principals lack such financial responsibility, character and general fitness as to warrant belief that the applicant, if granted approval to acquire all the voting stock of United Mortgagee, Inc., would operate the business efficiently and fairly, in the public interest, and in accordance with law. Therefore, the authority applied for is DENIED, effective this date.

CASE NO. BAN20000186
OCTOBER 12, 2000

APPLICATION OF
GERALD S. LILIENFIELD

To acquire 100 percent of the voting shares of First Government Mortgage and Investors Corporation

ORDER OF APPROVAL

Gerald S. Lilienfield of Potomac, Maryland, filed an application under § 6.1-416.1 of the Code of Virginia to acquire 100 percent of the voting shares of First Government Mortgage and Investors Corporation, a licensee under Chapter 16 of Title 6.1 of the Code of Virginia. 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. BAN20000189
APRIL 12, 2000

APPLICATION OF
CARDINAL FINANCIAL CORPORATION

To acquire Cardinal Bank – Alexandria/Arlington, National Association

ORDER OF APPROVAL

Cardinal Financial Corporation of Fairfax, Virginia filed the application required by § 6.1-383.1 of the Code of Virginia to acquire all the voting shares of Cardinal Bank – Alexandria/Arlington, National Association of Alexandria, 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 Cardinal Bank – Alexandria/Arlington, National Association by Cardinal Financial 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. BAN20000263
MAY 2, 2000

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

To acquire the Virginia bank subsidiaries of One Valley Bancorp, Inc.

ORDER OF APPROVAL

BB&T Corporation of Winston-Salem, North Carolina, filed the application required by Chapter 15 of Title 6.1 of the Code of Virginia to acquire the Virginia bank subsidiaries of One Valley Bancorp, Inc. of Charleston, West Virginia. (See Exhibit A for a listing of One Valley's banking subsidiaries.) The Bureau of Financial Institutions investigated the proposed transaction and published notice of the application. No objection was received.

Having considered the application and the report of the Bureau, the Commission finds that the requirements of § 6.1-383.2 A of the Code are met.

Therefore, the Commission hereby approves the acquisition of the Virginia bank subsidiaries of One Valley Bancorp, 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 of the transaction.

NOTE: A copy of Exhibit A entitled "Subsidiary Banks of One Valley Bancorp, Inc." 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. BAN20000319
MARCH 31, 2000

APPLICATION OF
WILLIAM EDWARDS

To acquire eighty (80) percent of AmeriGroup Mortgage Corporation (Used in VA. by: Mortgage Investors Corporation)

ORDER OF APPROVAL

William Edwards of St. Petersburg, Florida, filed an application under § 6.1-416.1 of the Code of Virginia to acquire eighty (80) percent of the voting shares of AmeriGroup Mortgage Corporation (Used in VA. by: Mortgage Investors Corporation). 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. BAN20000325
MAY 23, 2000

APPLICATION OF
MARTIN C. SCHWARTZBERG

To acquire 78.35 percent of the ownership of PrimeSource Financial, LLC

ORDER OF APPROVAL

Martin C. Schwartzberg of Rockville, Maryland, filed an application under § 6.1-416.1 of the Code of Virginia to acquire 78.35 percent of the ownership of PrimeSource Financial, 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. BAN20000334
APRIL 25, 2000

APPLICATION OF
LEN ACQUISITION CORPORATION

To acquire U.S. Home Mortgage Corporation

ORDER OF APPROVAL

Len Acquisition Corporation, a Delaware corporation, filed an application under § 6.1-416.1 of the Code of Virginia to acquire 100 percent of the voting shares of U.S. Home Mortgage Corporation. 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. BAN20000377
MAY 26, 2000

APPLICATION OF
PATRICIA F. HUGHES

To acquire 50 percent of the voting shares of Millennium Mortgage Corporation

ORDER OF APPROVAL

Patricia F. Hughes of Midlothian, Virginia, filed an application under § 6.1-416.1 of the Code of Virginia to acquire 50 percent of the voting shares of Millennium Mortgage Corporation. 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. BAN20000401
MAY 5, 2000

APPLICATION OF
MERCANTILE BANKSHARES CORPORATION

Pursuant to § 6.1-406 of the Code of Virginia

ORDER OF APPROVAL

Mercantile Bankshares Corporation of Baltimore, Maryland, filed the notice required by § 6.1-406 of the Code of Virginia of its proposed acquisition of The Union National Bank of Westminster of Westminster, Maryland. 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 The Union National Bank of Westminster by Mercantile Bankshares 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. BAN20000416
MAY 10, 2000

APPLICATION OF
BOE FINANCIAL SERVICES OF VIRGINIA, INC.

To acquire Bank of Essex

ORDER OF APPROVAL

BOE Financial Services of Virginia, Inc. of Tappahannock, Virginia, filed the application required by § 6.1-383.1 of the Code of Virginia to acquire all the voting shares of Bank of Essex of Tappahannock, 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 § 6.1-383.2 A of the Code are met.

THEREFORE, the Commission approves the acquisition of all the voting shares of Bank of Essex by BOE Financial Services of Virginia, 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. BAN20000427
JUNE 30, 2000

APPLICATION OF
ANGELA STANLEY

To acquire 50 percent of the ownership of Community Mortgage, LLC

ORDER OF APPROVAL

Angela Stanley of Orange, Virginia, filed an application under § 6.1-416.1 of the Code of Virginia to acquire 50 percent of the ownership of Community Mortgage, LLC, a licensee under Chapter 16 of Title 6.1 of the Code of Virginia. 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. BAN20000500
JUNE 30, 2000

APPLICATION OF
PETER K. DOYLE

To acquire a 33.33 percent ownership interest in Blue Ridge Mortgage, L.L.C.

ORDER OF APPROVAL

Peter K. Doyle of Lynchburg, Virginia, filed an application under § 6.1-416.1 of the Code of Virginia to acquire a 33.33 percent ownership interest in Blue Ridge Mortgage, L.L.C., a licensee under Chapter 16 of Title 6.1 of the Code of Virginia. 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. BAN20000549
JULY 12, 2000

APPLICATION OF
JAMES RIVER BANK/COLONIAL
Smithfield, Virginia

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

ORDER GRANTING AUTHORITY

James River Bank/Colonial, a state-chartered bank with its main office at 1803 South Church Street, Smithfield, Isle of Wight 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 Bank of Suffolk of Suffolk, Virginia, under the charter and title of James River Bank/Colonial. 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 $2.050,126 and its surplus will be not less than $14,410,000; (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 Bank of Suffolk with James River Bank/Colonial, 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 Bank of Suffolk into James River Bank/Colonial, the resulting bank, which will have its main office at 1514 Holland Road, City of Suffolk, Virginia, is authorized to maintain and operate 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 "Bank of Suffolk Offices and James River Bank/Colonial Offices" 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. BAN20000606
JULY 17, 2000

APPLICATION OF
LYNETTA W. WAPNER

To acquire 45 percent of the voting shares of Millican Mortgage Corporation

ORDER OF APPROVAL

Lynetta W. Wapner of Williamsburg, Virginia, filed an application under § 6.1-416.1 of the Code of Virginia to acquire 45 percent of the voting shares of Millican Mortgage Corporation, a licensee under Chapter 16 of Title 6.1 of the Code of Virginia. 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. BAN20000610
JULY 7, 2000

APPLICATION OF
SALEM COMMUNITY BANKSHARES

To acquire Salem Bank & Trust, N.A.

ORDER OF APPROVAL

Salem Community Bankshares of Salem, Virginia, filed the application required by § 6.1-383.1 of the Code of Virginia to acquire all the voting shares of Salem Bank & Trust, N.A. of Salem, 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 § 6.1-383.2 A of the Code are met.

THEREFORE, the Commission approves the acquisition of all the voting shares of Salem Bank & Trust, N.A. by Salem Community Bankshares, 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. BAN20000653
DECEMBER 19, 2000

APPLICATION OF
FIRST NATIONAL HOME FINANCE CORPORATION

To acquire all the voting shares of Lendex, Inc.

ORDER OF APPROVAL

First National Home Finance Corporation, a California corporation, filed an application under § 6.1-416.1 of the Code of Virginia to acquire all the voting shares of Lendex, Inc., a licensee under Chapter 16 of Title 6.1 of the Code of Virginia. 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. BAN20000676
AUGUST 21, 2000

APPLICATION OF
JORDAN POHN

To acquire 37 percent of the voting shares of First Residential Mortgage Network, Inc.

ORDER OF APPROVAL

Jordan Pohn of Louisville, Kentucky, filed an application under § 6.1-416.1 of the Code of Virginia to acquire 37 percent of the voting shares of First Residential Mortgage Network, Inc., a licensee under Chapter 16 of Title 6.1 of the Code of Virginia. 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. BAN20000702
SEPTEMBER 25, 2000

APPLICATION OF
ROBERT H. BENNETT

To acquire 61.67 percent of the voting shares of Mortgage Loan Services, Inc.

ORDER OF APPROVAL

Robert H. Bennett of Virginia Beach, Virginia, filed an application under § 6.1-416.1 of the Code of Virginia to acquire 61.67 percent of the voting shares of Mortgage Loan Services, Inc., a licensee under Chapter 16 of Title 6.1 of the Code of Virginia. 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. BAN20000704
AUGUST 21, 2000

APPLICATION OF
SOUTHERN FINANCIAL BANCORP, INC.

To acquire all the voting shares of First Savings Bank of Virginia

ORDER APPROVING THE ACQUISITION

Southern Financial Bancorp, Inc. has applied for approval of its proposed acquisition of 100 percent of the voting shares of First Savings Bank of Virginia. The application was investigated by the Bureau of Financial Institutions, which reviewed the filing under § 6.1-194.87 of the Code of Virginia.

Having considered the application and the report of investigation, the Commission finds that: (1) the proposed acquisition will not be detrimental to the safety and soundness of the applicant or of the savings institution sought to be acquired; (2) the applicant is qualified by character, experience, and financial responsibility to control and operate a state savings institution; (3) the proposed acquisition will not be prejudicial to the interests of depositors, creditors, beneficiaries of fiduciary accounts, or shareholders of the savings institution sought to be acquired; and (4) the proposed acquisition is in the public interest.

Therefore, the Commission approves the application of Southern Financial Bancorp, Inc. to acquire all the voting shares of First Savings Bank of Virginia, provided that the acquisition becomes effective within twelve (12) months of the date of this Order and that the Bureau of Financial Institutions is notified of the acquisition in writing within ten (10) days of its occurrence. This matter shall be placed among the ended cases.

CASE NO. BAN20000705
AUGUST 21, 2000

APPLICATION OF
SOUTHERN FINANCIAL BANK

For approval of a merger and authority to operate banking offices

ORDER OF APPROVAL

Southern Financial Bank, a state-chartered bank with its main office at 37 East Main Street, Warrenton, Fauquier County, Virginia, has applied, in accordance with § 6.1-194.40 of the Code of Virginia, for approval of its merger with First Savings Bank of Virginia, a state savings and loan association. Southern Financial Bank proposes to be the resulting bank in the transaction, and it seeks authority to operate all the offices of the merging institutions. The Bureau of Financial Institutions has investigated the proposed transaction.

Having considered the application and the report of the Bureau, the Commission finds that the entity resulting from the merger, Southern Financial Bank, will do business as a bank and that it meets the standards established by § 6.1-13 of the Code.

Accordingly, approval is granted for the merger of First Savings Bank of Virginia into Southern Financial Bank, effective upon the issuance by the Clerk of the Commission of a certificate of merger. Authority is hereby given for the resulting bank to operate a main office at 37 East Main Street, Warrenton, Fauquier County, Virginia, and to operate branches at all the previously authorized office locations of the merging institutions. (A list of the currently authorized offices is attached.)

The approval of the merger granted herein shall expire, if not effected, one (1) year from this date, unless extended by order. Within one (1) year of the merger, the resulting bank shall conform its assets and operations to the provisions of law regulating the operation of state banks.

NOTE: A copy of Attachment A entitled "Offices of First Savings 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. BAN20000708
AUGUST 14, 2000

APPLICATION OF
CARDINAL FINANCIAL CORPORATION

To acquire Heritage Bancorp, Inc.

ORDER OF APPROVAL

Cardinal Financial Corporation of Fairfax, Virginia, filed the application required by § 6.1-383.1 of the Code of Virginia to acquire all the voting shares of Heritage Bancorp, Inc. of McLean, 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 Heritage Bancorp, Inc. by Cardinal Financial 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 NOS. BAN20000809 and BAN20000810
SEPTEMBER 19, 2000

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

For a certificate of authority to do a banking and trust business following a merger with One Valley Bank – Shenandoah and One Valley Bank – Central Virginia, National Association, 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 823 East Main Street, City of Richmond, Virginia, has applied, pursuant to § 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) One Valley Bank – Shenandoah of Raphine, Virginia, and (2) One Valley Bank – Central Virginia, National Association of Lynchburg, 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 investigated by the Bureau of Financial Institutions.

Having considered the applications and the report of the Bureau, the Commission finds that: (1) all the provisions of law have been complied with; (2) the capital stock of the resulting bank will be $6,886,000, and its surplus will be not less than $612,440,000; (3) the public interest will be served by the banking facilities of the resulting bank in the communities where it is proposed to be; (4) the oaths of all directors have been taken and filed in accordance with the provisions of § 6.1-48 of the Code of Virginia; (5) the bank will conduct a legitimate banking business; (6) 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) the deposits of the resulting bank will be insured by the Federal Deposit Insurance Corporation.

Accordingly, a certificate of authority to do a banking and trust business is granted to Branch Banking and Trust Company of Virginia, effective upon the issuance by the Clerk of a certificate of merger merging One Valley Bank – Shenandoah and One Valley Bank – Central Virginia, National Association, into Branch Banking and Trust Company of Virginia. The resulting bank is authorized to locate its main office at 823 East Main Street, City of Richmond, Virginia, and to operate 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 order.

This matter shall be placed among the ended cases.

NOTE: A copy of Attachment A entitled "Offices of the 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. BAN20000850
AUGUST 24, 2000

APPLICATION OF
MERCANTILE BANKSHARES CORPORATION

Pursuant to § 6.1-406 of the Code of Virginia

ORDER OF APPROVAL

Mercantile Bankshares Corporation of Baltimore, Maryland, filed the notice required by § 6.1-406 of the Code of Virginia of its proposed acquisition of The Bank of Fruitland of Fruitland, Maryland. 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 The Bank of Fruitland by Mercantile Bankshares 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. BAN20000913
NOVEMBER 17, 2000

APPLICATION OF
STEWART D. SACHS

To acquire fifty percent of the voting shares of Fidelity First Lending, Inc. d/b/a Valley Pine Mortgage

ORDER OF APPROVAL

Stewart D. Sachs of Tilghman, Maryland, filed an application under § 6.1-416.1 of the Code of Virginia to acquire fifty percent of the voting shares of Fidelity First Lending, Inc. d/b/a Valley Pine Mortgage, a licensee under Chapter 16 of Title 6.1 of the Code of Virginia. 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. BAN20000928
NOVEMBER 17, 2000

APPLICATION OF
BENJAMIN M. LYONS

To acquire fifty percent of the voting shares of Fidelity First Lending, Inc. d/b/a Valley Pine Mortgage

ORDER OF APPROVAL

Benjamin M. Lyons of Finksburg, Maryland, filed an application under § 6.1-416.1 of the Code of Virginia to acquire fifty percent of the voting shares of Fidelity First Lending, Inc. d/b/a Valley Pine Mortgage, a licensee under Chapter 16 of Title 6.1 of the Code of Virginia. 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. BAN20000951
OCTOBER 18, 2000

APPLICATION OF
PENINSULA TRUST BANK, INCORPORATED, Gloucester, Virginia

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

ORDER GRANTING AUTHORITY

Peninsula Trust Bank, Incorporated, a state-chartered bank with its main office at 7171 George Washington Memorial Highway, Gloucester, Gloucester 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 a merger with United Community Bank of Newport News, Virginia, under the charter of Peninsula Trust Bank, Incorporated and the title "F & M Bank - Atlantic". Authority is sought for the bank resulting from the merger to operate all the currently authorized offices of the merging banks. The application was investigated the Bureau of Financial Institutions.

Having considered the application and the report of the Bureau, the Commission finds that: (1) all the provisions of law have been complied with; (2) the capital stock of the resulting bank will be $5,578,000, and its surplus will be not less than $34,022,000; (3) the public interest will be served by the banking facilities of the resulting bank in the communities where it is proposed to be; (4) the oaths of all directors have been taken and filed in accordance with § 6.1-48 of the Code of Virginia; (5) the bank will conduct a legitimate banking business; (6) 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) the deposits of the resulting bank will be insured by the Federal Deposit Insurance Corporation.

Accordingly, a certificate of authority to do a banking business is granted to the bank resulting from the merger of United Community Bank with Peninsula Trust Bank, Incorporated, effective upon the issuance by the Clerk of a certificate of merger. Upon the merger, the resulting bank, entitled "F & M Bank - Atlantic", is authorized to operate a main office at 7171 George Washington Memorial Highway, Gloucester, Gloucester County, Virginia,

and to operate 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 order.

This matter 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. BAN20000963 and BAN20000964
OCTOBER 31, 2000

APPLICATIONS OF
MARATHON MERGER BANK

For a certificate of authority

and

ROCKINGHAM HERITAGE BANK

For authority to do a banking business following its merger with Marathon Merger Bank

ORDER GRANTING A CERTIFICATE AND AUTHORIZING THE MERGED BANK TO DO BUSINESS

Marathon Merger Bank, an interim bank, has applied, pursuant to § 6.1-13 of the Code of Virginia, for a certificate of authority to do a banking business at 110 University Boulevard, City of Harrisonburg, Virginia. Rockingham Heritage Bank of Harrisonburg, Virginia, also has applied, pursuant to § 6.1-44 of the Code, for a certificate of authority to do a banking business at its existing locations as the resulting bank after a merger with Marathon Merger Bank. The Bureau of Financial Institutions ("Bureau") has investigated the applications.

These applications facilitate an acquisition of Rockingham Heritage Bank by Marathon Financial Corporation of Winchester, Virginia, and enable the operation of Rockingham Heritage Bank as a subsidiary of the holding company following the merger.

Having considered the applications and the report of the Bureau, the Commission finds that: (1) all provisions of law have been complied with; (2) the stock of the interim bank has been subscribed, and the capital of the resulting bank will be sufficient for successful operation (i.e., capital stock of $7,950,000, and surplus of not less than $4,404,000); (3) the oaths of all directors have been taken and filed in accordance with § 6.1-48; (4) the applicant for an interim certificate was formed for no other reason than a legitimate banking business; (5) the moral fitness, financial responsibility, and business qualifications of those named as officers and directors of the resulting bank are such as to command the confidence of the community in which it proposes to be located; and (6) the deposits of the resulting bank will be insured by the Federal Deposit Insurance Corporation. The Commission finds that the public interest will be served by the banking facilities of the resulting bank.

Therefore, a certificate of authority to do a banking business is granted to Marathon Merger Bank, AND IT IS ORDERED, effective upon the issuance by the Clerk of the Commission of a certificate merging Marathon Merger Bank into Rockingham Heritage Bank, that Rockingham Heritage Bank is authorized to do a banking business at 110 University Boulevard, City of Harrisonburg, Virginia, and to operate branches at all the previously authorized office locations of the merging banks, as shown in Attachment A.

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

CASE NO. BAN20000965
OCTOBER 31, 2000

APPLICATION OF
MARATHON FINANCIAL CORPORATION

To acquire Rockingham Heritage Bank

ORDER OF APPROVAL

Marathon Financial Corporation of Winchester, Virginia, has filed the application required by § 6.1-383.1 of the Code of Virginia to acquire all the voting shares of Rockingham Heritage Bank of Harrisonburg, Virginia, which is to be the resulting bank following a merger of Marathon Merger Bank and Rockingham Heritage Bank. 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 Rockingham Heritage Bank by Marathon Financial 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. BAN20000966
OCTOBER 20, 2000

APPLICATION OF
JEFFREY LOBEL

To acquire 33 1/3 percent of the voting shares of Elite Funding Corporation

ORDER OF APPROVAL

Jeffrey Lobel of Rockville, Maryland, filed an application under § 6.1-416.1 of the Code of Virginia to acquire 33 1/3 percent of the voting shares of Elite Funding Corporation, a licensee under Chapter 16 of Title 6.1 of the Code of Virginia. 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. BAN20001030
OCTOBER 12, 2000

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 FCNB Corp and its subsidiary, FCNB Bank of Frederick, Maryland. The Bureau of Financial Institutions ("Bureau") investigated the proposed transaction.

Having considered the notice and the report of the Bureau, 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 FCNB Corp 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. BAN20001035 and BAN20001036
NOVEMBER 9, 2000

APPLICATIONS OF
COMMERCE BANK
Petersburg, Virginia

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

ORDER GRANTING AUTHORITY

Commerce Bank, a state-chartered bank with its main office at 200 N. Sycamore Street, City of Petersburg, 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 County Bank of Chesterfield of Midlothian, Virginia, and Commerce Bank of Virginia of Richmond, Virginia. Commerce Bank 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 investigated by the Bureau of Financial Institutions ("Bureau").

Having considered the applications and the report of the Bureau, the Commission finds that: (1) all applicable provisions of law have been complied with; (2) the capital stock and the surplus, $461,000 and at least $32,475,000, are sufficient to warrant successful operation; (3) the public interest will be served by the banking facilities of the resulting bank in the communities where it is proposed to be; (4) the oaths of the directors have been taken and filed in accordance with the provisions of § 6.1-48 of the Code of Virginia; (5) the bank will conduct a legitimate banking business; (6) 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) the deposits of the resulting bank will be insured by the Federal Deposit Insurance Corporation.

Accordingly, a certificate of authority to do a banking business is granted to Commerce Bank, effective upon the issuance by the Clerk of a certificate of merger merging County Bank of Chesterfield and Commerce Bank of Virginia into Commerce Bank. The resulting bank is authorized to have its main office at 200 N. Sycamore Street, City of Petersburg, Virginia, and to operate branches at all the other previously authorized locations of the merging banks. These offices are listed in Attachment A. The authority granted herein shall expire one (1) year from this date unless extended by order.

This matter shall be placed among the ended cases.

NOTE: A copy of Attachment A entitled "Office of the 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. BAN20001037
NOVEMBER 22, 2000

APPLICATION OF
FNB CORPORATION

To acquire CNB Holdings, Inc.

ORDER OF APPROVAL

FNB Corporation of Christiansburg, Virginia, has filed the application required by § 6.1-383.1 of the Code of Virginia to acquire all the voting shares of CNB Holdings, Inc. of Pulaski, 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 CNB Holdings, Inc. by FNB 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. BAN20001053
NOVEMBER 2, 2000

APPLICATION OF
FREDERICKSBURG STATE BANK
(A Virginia corporation)

For a certificate of authority as a state bank upon its conversion from a federal savings bank

ORDER GRANTING A CERTIFICATE OF AUTHORITY UPON THE CONVERSION

Fredericksburg State Bank, a Virginia corporation, has applied, pursuant to § 6.1-194.35 of the Code of Virginia for a certificate of authority to begin business as a state-chartered commercial bank. The applicant seeks authority to operate as the successor institution to Fredericksburg Savings Bank upon the conversion of that federal institution to a state charter. Fredericksburg Savings Bank currently operates a main office at 400 George Street, City of Fredericksburg, Virginia, and three branch offices (listed below). It has total assets of some $536,919,000. The Bureau of Financial Institutions ("Bureau") investigated the proposed conversion.

Having considered the application and the report of the Bureau, the Commission finds that the applicant meets the requirements of § 6.1-13 of the Code, namely that: (1) all applicable provisions of law have been complied with; (2) capital sufficient to warrant successful operation will be provided; (3) the oaths of directors have been duly taken; (4) the public interest will be served by the proposed additional banking facilities; (5) the applicant was formed to conduct a legitimate banking business; (6) the moral fitness, financial responsibility, and business qualifications of the applicant's officers and directors are such as to command the confidence of the community; and (7) the deposits of the bank will be insured by the Federal Deposit Insurance Corporation.

Accordingly, IT IS ORDERED THAT a certificate of authority to do a banking business as a state bank be issued, and such a certificate hereby is issued, to Fredericksburg State Bank, subject to the following conditions: (1) that the applicant receive any other necessary regulatory approval; (2) that insurance of its deposit accounts by the Federal Deposit Insurance Corporation be obtained; (3) that the federal savings bank take such action as will terminate its existence as a federal savings institution when the conversion is effective; (4) that the resulting bank have initial capital and surplus of at least $112,000,000; and (5) that the organizing Fredericksburg State Bank notify the Bureau of the date on which it commences business as a state bank.

The authority to begin business as a state bank shall be effective when these conditions have been fulfilled and upon the issuance by the Clerk of the Commission of a certificate merging Fredericksburg Savings Bank into Fredericksburg State Bank. At that time, Fredericksburg State Bank, as a state bank, will have its main office at 400 George Street, City of Fredericksburg, Virginia, and will be authorized to operate branch offices at the following locations: (1) 4535 Lafayette Boulevard, Spotsylvania County, Virginia; (2) 3600 Plank Road, Spotsylvania County, Virginia; and (3) 117 Garrisonville Road, Stafford, Stafford County, Virginia. The bank will have one (1) year from the date of conversion to conform its assets and operations to the laws regulating the operation of banks. If this grant of authority is not exercised in twelve (12) months from this date, it will expire, unless extended.

CASE NO. BAN20001054
NOVEMBER 2, 2000

APPLICATION OF
VIRGINIA CAPITAL BANCSHARES, INC.

To acquire Fredericksburg State Bank

ORDER OF APPROVAL

Virginia Capital Bancshares, Inc. of Fredericksburg, Virginia, has filed the application required by § 6.1-383.1 of the Code of Virginia to acquire all the voting shares of Fredericksburg State Bank of Fredericksburg, 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 Fredericksburg State Bank by Virginia Capital Bancshares, 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. BAN20001068
OCTOBER 19, 2000

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 BankFirst Corporation of Knoxville, Tennessee. 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 BankFirst Corporation 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. BAN20001079
NOVEMBER 2, 2000

APPLICATION OF
LINDA OLIN WEISS

To acquire 100 percent of the voting shares of 1st Security Mortgage, Inc.

ORDER OF APPROVAL

Linda Olin Weiss of Potomac, Maryland, filed an application under § 6.1-416.1 of the Code of Virginia to acquire 100 percent of the voting shares of 1st Security Mortgage, Inc., a licensee under Chapter 16 of Title 6.1 of the Code of Virginia. 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. BAN20001126
DECEMBER 1, 2000

APPLICATION OF
THOMAS SCOTT DECANTIS

To acquire 100 percent of the voting shares of First Equitable Mortgage and Investment Company, Incorporated

ORDER OF APPROVAL

Thomas Scott DeCantis of Fredericksburg, Virginia, filed an application under § 6.1-416.1 of the Code of Virginia to acquire 100 percent of the voting shares of First Equitable Mortgage and Investment Company, Incorporated, a licensee under Chapter 16 of Title 6.1 of the Code of Virginia. 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. BAN20001132
DECEMBER 1, 2000

APPLICATION OF
ALEX G. WISH

To acquire 25 percent of the ownership of Heritage Funding, L.L.C.

ORDER OF APPROVAL

Alex G. Wish of Oak Hill, Virginia, filed an application under § 6.1-416.1 of the Code of Virginia to acquire 25 percent of the ownership of Heritage Funding, L.L.C., a licensee under Chapter 16 of Title 6.1 of the Code of Virginia. 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. BAN20001223
DECEMBER 19, 2000

APPLICATION OF
F & M NATIONAL CORPORATION

To acquire Atlantic Financial Corp.

ORDER OF APPROVAL

F & M National Corporation of Winchester, Virginia, has filed the application required by § 6.1-383.1 of the Code of Virginia to acquire all the voting shares of Atlantic Financial Corp. of Newport News, 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 Atlantic Financial Corp. 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. BAN20001280
DECEMBER 19, 2000

APPLICATION OF
THOMAS S. KING

To acquire 50 percent of the voting shares of Equity 1 Mortgage and Financial Services Corporation

ORDER OF APPROVAL

Thomas S. King of McConnellsburg, Pennsylvania, filed an application under § 6.1-416.1 of the Code of Virginia to acquire 50 percent of the voting shares of Equity 1 Mortgage and Financial Services Corporation, a licensee under Chapter 16 of Title 6.1 of the Code of Virginia. 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. BAN20001310
DECEMBER 1, 2000

APPLICATION OF
F & M NATIONAL CORPORATION

Pursuant to § 6.1-406 of the Code of Virginia

ORDER OF APPROVAL

F & M National Corporation of Winchester, Virginia, filed the notice required by § 6.1-406 of the Code of Virginia of its proposed acquisition of Community Bankshares of Maryland, Inc. of Bowie, Maryland. The Bureau of Financial Institutions ("Bureau") investigated the proposed transaction.

Having considered the notice and the report of the Bureau, 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 Community Bankshares of Maryland, Inc. 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. BFI000005
MAY 17, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
GREAT AMERICAN HOME MORTGAGE CORPORATION,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business as a mortgage lender under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2000, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 13, 2000, that he would propose that its license be revoked unless the report was filed by May 5, 2000, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 28, 2000; and that no annual report or written request for hearing was received.

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 the Defendant to engage in business as a mortgage lender is hereby revoked.

CASE NO. BFI000010
MAY 17, 2000

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2000, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 13, 2000, that he would propose that its license be revoked unless the report was filed by May 5, 2000, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 28, 2000; and that no annual report or written request for hearing was received.

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 the Defendant to engage in business as a mortgage broker is hereby revoked.

CASE NO. BFI000012
MAY 17, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FIRST HOME ACCEPTANCE MORTGAGE CORPORATION,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2000, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 13, 2000, that he would propose that its license be revoked unless the report was filed by May 5, 2000, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 28, 2000; and that no annual report or written request for hearing was received.

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 the Defendant to engage in business as a mortgage lender and broker is hereby revoked.

CASE NO. BFI000019
MAY 17, 2000

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2000, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 13, 2000, that he would propose that its license be revoked unless the report was filed by May 5, 2000, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 28, 2000; and that no annual report or written request for hearing was received.

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 the Defendant to engage in business as a mortgage broker is hereby revoked.

CASE NO. BFI000030
MAY 17, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CENTURION FINANCIAL, LTD.,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2000, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 13, 2000, that he would propose that its license be revoked unless the report was filed by May 5, 2000, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 28, 2000; and that no annual report or written request for hearing was received.

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 the Defendant to engage in business as a mortgage broker is hereby revoked.

CASE NO. BFI000035
MAY 17, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
AMERICAN MORTGAGE FINANCIAL & INVESTMENT COMPANY, INC.,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2000, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 13, 2000, that he would propose that its license be revoked unless the report was filed by May 5, 2000, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 28, 2000; and that no annual report or written request for hearing was received.

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 the Defendant to engage in business as a mortgage broker is hereby revoked.

CASE NO. BFI000038
MAY 17, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
AMERICAN FUNDING NETWORK, INC.,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2000, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 13, 2000, that he would propose that its license be revoked unless the report was filed by May 5, 2000, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 28, 2000; and that no annual report or written request for hearing was received.

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 the Defendant to engage in business as a mortgage broker is hereby revoked.

CASE NO. BFI000042
MAY 17, 2000

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2000, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 13, 2000, that he would propose that its license be revoked unless the report was filed by May 5, 2000, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 28, 2000; and that no annual report or written request for hearing was received.

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 the Defendant to engage in business as a mortgage broker is hereby revoked.

CASE NO. BFI000043
MAY 17, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
H K STONE FINANCIAL CORP.,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2000, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 13, 2000, that he would propose that its license be revoked unless the report was filed by May 5, 2000, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 28, 2000; and that no annual report or written request for hearing was received.

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 the Defendant to engage in business as a mortgage broker is hereby revoked.

CASE NO. BFI000050
MAY 17, 2000

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2000, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 13, 2000, that he would propose that its license be revoked unless the report was filed by May 5, 2000, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 28, 2000; and that no annual report or written request for hearing was received.

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 the Defendant to engage in business as a mortgage lender and broker is hereby revoked.

CASE NO. BFI000054
MAY 17, 2000

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2000, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 13, 2000, that he would propose that its license be revoked unless the report was filed by May 5, 2000, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 28, 2000; and that no annual report or written request for hearing was received.

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 the Defendant to engage in business as a mortgage lender and broker is hereby revoked.

CASE NO. BFI000056
MAY 17, 2000

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2000, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 13, 2000, that he would propose that its license be revoked unless the report was filed by May 5, 2000, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 28, 2000; and that no annual report or written request for hearing was received.

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 the Defendant to engage in business as a mortgage broker is hereby revoked.

CASE NO. BFI000064
MAY 17, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
NATIONAL MORTGAGE CORPORATION d/b/a NMC MORTGAGE CORPORATION,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2000, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 13, 2000, that he would propose that its license be revoked unless the report was filed by May 5, 2000, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 28, 2000; and that no annual report or written request for hearing was received.

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 the Defendant to engage in business as a mortgage lender and broker is hereby revoked.

CASE NO. BFI000067
MAY 17, 2000

COMMONWEALTH OF VIRGINIA ex rel.
STATE CORPORATION COMMISSION
v.
OVERLAKE 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 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, 2000, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 13, 2000, that he would propose that its license be revoked unless the report was filed by May 5, 2000, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 28, 2000; and that no annual report or written request for hearing was received.

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 the Defendant to engage in business as a mortgage broker is hereby revoked.

CASE NO. BFI000070
MAY 17, 2000

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2000, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 13, 2000, that he would propose that its license be revoked unless the report was filed by May 5, 2000, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 28, 2000; and that no annual report or written request for hearing was received.

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 the Defendant to engage in business as a mortgage broker is hereby revoked.

CASE NO. BFI000074
MAY 17, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SERVICE CENTER OF AMERICA, INC. d/b/a FINANCIAL FUNDING GROUP,
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2000, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 13, 2000, that he would propose that its license be revoked unless the report was filed by May 5, 2000, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 28, 2000; and that no annual report or written request for hearing was received.

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 the Defendant to engage in business as a mortgage broker is hereby revoked.

CASE NO. BFI000077
MAY 17, 2000

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2000, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 13, 2000, that he would propose that its license be revoked unless the report was filed by May 5, 2000, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 28, 2000; and that no annual report or written request for hearing was received.

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 the Defendant to engage in business as a mortgage broker is hereby revoked.

CASE NO. BFI000080
MAY 17, 2000

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; that the Defendant failed to file its annual report due March 1, 2000, as required by § 6.1-418 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on April 13, 2000, that he would propose that its license be revoked unless the report was filed by May 5, 2000, and that a written request for hearing was required to be filed in the office of the Clerk on or before April 28, 2000; and that no annual report or written request for hearing was received.

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 the Defendant to engage in business as a mortgage lender and broker is hereby revoked.

CASE NO. BFI000086
JULY 6, 2000

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

SETTLEMENT ORDER

ON A FORMER DAY, the Staff reported to the Commission that the Defendant is licensed to engage in business under Chapter 16 of Title 6.1 of the Code of Virginia; that during examinations of the defendant's business records it was found that the Defendant had violated various laws and regulations applicable to the conduct of its business; that upon being informed that the Commissioner of Financial Institutions intended to recommend the imposition of a fine therefor, the Defendant offered to settle this case by payment of a fine in the sum of five thousand dollars ($5,000), 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 § 12.1-15 of the Code of Virginia.

ACCORDINGLY, IT IS ORDERED THAT:

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

(2) This case is dismissed.

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

CASE NO. BFI000089
JULY 26, 2000

PETITION OF
FIRST HOUSEHOLD FINANCE CORPORATION

For review of a denial of a mortgage broker's license

DISMISSAL ORDER

Upon motion of the Bureau of Financial Institutions, by its counsel, with the agreement of counsel for the Petitioner, this case is dismissed and the July 28, 2000, hearing previously scheduled is cancelled.

This matter shall be placed among the ended cases.

CASE NO. BFI000091
JULY 6, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
AMERICAN MORTGAGE FINANCIAL & INVESTMENT COMPANY, INC.,
Defendant

ORDER REINSTATING A LICENSE

On May 17, 2000, in Case No. BFI000035, the Defendant's license to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia was revoked, by Commission order, for the Defendant's failure to timely file its annual report. Thereafter, the Bureau of Financial Institutions ("Bureau") reported to the Commission that it had received information tending to show that the Defendant's failure to timely file the report was due to excusable neglect, and the Bureau recommended that the license be reinstated.

Accordingly, IT IS ORDERED THAT:

1. Defendant's mortgage broker license is reinstated nunc pro tunc to May 17, 2000.

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

CASE NO. BFI000099
OCTOBER 18, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ISLAND MORTGAGE NETWORK, INC. d/b/a APPONLINE.COM (MLB-503),
Defendant

ORDER REVOKING LICENSE

ON A FORMER DAY the Commissioner of Financial Institutions reported to the Commission that (1) the Defendant, Island Mortgage Network, Inc. d/b/a Apponline.com, is licensed to engage in business as a mortgage lender and broker under Chapter 16 of Title 6.1 of the Code of Virginia; (2) grounds for revocation of the Defendant's license under § 6.1-425 of the Code exist, i.e., the Defendant violated Virginia law by failing to disburse loan proceeds as required by the Code, and it had administrative orders entered against it by New York, Illinois, and Maryland; (3) in accordance with § 6.1-427 the Commissioner gave written notice to the Defendant by certified mail on July 19, 2000, that he would seek to have its license revoked on August 18, 2000, and that any request for hearing must be filed in the office of the Clerk of the Commission on or before August 8, 2000; and (4) no request for a hearing has been filed by the Defendant. The Commissioner sought to have the subject license revoked.

Accordingly, the Commission finds that the grounds alleged for revocation of Defendant's license have been shown, and that the requisite notice of revocation has been given.

And IT IS ORDERED THAT:

(1) The license of Island Mortgage Network, Inc. d/b/a Apponline.com to engage in business as a mortgage lender and broker in Virginia is revoked.

(2) This case is hereby dismissed.

(3) The papers in this matter be placed in the file for ended cases.

CASE NO. BFI000100
AUGUST 16, 2000

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

SETTLEMENT ORDER

ON A FORMER DAY the Staff reported to the Commission that the Defendant is licensed to engage in business under Chapter 16 of Title 6.1 of the Code of Virginia; that during 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 intended to recommend the imposition of a penalty, the Defendant offered to settle this case by payment of a penalty in the sum of fifteen thousand dollars ($15,000), tendered said

sum to the Commonwealth, and waived its right to a hearing in this case; and the Commissioner recommended that the Commission accept Defendant's offer of settlement pursuant to authority granted under § 12.1-15 of the Code of Virginia.

ACCORDINGLY, IT IS ORDERED THAT:

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

(2) This case is dismissed.

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

CASE NO. BFI000101
NOVEMBER 9, 2000

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was canceled on August 10, 2000; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on August 18, 2000, that he would recommend that its license be revoked unless a new bond was filed by September 8, 2000, and that a written request for hearing was required to be filed in the office of the Clerk of the Commission on or before September 1, 2000; and that no new bond or written request for a 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 Veterans Choice Mortgage, Inc. to engage in business as a mortgage broker is hereby revoked.

CASE NO. BFI000102
NOVEMBER 9, 2000

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

ORDER REVOKING LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions reported to the Commission that the Defendant is licensed to engage in business as a mortgage broker under Chapter 16 of Title 6.1 of the Code of Virginia; that a bond filed by the Defendant pursuant to § 6.1-413 of the Code of Virginia was canceled on July 27, 2000; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail on August 18, 2000, that he would recommend that its license be revoked unless a new bond was filed by September 8, 2000, and that a written request for hearing was required to be filed in the office of the Clerk of the Commission on or before September 1, 2000; and that no new bond or written request for a 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 TFC Financial Group, Inc. to engage in business as a mortgage broker is hereby revoked.

CASE NO. BFI000103
DECEMBER 18, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UNITED MORTGAGEE, INC.,
Defendant

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed 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 October 13, 2000, and that the Defendant failed to pay its annual fee due May 25, 2000, as required by § 6.1-420 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail that he would recommend that its license be revoked unless a new bond was filed by November 13, 2000, and the annual fee was paid by December 6, 2000, and that a written request for hearing was required to be filed within fourteen (14) days of said notices with the Clerk of the Commission; that no new bond was filed; that the annual fee was not paid; and that no written request for a 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 the Defendant has failed to pay the annual fee required by § 6.1-420 of the Code of Virginia, and

IT IS ORDERED that the license granted to United Mortgagee, Inc., to engage in business as a mortgage lender and broker is revoked.

CASE NO. BFI000104
DECEMBER 18, 2000

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed 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 September 5, 2000, and that the Defendant failed to pay its annual fee due May 25, 2000, as required by § 6.1-420 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail that he would recommend that its license be revoked unless a new bond was filed by October 30, 2000, and the annual fee was paid by December 6, 2000, and that a written request for hearing was required to be filed within fourteen (14) days of said notices with the Clerk of the Commission; that no new bond was filed; that the annual fee was not paid; and that no written request for a 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 the Defendant has failed to pay the annual fee required by § 6.1-420 of the Code of Virginia, and

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

CASE NO. BFI000106
DECEMBER 18, 2000

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

ORDER REVOKING A LICENSE

ON A FORMER DAY, the Commissioner of Financial Institutions ("Commissioner") reported to the State Corporation Commission ("Commission") that the Defendant is licensed as a mortgage lender 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 September 16, 2000, and that the Defendant failed to pay its annual fee due May 25, 2000, as required by § 6.1-420 of the Code of Virginia; that the Commissioner, pursuant to delegated authority, gave written notice to the Defendant by certified mail that he would recommend that its license be revoked unless a new bond was filed by November 20, 2000, and the annual fee was paid by December 6, 2000, and that a written request for hearing was required to be filed within fourteen (14) days of said notices with the Clerk of the Commission; that no new bond was filed; that the annual fee was not paid; and that no written request for a 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 the Defendant has failed to pay the annual fee required by § 6.1-420 of the Code of Virginia, and

IT IS ORDERED that the license granted to Wholesale Mortgage, Inc., to engage in business as a mortgage lender is revoked.

CASE NO. BFI000139
NOVEMBER 17, 2000

IN THE MATTER OF
ALLIED SERVICES EMPLOYEES CREDIT UNION, INC.

Merger with

CITY OF ALEXANDRIA EMPLOYEES CREDIT UNION

ORDER APPROVING THE MERGER

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

(1) Allied Services Employees Credit Union, Inc. ("ASECU"), is a credit union incorporated pursuant to the Virginia Credit Union Act. It has assets of some $85,230, and it currently has no office and some eighty-three (83) remaining members.

(2) ASECU has been declining in terms of assets, shares, and loans since the end of 1994. These trends have reached a point where ASECU is no longer viable as a separate entity. The trends are confirmed in a Bureau memorandum dated November 15, 2000, and attached exhibits. Management of ASECU has ceased operation of the credit union, and members do not have access to their savings accounts and other services.

(3) The board of directors of ASECU and the board of directors of City of Alexandria Employees Credit Union ("CAECU"), also a Virginia state credit union, have approved a plan of merger that provides, among other things, that the remaining members of ASECU will become members of CAECU.

(4) The board of CAECU has been assured by the National Credit Union Administration that the share accounts of all the members of the resulting credit union – including those former members of ASECU - will be insured by the National Credit Union Share Insurance Fund following the merger.

(5) An emergency exists, and it is in the best interest of the members of ASECU, who are now being denied services, to have ASECU merged into CAECU immediately. Although ASECU is not insolvent, its current inability to function warrants the 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 ASECU into CAECU, and that the merger is in the best interest of the members of Allied Services Employees Credit Union, Inc.

Accordingly, IT IS ORDERED, pursuant to § 6.1-225.10 of the Code of Virginia, that the merger of Allied Services Employees Credit Union, Inc., into City of Alexandria Employees Credit Union is hereby approved.

This order of approval shall take the place of the usual approval of the merger by the members of both credit unions, and compliance with § 13.1-895 is dispensed with, as provided in § 6.1-225.10 of the Code. Each credit union shall notify its members of this merger, and ASECU shall inform its members as to how credit union services will continue to be provided to them as members of CAECU following the merger.

BUREAU OF INSURANCE

CASE NO. INS860091
DECEMBER 14, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MGIC INDEMNITY CORPORATION (FORMERLY WISCONSIN MORTGAGE ASSURANCE CORPORATION),
Defendant

FINAL ORDER

WHEREAS, MGIC Indemnity Corporation, a foreign corporation domiciled in the State of Wisconsin (formerly Wisconsin Mortgage Assurance Corporation) ("Defendant"), initially was licensed to transact the business of insurance in the Commonwealth of Virginia on December 11, 1957.

WHEREAS, by order entered herein May 21, 1986, Defendant's license to transact the business of insurance in the Commonwealth of Virginia was suspended due to Defendant having been placed into liquidation by its state of domicile;

WHEREAS, in December 1998, Defendant was acquired by Mortgage Guaranty Insurance Corporation, a Wisconsin-domiciled insurer licensed and in good standing in this Commonwealth, and liquidation and rehabilitation proceedings against Defendant were terminated;

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, the Quarterly Statement of Defendant dated September 30, 2000, and its 1999 Annual Audited Financial Report, both filed with the Bureau of Insurance, reflect that Defendant's capital and surplus are at least $1,000,000 and $3,000,000 respectively;

WHEREAS, the Bureau of Insurance has recommended that the Suspension Order be vacated and 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;

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. INS900317
MAY 12, 2000

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

FINAL ORDER

WHEREAS, by order entered herein September 19, 1990, 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 March 31, 1999;

WHEREAS, by affidavit of Daniel T. Cummings, Vice President of Operations of Defendant, dated March 1, 2000, and filed with the Commission on May 9, 2000, the Commission was advised that Defendant wishes to surrender all of its licenses 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 April 5, 2000; 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. INS940133
NOVEMBER 30, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
NUTMEG LIFE INSURANCE COMPANY (FORMERLY TOYOTA MOTOR LIFE INSURANCE COMPANY),
Defendant

FINAL ORDER

WHEREAS, Nutmeg Life Insurance Company, a foreign corporation domiciled in the State of Iowa (formerly Toyota Motor Life Insurance Company) ("Defendant"), initially was licensed to transact the business of insurance in the Commonwealth of Virginia on April 22, 1958;

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 August 19, 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 surplus requirement, which became effective on July 1, 1994;

WHEREAS, the Quarterly Statement of Defendant dated September 30, 2000, and filed with the Bureau of Insurance 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. INS950225
APRIL 7, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
STATESMAN NATIONAL 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, for reasons stated in an order entered herein February 5, 1996, the Commission suspended the license of Statesman National Life Insurance Company, a foreign corporation domiciled in the State of Texas, and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia ("Defendant");

WHEREAS, Defendant's Virginia corporate certificate of authority was revoked on August 31, 1999;

WHEREAS, by Agreed Permanent Injunction and Order Appointing Permanent Receiver entered June 10, 1999, in the District Court of Travis County, Texas, in Cause No. 99-02772, Defendant was declared insolvent, the business of Defendant was ordered liquidated, and the Commissioner of Insurance of the State of Texas was appointed the Permanent 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 April 17, 2000, revoking the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before April 17, 2000, 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. INS950225
APRIL 27, 2000

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

ORDER REVOKING LICENSE

WHEREAS, for the reasons stated in an order entered herein April 7, 2000, Defendant was ordered to take notice that the Commission would enter an order subsequent to April 17, 2000, revoking the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before April 17, 2000, 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. INS980212
MARCH 16, 2000

PETITION OF
GERARD AND CAROLYN COCCO

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 entered an order appointing the State Corporation Commission ("Commission") the Receiver of HOW Insurance Company, Home Warranty Corporation, and Home Owner's Warranty Corporation (collectively the "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 decision rendered by the Receiver or the Receiver's duly authorized representatives.

On October 27, 1998, the Petitioners filed a Petition with the Commission contesting the Deputy Receiver's Determination of Appeal in claim No. 3263708A. The Deputy Receiver had determined that there was a valid claim for major structural damages in the amount of $42,200.00. The

Petitioners contend that the damages are in the amount of $91,160.00 for repair of the structural defect. In addition they claim attorney's fees of $6,000.00; court costs of $500.00; engineering fees and construction estimates of $2,000.00; and finally $80,000.00 for the loss of value to the home.

By a prior order the Commission had docketed the case and assigned it to a Hearing Examiner. All responsive pleadings required by either the Commission or the Hearing Examiner, were timely filed and the hearing was conducted on May 12, 1999. At the conclusion of the evidentiary hearing the Hearing Examiner kept the record open to allow the Deputy Receiver to obtain up-to-date bids on the cost of doing cosmetic repairs to the home after the structural defects are corrected. Unfortunately, the Deputy Receiver was unable to elicit any bids for the cosmetic repairs. A second evidentiary hearing was reconvened on November 18, 1999.

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

1. The plan of repair prepared by C-M Engineering which, was approved by the Deputy Receiver, is reasonable;

2. The FSR, LLC bid of $35,000.00 to repair the major structural defect in the Petitioners' home is reasonable, with the exception that a contingency fee of $2,800.00 should be included to cover the costs of placing the piers at a depth greater than the 22 feet as called for in the repair plan recommended by the Deputy Receiver's engineering witness;

3. The estimate of $8,450.00 to perform the cosmetic repairs is reasonable, but an additional $845.00 should be added to meet any additional expenses the Petitioners may incur in finding a contractor to perform the repairs;

4. An engineering fee of $2,000.00 is reasonable to supervise the repairs to the Petitioner's home to ensure that the repair work is completed in a quality workmanlike manner;

5. Petitioners' claim for soil tests in the amount of $1,800.00 and engineering fees of $353.40 are direct damages covered by the HOW insurance/warranty documents;

6. Petitioners' claim for attorney's fees, court costs, and diminution in value of the home should be denied;

7. The Petitioners total direct claim should be approved at $48,748.40;

8. The Deputy Receiver should pay Petitioners' claim in accordance with the claims payment priority set forth in the Deputy Receiver's Third Directive; and

9. The Commission should enter an order that adopts his findings, affirms the Deputy Receiver's Determination as modified by the Hearing Examiner's Report and dismisses the Petition with prejudice.

Upon consideration of the pleadings, prefiled testimony, transcript of the hearings, the Hearing Examiner's Report, the Comments thereto, the supplemental statement of the contractor filed on behalf of the Petitioners, and the response thereto filed by the Deputy Receiver, the Commission is of the opinion that the Hearing Examiner's findings and recommendations should be adopted in part and modified in part. More specifically, the engineering fee to supervise the repairs should be increased from the $2,000.00 recommended by the Hearing Examiner to $2,250.00 and that the Deputy Receiver should pay the Petitioners' total direct claim in accordance with the claims payment priority set forth in the Deputy Receiver's Fourth (4th) Directive. The Commission is further of the opinion that the supplemental statement submitted on behalf of the Petitioners was insufficient to prove further damages not recommended by the Hearing Examiner. Accordingly,

IT IS ORDERED THAT:

(1) The Petitioners total direct claim be, and the same is hereby, approved in the amount of $48,998.40, which reflects the engineering fees of $250.00 in addition to the amount recommended by the Hearing Examiner;

(2) The Deputy Receiver is directed to pay the Petitioners total direct claim in accordance with the claims payment priority set forth in the Deputy Receiver's Fourth (4th) Directive;

(3) All other findings and recommendations contained in the Hearing Examiner's Report, not modified above, are hereby adopted; and

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

CASE NO. INS990088
FEBRUARY 29, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
SAI MED HEALTH PLAN MULTIPLE EMPLOYER HEALTH AND WELFARE BENEFIT PLAN,
Defendant

FINAL ORDER

WHEREAS, SAI MED Health Plan, L.L.C. ("SAI MED") is administering the SAI MED Health Plan Multiple Employer Health and Welfare Benefit Plan (the "Benefit Plan"), which is currently operating in the Commonwealth of Virginia;

WHEREAS, the Benefit Plan, a Maryland-domiciled multiple employer welfare arrangement not licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, provides health benefits, including inpatient hospital benefits, surgery, emergency care, and other health benefits typically provided by insurance companies;

WHEREAS, Title 38.2 of the Code of Virginia, entitled "Insurance," was adopted to protect the public by ensuring that only properly capitalized and reserved companies offer insurance and that only policies which meet each requirement of Virginia law are offered for sale, and the public justifiably expects the Virginia Commissioner of Insurance to ensure that only insurance companies that comply with Virginia law be permitted to conduct insurance business;

WHEREAS, by consent order entered herein March 12, 1999, the Benefit Plan was ordered not to accept any new participants who are residents of the Commonwealth of Virginia;

Whereas, SAI MED enrolled Virginia employer groups in the Benefit Plan during 1998 and 1999, and subsequent to the entry of the March 12, 1999, Consent Order;

WHEREAS, it is the position of the Bureau of Insurance that the Benefit Plan is in violation of Virginia law and therefore must cease and desist all unlicensed insurance operations in Virginia;

WHEREAS, the Benefit Plan has expressed a desire to cooperate and reduce any adverse effect which the cessation of the Benefit Plan may cause to participating Virginia employer groups so that this matter may proceed in an efficient and amicable fashion; and

WHEREAS, in an effort to facilitate the cessation of business as a multiple employer welfare arrangement, SAI MED and the Benefit Plan have agreed that the following resolution is reasonable and that the public interest is served thereby.

THEREFORE, IT IS ORDERED THAT:

1. In order to comply with the cessation of business as a multiple employer welfare arrangement demanded by the Commissioner of Insurance and to provide participants with an adequate opportunity to seek alternative health coverage arrangements from other providers or through conversion to single self-funded health benefit plans administered by SAI MED, SAI MED shall commence the orderly termination of all Virginia employers (hereinafter "participants") from participation in the Benefit Plan, as follows:

(a) The Benefit Plan, by March 3, 2000, shall provide to all participants a copy of this Order together with written notification approved by the Bureau of Insurance that their participation in the Benefit Plan shall terminate in accordance with this Order.

(b) SAI MED shall continue to service and/or administer any and all existing plans, policies, or arrangements associated with the Benefit Plan until the date of termination of the Benefit Plan.

(c) Until the date of termination of the Benefit Plan, all claims incurred, whether or not submitted prior to cessation of the Benefit Plan by participants or beneficiaries of the Benefit Plan, shall be paid, adjusted, and/or resolved in accordance with the plan, benefits, rules, and the specific eligibility dates applicable to said employer groups and plan participants. SAI MED is not responsible, and shall not pay any claim incurred prior to, or after, the specific respective eligibility dates of groups or individuals.

(d) The Benefit Plan shall terminate at the close of business on May 31, 2000. However, it is understood that all efforts shall be made by SAI MED and the Benefit Plan to terminate all Commonwealth of Virginia business attributed to the Benefit Plan by April 30, 2000, in order to provide for the orderly submission and processing of participant claims. No contributions made thereafter by participants shall be accepted by SAI MED, nor shall any claims incurred thereafter be paid. Provided however, that in the event that any term and/or condition of the applicable plans, policies, or arrangements associated with the Benefit Plan requires a longer period to notify participants of plan termination or requires SAI MED to administer or service said plan, policy, or arrangement after the cessation of participation, SAI MED shall provide written notification thereof to the Bureau of Insurance no later than March 3, 2000, and said term or condition shall supersede Paragraph 1(b) of this Order.

(e) All claims incurred under the Benefit Plan prior to the termination date of the Benefit Plan shall be submitted on or before July 31, 2000. The Benefit Plan shall complete the payment of all such claims no later than September 10, 2000. The Benefit Plan shall file an Affidavit with the Commission no later than September 30, 2000, confirming that all claims under the Benefit Plan have been paid, the Benefit Plan's business has been terminated, and the Benefit Plan is no longer operating as a multiple employer welfare arrangement in the Commonwealth of Virginia.

(f) The Benefit Plan shall provide proof of creditable coverage to all Benefit Plan participants as required by law and otherwise shall comply with all state and federal laws applicable to cessation of plan participants.

2. It is understood and agreed that SAI MED's severance of participants from the Benefit Plan comes at the insistence of the Commissioner of Insurance and is not as a result of SAI MED's desire to discontinue the operation and administration of the Benefit Plan.

3. All time frames set forth in this Order may be amended or modified by the written agreement of the Bureau of Insurance and the Benefit Plan or SAI MED, as appropriate, or by order of the Commission.

4. The Benefit Plan waives all rights to a hearing on or judicial review of the matters set forth herein.

5. Nothing in this Order shall prohibit SAI MED from operating as a Third Party Administrator in the administration of single employer self-funded health and welfare benefit plans in the Commonwealth of Virginia.

6. This Order is a Final Order, and it supersedes in its entirety the Consent Order entered herein March 12, 1999.

CASE NO. INS990089
FEBRUARY 29, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
SAI MED HEALTH PLAN, L.L.C.,
Defendant

FINAL ORDER

WHEREAS, SAI MED Health Plan, L.L.C. ("SAI MED") is administering the SAI MED Health Plan Multiple Employer Health and Welfare Benefit Plan (the "Benefit Plan"), which is currently operating in the Commonwealth of Virginia;

WHEREAS, the Benefit Plan, a Maryland-domiciled multiple employer welfare arrangement not licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, provides health benefits, including inpatient hospital benefits, surgery, emergency care, and other health benefits typically provided by insurance companies;

WHEREAS, Title 38.2 of the Code of Virginia, entitled "Insurance," was adopted to protect the public by ensuring that only properly capitalized and reserved companies offer insurance and that only policies which meet each requirement of Virginia law are offered for sale, and the public justifiably expects the Virginia Commissioner of Insurance to ensure that only insurance companies that comply with Virginia law be permitted to conduct insurance business;

WHEREAS, by consent order entered herein March 12, 1999, SAI MED was ordered not to accept any new participants in the Benefit Plan who are residents of the Commonwealth of Virginia;

Whereas, SAI MED enrolled Virginia employer groups in the Benefit Plan during 1998 and 1999, and subsequent to the entry of the March 12, 1999, Consent Order;

WHEREAS, it is the position of the Bureau of Insurance that the Benefit Plan is in violation of Virginia law and therefore must cease and desist all unlicensed insurance operations in Virginia and as such that SAI MED must cease its administration of the Benefit Plan;

WHEREAS, SAI MED and the Benefit Plan have expressed a desire to cooperate and reduce any adverse effect which the cessation of the Benefit Plan and SAI MED's administration thereof may cause to participating Virginia employer groups so that this matter may proceed in an efficient and amicable fashion; and

WHEREAS, in an effort to facilitate the cessation of SAI MED's administration of the Benefit Plan, SAI MED and the Bureau of Insurance have agreed that the following resolution is reasonable and that the public interest is served thereby.

THEREFORE, IT IS ORDERED THAT:

1. In order to comply with the cessation of business as a multiple employer welfare arrangement demanded by the Commissioner of Insurance and to provide participants with an adequate opportunity to seek alternative health coverage arrangements from other providers or through conversion to single self-funded health benefit plans administered by SAI MED, SAI MED shall commence the orderly termination of all Virginia employers (hereinafter "participants") from participation in the Benefit Plan, as follows:

(a) The Benefit Plan, by March 3, 2000, shall provide to all participants a copy of this Order together with written notification approved by the Bureau of Insurance that their participation in the Benefit Plan shall terminate in accordance with this Order.

(b) SAI MED, by March 20, 2000, shall provide to all participants in the Benefit Plan in the Commonwealth of Virginia written notification approved by the Bureau of Insurance that SAI MED shall operate only as a Third Party Administrator in the administration of single employer self-funded health and welfare benefit plans in the Commonwealth of Virginia.

(c) SAI MED shall include in all of its advertisements, forms, applications, and plan documents as well as all correspondence sent to Virginia participants or beneficiaries information that clearly indicates that such single employer plans are not insurance, and that SAI MED operates only as a Third Party Administrator of any such single employer plan.

(d) SAI MED shall continue to service and/or administer any and all existing plans, policies, or arrangements associated with the Benefit Plan until the date of termination of the Benefit Plan.

(e) Until the date of termination of the Benefit Plan, all claims incurred, whether or not submitted prior to cessation of the Benefit Plan by participants or beneficiaries of the Benefit Plan, shall be paid, adjusted, and/or resolved in accordance with the plan, benefits, rules, and the specific eligibility dates applicable to said employer groups and plan participants. SAI MED is not responsible, and shall not pay any claim incurred prior to, or after, the specific respective eligibility dates of groups or individuals.

(f) The Benefit Plan shall terminate at the close of business on May 31, 2000. However, it is understood that all efforts shall be made by SAI MED to terminate all Commonwealth of Virginia business attributed to the Benefit Plan by April 30, 2000, in order to provide for the orderly submission and processing of participant claims. No contributions made thereafter by participants shall be accepted by SAI MED, nor shall any claims incurred thereafter be paid. Provided however, that in the event that any term and/or condition of the applicable plans, policies, or arrangements associated with the Benefit Plan requires a longer period to notify participants of plan termination or requires SAI MED to administer or service said plan, policy, or arrangement after the cessation of participation, SAI MED shall provide written notification thereof to the Bureau of Insurance no later than March 3, 2000, and said term or condition shall supersede Paragraph 1(d) of this Order.

(g) All claims incurred under the Benefit Plan prior to the termination date of the Benefit Plan shall be submitted on or before July 31, 2000. The Benefit Plan shall complete the payment of all such claims no later than September 10, 2000. The Benefit Plan shall file an Affidavit with the Commission no later than September 30, 2000, confirming that all claims under the Benefit Plan have been paid, the Benefit Plan's business has been terminated, and the Benefit Plan is no longer operating as a multiple employer welfare arrangement in the Commonwealth of Virginia.

(h) The Benefit Plan shall provide proof of creditable coverage to all Benefit Plan participants as required by law and otherwise shall comply with all state and federal laws applicable to cessation of plan participants.

2. It is understood and agreed that SAI MED's severance of participants from the Benefit Plan comes at the insistence of the Commissioner of Insurance and is not as a result of SAI MED's desire to discontinue the operation and administration of the Benefit Plan.

3. All time frames set forth in this Order may be amended or modified by the written agreement of the Bureau of Insurance and SAI MED or the Benefit Plan, as appropriate, or by order of the Commission.

4. SAI MED waives all rights to a hearing on or judicial review of the matters set forth herein.

5. Nothing in this Order shall prohibit SAI MED from operating as a Third Party Administrator in the administration of single employer self-funded health and welfare benefit plans in the Commonwealth of Virginia.

6. This Order is a Final Order, and it supersedes in its entirety the Consent Order entered herein March 12, 1999.

CASE NO. INS990128
JANUARY 28, 2000

PETITION OF
JOHN AND MAUREEN AUBIN

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 May 4, 1999, John and Maureen Aubin ("Petitioners" or "Aubins") filed a Petition for Review ("Petition") with the Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 3074972-A, denying the Petitioners' claim for coverage under their homeowners warranty insurance policy regarding cracks in the foundation of their home located at 3309 Stonebridge Drive, Flower Mound, Texas.

By Order dated May 7, 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 June 4, 1999.

On June 4, 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 Petitioners fail 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 more than six months after the expiration of all HOW program coverage.

Pursuant to Hearing Examiner's Ruling dated September 8, 1999, the Petitioners filed a response to the Deputy Receiver's Motion to Dismiss on September 22, 1999. Therein, Petitioners claimed, among other things, that they filed their claim late with the HOW Companies due to work-related, health and family matters.

After reviewing the filings submitted by the parties, the Hearing Examiner, in a Report dated December 2, 1999, made the following findings and recommendations:

(i) Petitioners' home was enrolled in the HOW program on May 31, 1988;

(ii) All HOW program coverage and the thirty-day grace period for filling claims for defects in the home expired on June 30, 1998;

(iii) Petitioners' claim was received by the HOW Companies on January 5, 1999, more than six months after the expiration of the thirty-day grace period for filing claims;

(iv) The Deputy Receiver's Motion to Dismiss should be granted; and

(v) The Commission should enter an order dismissing the Petition and affirming the Deputy Receiver's Determination of Appeal dated April 8, 1999, in Claim No. 3074972-A.

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 June 4, 1999, be, and the same hereby is, GRANTED;

(2) The Deputy Receiver's Determination of Appeal in Claim No. 3074972-A, dated April 8, 1999, be, and the same hereby is, AFFIRMED;

(3) The Petition of John and Maureen Aubin 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. INS990140
FEBRUARY 24, 2000

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, for reasons stated in an order entered herein June 14, 1999, the Commission suspended the license of International Financial Services Life Insurance Company, a foreign corporation domiciled in the State of Missouri, and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia ("Defendant");

WHEREAS, Defendant's Virginia corporate certificate of authority was revoked on November 1, 1999;

WHEREAS, by Final Order of Liquidation entered November 30, 1999, in the Circuit Court of Cole County, Missouri, in Case No. CV199-623CC, Defendant was declared insolvent, the business of Defendant was ordered liquidated, and the Director of the Department of Insurance for the State of Missouri was appointed the Liquidator of Defendant and directed to liquidate the business and affairs of Defendant;

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to March 8, 2000, revoking the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before March 8, 2000, 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. INS990168
APRIL 18, 2000

PETITION OF
LORRAINE G. FRAWLEY

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" to govern appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly authorized representatives.

On June 30, 1999, Lorraine G. Frawley ("Petitioner" or "Ms. Frawley") filed a Petition for Review ("Petition") with the Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 3231925. Petitioner seeks the full cost of her home, or $801,345, plus attorney's fees of $7,500, for a total of $808,845, notwithstanding the fact that Petitioner, in earlier litigation against the home's builder and engineers, received $359,000 with approximately $80,000 designated as compensation for damages and $279,000 for attorney and litigation fees.[1] By Determination of Appeal dated June 21, 1999, the Deputy Receiver denied Petitioner's claim for major structural defect coverage regarding problems associated with the structural integrity of the pier foundation system of her home located at 700 Lamar Court, Irving, Texas 75038, on the bases that: (i) Petitioner has been made whole for the alleged major structural defect as appropriate repairs have been completed and paid for through other settlements; and (ii) Petitioner failed to provide HOW with all requested information.[2]

By order dated July 16, 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 13, 1999. The Deputy Receiver filed a Motion to Dismiss and Answer to Petition for Review, and a Memorandum in Support of Motion to Dismiss on August 13, 1999. Therein, the Deputy Receiver represented, among other things, that: (i) there is no conclusive evidence of a major structural defect as defined by the HOW Insurance Warranty documents and, because of the repairs made by Petitioner, the Deputy Receiver was unable to inspect conditions in the home; (ii) neither HOW nor the Deputy Receiver was informed of, nor made a party to, the earlier suit against the builder and the engineers, thus denying HOW its right of subrogation; (iii) the repairs made by Petitioner denied the Deputy Receiver his express right to repair, replace or pay the cost of repairing the major structural defect; (iv) Petitioner has been compensated more than adequately for the alleged damage to the residence by the home's builder and engineers; (v) to the extent the damage was caused or made worse by the unreasonable delay or as a result of work performed after the date of enrollment, such defects specifically are excluded from coverage; and (vi) consequential damages are expressly excluded from the HOW Program coverage.

By Hearing Examiner's Ruling dated August 19, 1999, the Hearing Examiner determined that Ms. Frawley's Petition was not legally insufficient on its face to support the Deputy Receiver's Motion to Dismiss.[3] Consequently, the Hearing Examiner denied the motion, established a prehearing procedural schedule for receiving evidence and calendared the matter to be heard on November 9, 1999.

On November 9, 1999, a telephonic hearing was convened for the purpose of receiving evidence on the Petition. Evan Lane (Van) Shaw, Esquire, and Keith Phillips, Esquire, represented Ms. Frawley. Susan E. Salch, Esquire, appeared as counsel for the Deputy Receiver. Petitioner contends, among other things, that she filed a claim with HOW for major structural defect coverage and seeks compensation to cover the cost of repairing the foundation piers of her home.

The Deputy Receiver contends, among other things, that: (i) even if Petitioner's home suffered a major structural defect in 1997, the subsequent repairs to the home in the spring of 1998[4] violated the provisions of the HOW Insurance/Warranty documents that grant the choice as to repair, replacement, or payment solely to the insurer;[5] (ii) the 1998 repairs to Petitioner's home denied HOW the contractual right to inspect the property and complete an engineering investigation of the premises;[6] (iii) Petitioner failed to provide HOW with timely notice of the defect in the home;[7] and (iv) Petitioner has been adequately reimbursed for the alleged damage to the residence.[8]

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

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[1] Hearing Examiner's Ruling, August 19, 1999, at 1.

[2] Determination of Appeal, June 21, 1999, at 1.

[3] Hearing Examiner's Ruling, August 19, 1999, at 2.

[4] Transcript at 169-170.

[5] Transcript at 202-203.

[6] Transcript at 190 and 255-256.

[7] Transcript at 203-204 and 256-257.

[8] Transcript at 258.

(1) On October 1, 1991, HOW enrolled Petitioner's home with coverage up to the cost of the home or $801,345;[9]

(2) On October 13, 1997, Petitioner filed a claim with HOW for major structural defect coverage;[10]

(3) The HOW Insurance/Warranty documents define a "Major Structural Defect" to be: Actual physical damage to [any of] the following designated load-bearing portions of the home caused by failure of such load-bearing portions which affects their load-bearing functions to the extent that the home becomes unsafe, unsanitary or otherwise unlivable: (i) Foundation systems and footing; (ii) Beams; (iii) Girders; (iv) Lintels; (v) Columns; (vi) Walls and partitions; (vii) Floor systems; and (viii) Roof framing systems;[11]

(4) In the 1995-96 timeframe, prior to the repairs to the home in 1998, Petitioner's home suffered a major structural defect, occasioned by the actual physical damage to the foundation piers and grade beams caused by their failure in performing their load-bearing functions;[12]

(5) The repairs made by Mr. Hart in 1998 did not violate provisions of the HOW Insurance/Warranty documents that reserve the choice to repair, replace, or pay for damages to the insurer;[13]

(6) The Deputy Receiver offered no evidence to indicate how the repairs made by Mr. Hart in 1998 to mitigate further damage have prevented HOW from completing an engineering investigation of the premises;[14]

(7) HOW was not denied its contractual rights to inspect the Petitioner's residence;[15]

(8) The record does not suggest that delay by the Petitioner in giving HOW notice of her defect had any impact on the major structural defect in the home;[16]

(9) Petitioner's claim is not excluded by unreasonable delay;[17]

(10) Concerning the cost of repair, subject to recovery from HOW, the Deputy Receiver fails to offer any testimony or evidence regarding repair or replacement of the failed piers;[18]

(11) The only evidence in the record on the repair of the failed piers is the evidence submitted by Petitioner;[19]

(12) Mr. Hart's itemized estimate of $736,364.73 for the repair of piers will be considered as the basis for the resolution of this case;[20]

ITEMIZATION OF PROJECTED COSTS

Description	Estimated Cost
Appliances	$ 61.81
Cleaning	2,047.16
Concrete	183,502.04
Content Manipulation	12,887.20
General Demolition	48,162.24
Drywall	1,200.00
Electrical	1,597.53
Engineering Services	7,703.12
Floor Covering-Wood	34,268.97
Fencing	6,913.89
Finish Hardware	492.26

[9] Transcript at 208; Report of Alexander F. Skirpan, Jr., Hearing Examiner dated February 4, 2000 ("Hearing Examiner's Report"), at 2.

[10] Exhibit MJB-40 at 1; Hearing Examiner's Report at 3.

[11] Exhibit SS-46 at 22; Hearing Examiner's Report at 6.

[12] Hearing Examiner's Report at 8-9.

[13] Hearing Examiner's Report at 10.

[14] Hearing Examiner's Report at 10.

[15] Hearing Examiner's Report at 10.

[16] Hearing Examiner's Report at 10.

[17] Hearing Examiner's Report at 10.

[18] Hearing Examiner's Report at 11.

[19] Hearing Examiner's Report at 11.

[20] Transcript at 72; Hearing Examiner's Report at 11-12.

Description	Estimated Cost
Fireplaces	392.35
Framing & Rough Carpentry	6,613.92
Grading & Site Preparation	46,008.67
Housing-Temporary	48,000.00
Heat, Vent & Air Conditioning	703.92
Landscaping	30,008.22
Light Fixtures	2,692.70
Masonry	43,986.40
Marble - Cultured or Natural	2,770.56
Mirrors & Shower Doors	594.81
Plumbing	13,096.16
Painting	20,610.82
Scaffolding	436.64
Soffit, Fascia, & Gutter	294.00
Steel	80,683.57
Tile	2,716.80
Window Treatment	1,899.66
Wallpaper	3,931.31
Subtotal	**$604,276.73**
Minimums	4.86
Overhead 10%	60,428.16
Profit 10%	66,470.98
Material Tax	4,729.00
Permit	455.00
Grand Total	**$736,364.73**

(13) The HOW Insurance/Warranty documents list several exclusions from major structural defect coverage;[21]

(14) Mr. Hart's charge of: (i) $12,887.20 for content manipulation, (ii) $3,689.17 for fencing, (iii) $48,000.00 for temporary housing, and (iv) $30,008.22 for landscaping fall within the HOW Insurance/Warranty documents' list of exclusions from major structural defect coverage;[22]

(15) Eliminating the costs of the excluded items listed above in No. 14 of the Hearing Examiner's findings/recommendations reduces Mr. Hart's estimated subtotal by $94,584.59 and his grand total by $114,447.35, which produces an estimated cost, subject to recovery from HOW, of $621,917.38;[23]

(16) There is insufficient evidence in the record to justify an adjustment of Mr. Hart's repair estimates for inflation;[24]

(17) Petitioner has been compensated $185,000 for the major structural defect in her home, which is comprised of the $150,000 recovered from her design engineers and a $35,000 jury award;[25]

(18) Of the $621,917.38 subject to recovery from HOW, Ms. Frawley has already recovered $185,000 from her design engineers and builder, and should be awarded $436,917.38;[26] and

(19) The Commission should enter an order adopting his findings, reversing the Deputy Receiver's Determination of Appeal in Claim No. 3231925, and dismissing this 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 and so finds that the findings and recommendations of the Hearing Examiner should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The Petition of Lorraine G. Frawley 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 in Claim No. 3231925 on June 21, 1999 be, and it is hereby, REVERSED;

(3) The Petitioner is awarded the sum of four hundred thirty-six thousand nine hundred seventeen dollars and thirty-eight cents ($436,917.38);

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[21] Hearing Examiner's Report at 12.

[22] Hearing Examiner's Report at 12-13.

[23] Hearing Examiner's Report at 13.

[24] Hearing Examiner's Report at 13.

[25] Hearing Examiner's Report at 13.

[26] Hearing Examiner's Report at 14.

(4) The Deputy Receiver shall pay the Petitioner the sum of four hundred thirty-six thousand nine hundred seventeen dollars and thirty-eight cents ($436,917.38) in accordance with the Deputy Receiver's current payment directive; and

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

CASE NO. INS990230
APRIL 11, 2000

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

WHEREAS, by application filed with the Commission on September 23, 1999, MBL Life Assurance Corporation, a New Jersey-domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia ("MBL"), by its Vice President and Deputy General Counsel, requested approval of an assumption reinsurance agreement pursuant to § 38.2-136 C of the Code of Virginia, whereby Allstate Life Insurance Company, an Illinois-domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia, would assume certain policies/annuity contracts issued by MBL as set forth in Exhibit I to the application;

WHEREAS, the Bureau of Insurance, having reviewed the application to ensure that Virginia policyholders/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 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. INS990250
APRIL 28, 2000

PETITION OF
DOMINIC AND MILLIE GIORDANO

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 (collectively the "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 October 14, 1999, Dominic and Millie Giordano ("Petitioners" or "Giordanos") filed a Petition for Review ("Petition") with the Commission contesting the Deputy Receiver's Determination of Appeal in Claim No. 3206579-B, which denied Petitioners' claim for foundation problems associated with their home located at 39 Chesterfield Lane, Toms River, New Jersey 08757.

By order dated November 1, 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 November 19, 1999.

On November 19, 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 represented, among other things, that Petitioners' claim is time-barred pursuant to the procedural requirements of the Receivership Appeal Procedure and the express terms of the HOW Insurance/Warranty documents.

By Hearing Examiner's Ruling of November 23, 1999, the Petitioners were given an opportunity to file a response to the Deputy Receiver's Motion to Dismiss. The Giordanos filed no response.

After receiving and reviewing the filings submitted in the case, the Hearing Examiner submitted his final report on March 17, 2000. Therein, the Hearing Examiner enumerated, among other things, the following findings and recommendations:

(1) On or about February 17, 1989, Petitioners' home was enrolled in the HOW Program by Hovsons, Inc. ("Builder");

(2) In 1995, Petitioners notified the Builder of the home's sinking foundation;

(3) The Builder made repairs to the home, and Petitioners then believed their home was properly supported;

(4) By letter dated May 28, 1999, Petitioners notified the Builder and HOW of the existence of another problem with the sinking foundation of their home;

(5) Petitioners' claim was received by HOW on June 1, 1999, and was denied in a Notice of Claim Determination dated June 4, 1999;

(6) Petitioners filed a Notice of Appeal with the Deputy Receiver on June 30, 1999, which was denied by Determination of Appeal dated September 9, 1999;

(7) Petitioners filed a Petition with the Commission on or about October 14, 1999;

(8) All HOW Program coverage for Petitioners' home expired on February 17, 1999; however, the claim was first presented to the HOW Companies on June 1, 1999, nearly three months after expiration of the coverage and reporting grace period;

(9) The HOW Insurance/Warranty documents expressly provide that claims submitted more than thirty days after the expiration of coverage will not be honored;

(10) Petitioners were advised by correspondence from the HOW Companies dated June 2, 1998, that information relating to a claim must be submitted to HOW prior to the expiration of coverage;

(11) The HOW Companies' Insurance/Warranty documents clearly state that actions taken by a builder to correct defects in a home under the Limited Warranty shall not extend the time of the Limited Warranty;

(12) The Deputy Receiver's Motion to Dismiss should be granted; and

(13) The Commission should enter an order dismissing the Petition of Appeal of Dominic and Millie Giordano and affirming the Deputy Receiver's Determination of Appeal dated September 9, 1999, in Claim No. 3206579-B.

Upon consideration of the filings and the Final Report of Howard P. Anderson, Jr., Hearing Examiner, the Commission is of the opinion and so finds that the findings and recommendations of the Hearing Examiner should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The Motion to Dismiss filed herein by the Deputy Receiver be, and it is hereby, GRANTED;

(2) The Petition of Dominic and Millie Giordano for review of the Deputy Receiver's Determination of Appeal be, and it is hereby, DENIED;

(3) The Deputy Receiver's Determination of Appeal in Claim No. 3206579-B dated September 9, 1999, 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. INS990252
JANUARY 14, 2000

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 ADOPTING REGULATION

WHEREAS, by order entered herein November 2, 1999, the Commission ordered that a hearing be conducted on December 16, 1999, for the purpose of considering the adoption of a regulation proposed by the Bureau of Insurance ("Bureau") entitled "Rules Governing Independent External Review of Final Adverse Utilization Review Decisions";

WHEREAS, the Commission's order required all interested persons to file their comments to the proposed regulation on or before December 2, 1999;

WHEREAS, the Bureau filed a response to the prefiled comments on December 14, 1999;

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

WHEREAS, the Bureau has recommended certain amendments to the proposed regulation in response to concerns raised by the Commission and the additional comments received by the Commission at the hearing; and

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

THEREFORE, IT IS ORDERED THAT:

(1) The 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, and which is attached hereto and made a part hereof, should be, and it is hereby, ADOPTED to be effective February 15, 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 Gerald A. Milsky, who forthwith shall give further notice of the adoption of the regulation by mailing a copy of this Order, together with a clean copy of the attached 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 plans licensed by the Commission under Chapters 42, 43, and 45, 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 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. INS990262
AUGUST 21, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CHRISTOPHER W. ROWLAND,
Defendant

FINAL ORDER

On November 10, 1999, a Rule to Show Cause was issued against the Defendant alleging various violations of statutes governing the conduct of insurance agents doing business in Virginia. On motion of the Commission's Staff, the Rule to Show Cause was amended to allege the following:

1. The Defendant received five thousand dollars ($5,000) belonging to Randolph R. Lang on October 8, 1997, the purpose of which was to purchase an annuity for the benefit of family members of Randolph R. Lang. Notwithstanding the fiduciary duty imposed by statute, the Defendant failed to disperse these funds to the person entitled to payment in the ordinary course of business, in violation of § 38.2-1813 of the Code of Virginia.

2. The Defendant received five thousand dollars ($5,000) belonging to Randolph R. Lang on October 24, 1997, the purpose of which was to purchase an annuity for the benefit of family members of Randolph R. Lang. Notwithstanding the fiduciary duty imposed by statute, the Defendant failed to disperse these funds to the person entitled to payment in the ordinary course of business, in violation of § 38.2-1813 of the Code of Virginia.

3. The Defendant violated § 38.2-1813 of the Code of Virginia by failing to hold funds in a fiduciary capacity, to wit: the five thousand dollars ($5,000) belonging to Randolph R. Lang received on October 8, 1997.

4. The Defendant violated § 38.2-1813 of the Code of Virginia by failing to hold funds in a fiduciary capacity, to wit: the five thousand dollars ($5,000) belonging to Randolph R. Lang received on October 24, 1997.

5. The Defendant violated a Cease and Desist Order entered by this Commission on June 29, 1990, in Case No. INS900226, by failing to pay the above funds over to the person entitled to receive payment.

6. The Defendant has misappropriated an insurance premium, in violation of subsection 1 of § 38.2-1831 of the Code of Virginia.

7. The Defendant, having been convicted of Petit Larceny for his actions regarding the funds belonging to Randolph R. Lang, is no longer trustworthy or competent to solicit, negotiate, procure, or effect the classes of insurance for which licenses are applied for or held in the Commonwealth of Virginia.

The Hearing Examiner, appointed pursuant to § 12.1-31 of the Code of Virginia to take the evidence in this case, convened a hearing in this matter on April 11, 2000. The Defendant was present, and being represented by counsel, fully participated in the hearing. The Hearing Examiner filed his report on June 21, 2000, making the following findings of fact and recommendations:

1. On two occasions, October 8 and October 24, 1997, the Defendant received money on behalf of Randolph R. Lang and failed in the ordinary course of business to pay the funds to the person entitled to payment. Such behavior constituted two violations of § 38.2-1813 of the Code of Virginia, and the Defendant should be assessed a penalty in the amount of five thousand dollars ($5,000) for each violation of § 38.2-1813.

2. The Defendant violated the Cease and Desist Order entered by the Commission on June 29, 1990, in Case No. INS900226, when he failed to pay funds in the ordinary course of business to the insured or his assignee, insurer, insurance premium finance company or agent entitled to payment.

3. The Defendant should have his insurance license revoked for the misappropriation of an insurance premium.

4. The other counts of the Rule are cumulative in nature and should be dismissed.

The Hearing Examiner further recommended that the Commission adopt his findings, fine the Defendant ten thousand dollars ($10,000), revoke his license to sell insurance in Virginia, and dismiss this case from the Commission's active docket of cases.

UPON CONSIDERATION of the Rule to Show Cause, the evidence presented at the hearing, the Hearing Examiner's Report, and the Comments thereto, the Commission is of the opinion, and so finds, that the Hearing Examiner's Report should be affirmed; accordingly

IT IS ORDERED THAT:

(1) The Hearing Examiner's findings and recommendations be, and the same are hereby adopted;

(2) The Defendant be, and he is hereby, penalized in the amount of ten thousand dollars ($10,000), five thousand dollars ($5,000) for each violation of § 38.2-1813 of the Code of Virginia;

(3) The Defendant's license to sell insurance in Virginia be, and the same is hereby, revoked; and

(4) The Clerk shall remove this case from the Commission's docket of active cases and file it among the ended causes.

CASE NO. INS990262
SEPTEMBER 8, 2000

COMMONWEALTH OF VIRGINIA, ex rel,
STATE CORPORATION COMMISSION
v.
CHRISTOPHER W. ROWLAND,
Defendant

ORDER DENYING MOTION TO SET ASIDE FINAL ORDER

ON A FORMER DAY came Defendant, by counsel, and filed with the Clerk of the Commission a Motion to Set Aside Final Order; and

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

THEREFORE, IT IS ORDERED that the Motion to Set Aside Final Order filed herein by Defendant be, and it is hereby, DENIED.

CASE NO. INS990263
JUNE 29, 2000

COMMONWEALTH OF VIRGINIA, ex rel,
STATE CORPORATION COMMISSION
v.
ADVANTAGE TITLE, L.C.
and
REPUBLIC TITLE, INC.,
Defendants

ORDER

GOOD CAUSE having been shown, Defendant Republic Title, Inc., is hereby DISMISSED from this proceeding.

CASE NO. INS990264
JUNE 29, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CRAIG SEELEY
and
REPUBLIC TITLE, INC.,
Defendants

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendants, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated § 6.1-2.23 C of the Code of Virginia by retaining interest received on funds deposited in connection with an escrow, settlement, or closing;

IT FURTHER APPEARING that the Commission is authorized by § 6.1-2.27 of the Code of Virginia to impose certain monetary penalties 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 of Chapter 1.3 (§ 6.1-2.19 et seq.) of Title 6.1 of the Code of Virginia;

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 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), 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) Defendants cease and desist from any conduct which constitutes a violation of § 6.1-2.23 C of the Code of Virginia; and

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

CASE NO. INS990267
JANUARY 12, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CANADA LIFE 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 its 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 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 or 14 VAC 5-190-50; and

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

CASE NO. INS990268
JANUARY 19, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
GENERAL ELECTRIC CAPITAL 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 its 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 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 or 14 VAC 5-190-50; and

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

CASE NO. INS990272
JANUARY 12, 2000

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that CapitalCare, Inc., 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 §§ 38.2-305 B, 38.2-316 A, 38.2-316 B, 38.2-316 C, 38.2-503, 38.2-510, 38.2-511, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A 1, 38.2-1834 C, 38.2-3407.4, 38.2-3407.11, 38.2-3431 D 7, 38.2-3433 B, 38.2-4301 C, 38.2-4306 A 2, 38.2-4306 B 1, 38.2-4306.1, 38.2-4308 A, 38.2-4308 B, 38.2-4311 C, and 38.2-4312 A 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 A 2, 14 VAC 5-90-60 B 1, 14 VAC 5-90-130 A, 14 VAC 5-90-170 A, 14 VAC 5-210-60 H, 14 VAC 5-210-70 C 3, 14 VAC 5-210-70 H 1, 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; and

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 seventy-five thousand dollars ($75,000), 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 §§ 38.2-305 B, 38.2-316 A, 38.2-316 B, 38.2-316 C, 38.2-503, 38.2-510, 38.2-511, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A 1, 38.2-1834 C, 38.2-3407.4, 38.2-3407.11, 38.2-3431 D 7, 38.2-3433 B, 38.2-4301 C, 38.2-4306 A 2, 38.2-4306 B 1, 38.2-4306.1, 38.2-4308 A, 38.2-4308 B, 38.2-4311 C, or 38.2-4312 A of the Code of Virginia, 14 VAC 5-90-40, 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 1, 14 VAC 5-90-130 A, 14 VAC 5-90-170 A, 14 VAC 5-210-60 H, 14 VAC 5-210-70 C 3, 14 VAC 5-210-70 H 1, 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, or 14 VAC 5-234-40 C; and

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

CASE NO. INS990282
JANUARY 12, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
PRINCE WILLIAM SELF-INSURANCE GROUP CASUALTY POOL,
Defendant

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission as a group self-insurance pool in the Commonwealth of Virginia, in a certain instance, violated § 15.2-2707 of the Code of Virginia, as well as 14 VAC 5-360-60 A, by failing to file timely with the Commission Defendant's annual audited financial statement for Defendant's most recently completed fiscal year;

IT FURTHER APPEARING that the Commission is authorized by §§ 15.2-2706 and 12.1-13 of the Code of Virginia and 14 VAC 5-360-160 to impose certain monetary penalties 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 § 15.2-2707 of the Code of Virginia or 14 VAC 5-360-60 A; and

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

CASE NO. INS990288
FEBRUARY 29, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
JORGE C. AGUILAR, AGUILAR ENTERPRISES, INC.
and
CORAL ENTERPRISES, INC.,
Defendants

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendants, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-1809, 38.2-1813, and 38.2-1822 of the Code of Virginia by failing to retain all of the Defendants' records relative to insurance transactions for the three previous calendar years, failing to make records available promptly upon request for examination by the Commission, 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, and failing to notify the Bureau of Insurance of the assumed or fictitious name under which Defendants' business was to be conducted;

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 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 three thousand dollars ($3,000), waived their right to a hearing, and agreed to the entry by the Commission of a cease and desist order, agreed to provide evidence to the Bureau of Insurance of any restitution made to Allstate Insurance Company as of February 9, 2000, agreed to update the Bureau of Insurance by providing evidence of any restitution made to Allstate Insurance Company until full restitution of twenty-nine thousand nine hundred sixty-six dollars and forty-four cents ($29,966.44) is made, agreed that if restitution is not made in full by March 1, 2000, or if Defendants fail to comply with any of the terms set forth in their settlement offer, their licenses to transact the business of insurance in the Commonwealth of Virginia may be administratively terminated by the Bureau of Insurance, and Defendants have further agreed to waive their right to any hearing to contest such administrative termination of their licenses; and

IT FURTHER APPEARING that the Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendants pursuant to the authority granted the Commission in § 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 cease and desist from any conduct which constitutes a violation of §§ 38.2-1809, 38.2-1813, or 38.2-1822 of the Code of Virginia; and

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

CASE NO. INS990292
JANUARY 6, 2000

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-305 A, 38.2-305 B, 38.2-509, 38.2-510 A 10, 38.2-510 C, 38.2-512, 38.2-610 A, 38.2-1812, 38.2-1822, 38.2-1833, 38.2-1905, 38.2-1906 D, 38.2-2014, 38.2-2208, 38.2-2210 A, 38.2-2212, 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 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, 38.2-305 B, 38.2-509, 38.2-510 A 10, 38.2-510 C, 38.2-512, 38.2-610 A, 38.2-1812, 38.2-1822, 38.2-1833, 38.2-1905, 38.2-1906 D, 38.2-2014, 38.2-2208, 38.2-2210 A, 38.2-2212, 38.2-2220, or 38.2-2230 of the Code of Virginia, or 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. INS990303
JANUARY 6, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MARY ELLEN SIROIS,
Defendant

ORDER REVOKING LICENSE

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 as an insurance agent, in certain instances, violated §§ 38.2-1809, 38.2-1813, and 38.2-1822 of the Code of Virginia by failing to make records available promptly upon request for examination by the Commission, failing to hold funds in a fiduciary capacity, 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 failing to notify the Bureau of Insurance, in writing, either at the time the application for a license to do business is filed or the assumed or fictitious name is adopted, of the fictitious name under which the Defendant is conducting the business of insurance;

IT FURTHER APPEARING that Defendant has been notified of her right to a hearing before the Commission in this matter by certified letter dated November 16, 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, and 38.2-1822 of the Code of Virginia by failing to make records available promptly upon request for examination by the Commission, failing to hold funds in a fiduciary capacity, 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 failing to notify the Bureau of Insurance, in writing, either at the time the application for a license to do business is filed or the assumed or fictitious name is adopted, of the fictitious name under which the Defendant is conducting the business of insurance.

THEREFORE, IT IS ORDERED THAT:

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

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

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

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

(5) The Bureau of Insurance 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. INS990305
JANUARY 28, 2000

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

FINAL ORDER

WHEREAS, by order entered herein December 30, 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 January 14, 2000, and filed with the Commission on January 24, 2000, the Commission was advised that Defendant restored its surplus to policyholders to at least $3,000,000 on January 7, 2000; 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. INS000010
FEBRUARY 14, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
COTTINGHAM & BUTLER INSURANCE SERVICE, INC.
and
STEPHEN J. BONFIG,
Defendants

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendants, in certain instances, violated the Code of Virginia, to wit: Cottingham & Butler Insurance Service, Inc. violated §§ 38.2-512, 38.2-1304, and 38.2-1802 of the Code of Virginia by making, causing, or allowing to be made 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, knowingly or willfully making or filing any false or fraudulent statement, report or other instrument, and soliciting, negotiating, procuring, or effecting contracts of insurance without being licensed, and Stephen J .Bonfig violated §§ 38.2-512 and 38.2-1304 of the Code of Virginia by making, causing, or allowing to be made 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 and knowingly or willfully making or filing any false or fraudulent statement, report or other instrument;

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 Cottingham & Butler Insurance Service, Inc.'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 the Commission is authorized by §§ 38.2-218 and 38.2-219 of the Code of Virginia to impose certain monetary penalties and issue cease and desist orders upon a finding by the Commission, after notice and opportunity to be heard, that Defendant Stephen J. Bonfig has 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 five thousand dollars ($5,000), 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) Defendants cease and desist from any conduct which constitutes a violation of §§ 38.2-512, 38.2-1304, or 38.2-1802 of the Code of Virginia; and

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

CASE NO. INS000011
FEBRUARY 4, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
DAVID A. MARTIN
and
MARTIN INSURANCE AGENCY, INC.,
Defendants

ORDER REVOKING LICENSE

IT APPEARING from an investigation by the Bureau of Insurance that Defendants, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as insurance agents, in certain instances, violated §§ 38.2-1813, 38.2-1822, and 38.2-1833 of the Code of Virginia by failing to hold funds in a fiduciary capacity, 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, commingling funds required to be maintained in a separate fiduciary account with other business and personal funds, acting as agents on behalf of a corporation without being appointed, and continuing to solicit insurance after forty-five days from the date of execution of the first insurance application submitted to an insurer without receiving from the Commission an acknowledgement of their appointments;

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 Defendants' licenses upon a finding by the Commission, after notice and hearing, that Defendants have committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendants have been notified of their right to a hearing before the Commission in this matter by certified letter dated December 16, 1999, and mailed to the Defendants' address shown in the records of the Bureau of Insurance;

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

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

THE COMMISSION is of the opinion and finds that Defendants have violated §§ 38.2-1813, 38.2-1822, and 38.2-1833 of the Code of Virginia by failing to holds funds in a fiduciary capacity, 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, commingling funds required to be maintained in a separate fiduciary account with other business and personal funds, acting as agents on behalf of a corporation without being appointed, and continuing to solicit insurance after forty-five days from the date of execution of the first insurance application submitted to an insurer without receiving from the Commission an acknowledgement of their appointments;

THEREFORE, IT IS ORDERED THAT:

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

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

(3) Defendants transact no further business in the Commonwealth of Virginia as insurance agents;

(4) Defendants shall not apply to the Commission to be licensed as insurance agents in the Commonwealth of Virginia prior to two (2) years from the date of this Order;

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

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

CASE NO. INS000011
FEBRUARY 18, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
DAVID A. MARTIN
and
MARTIN INSURANCE AGENCY, INC.,
Defendants

ORDER SUSPENDING EXECUTION OF JUDGMENT

UPON CONSIDERATION of a Petition to Vacate Order by counsel for Defendants, received by the Commission on February 15, 2000, and for good cause shown,

IT IS ORDERED THAT the execution of the judgment entered herein February 4, 2000, be and it is hereby, SUSPENDED until further order of the Commission.

CASE NO. INS000015
MARCH 13, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AETNA U.S. HEALTHCARE, 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 as a health maintenance organization, in certain instances, violated §§ 38.2-316 A, 38.2-316 B, 38.2-316 C, 38.2-502, 38.2-503, 38.2-510, 38.2-511, 38.2-1318 C, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A, 38.2-1834 C, 38.2-3407.4 A, 38.2-3407.11, 38.2-4301 B 9, 38.2-4301 C, 38.2-4306 A 2, 38.2-4306 B 1, 38.2-4306.1, 38.2-4308 A, 38.2-4312 C, 38.2-4313, 38.2-5801 C 2, and 38.2-5804 A of the Code of Virginia, as well as 14 VAC 5-90-40, 14 VAC 5-90-50 A, 14 VAC 5-90-50 B, 14 VAC 5-90-60 A 1, 14 VAC 5-90-60 A 2, 14 VAC 5-90-60 B 1, 14 VAC 5-90-60 B 3, 14 VAC 5-90-80 A, 14 VAC 5-90-80 D, 14 VAC 5-90-90 A, 14 VAC 5-90-90 C, 14 VAC 5-90-120 A, 14 VAC 5-90-130 A, 14 VAC 5-90-160, 14 VAC 5-90-170 A, 14 VAC 5-2 10-50 C 2, 14 VAC 5-210-50 C 3, 14 VAC 5-210-70 C, 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, 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 one hundred and five thousand dollars ($105,000), 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, 38.2-502, 38.2-503, 38.2-510, 38.2-511, 38.2-1318 C, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A, 38.2-1834 C, 38.2-3407.4 A, 38.2-3407.11, 38.2-4301 B 9, 38.2-4301 C, 38.2-4306 A 2, 38.2-4306 B 1, 38.2-4306.1, 38.2-4308 A, 38.2-4312 C, 38.2-4313, 38.2-5801 C 2, or 38.2-5804 A of the Code of Virginia, or 14 VAC 5-90-40, 14 VAC 5-90-50 A, 14 VAC 5-90-50 B, 14 VAC 5-90-60 A 1, 14 VAC 5-90-60 A 2, 14 VAC 5-90-60 B 1, 14 VAC 5-90-60 B 3, 14 VAC 5-90-80 A, 14 VAC 5-90-80 D, 14 VAC 5-90-90 A, 14 VAC 5-90-90 C, 14 VAC 5-90-120 A, 14 VAC 5-90-130 A, 14 VAC 5-90-160, 14 VAC 5-90-170 A, 14 VAC 5-210-50 C 2, 14 VAC 5-210-50 C 3, 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. INS000020
FEBRUARY 18, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
LEGION 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 §§ 38.2-1812 A and 38.2-1822 A of the Code of Virginia by paying a commission to a person for services as an agent who was not licensed and appointed and knowingly permitting a person to act as an agent 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 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 §§ 38.2-1812 A or 38.2-1822 A of the Code of Virginia; and

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

CASE NO. INS000021
MAY 18, 2000

PETITION OF
ADVANCED MANAGEMENT SERVICES

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" to govern appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly authorized representatives.

On January 14, 2000, Advanced Management Services ("Petitioner") filed a Petition for Review ("Petition") with the Commission contesting the Deputy Receiver's Determination of Appeal in Claim Nos. H509118, H509119, H509120, H509121, H509122, H509123, H509124, H509125, H509126, H509127, H509128 and H509129. Petitioner is the managing agent for Erasmus Place Condominium, a development consisting of twelve six-unit buildings located on a city block comprised of Erasmus Street, Veronica Place, Snyder Avenue, and Lott Street, Brooklyn, New York, and seeks structural defect coverage from the HOW Companies for defects associated with the exterior masonry walls, improperly pitched roofs, and insufficiently waterproofed heating closet walls.

By order dated February 8, 2000, 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 3, 2000.

On March 2, 2000, 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 averred, among other things, that Petitioner's claims are time-barred by the procedural requirements of the Receivership Appeal Procedure.

By Hearing Examiner's Ruling of March 6, 2000, Petitioner was granted an opportunity to respond to the Motion to Dismiss by March 22, 2000. On March 15, 2000, Petitioner filed a letter response to the Motion to Dismiss. Therein, Petitioner claimed, among other things, that its appeals were made timely, and that the original claims against HOW for structural defects were made prior to the expiration of the program.

By Hearing Examiner's Ruling dated March 20, 2000, a procedural schedule was established and a hearing date scheduled for June 8, 2000. No ruling was made on the Deputy Receiver's Motion to Dismiss.

On April 13, 2000, the Deputy Receiver filed a Motion for Reconsideration. Therein, the Deputy Receiver asserted, among other things, that the Petitioner's claims were untimely under the Receivership Appeal Procedure, and requested that its Determination of Appeal be affirmed and the Petition dismissed.

After receiving and reviewing the filings submitted in the proceeding, Howard P. Anderson, Hearing Examiner, issued his Report on April 21, 2000. The Hearing Examiner enumerated the following findings and recommendations:

(i) The Erasmus Place Condominium was enrolled in the HOW Program by Monadnock Construction, Inc., from May 26, 1989, through June 23, 1989;

(ii) Petitioner's master claim for alleged defects in the Erasmus Place Condominium was received by the HOW Companies on May 24, 1999;

(iii) The Deputy Receiver denied the master claim by Notice of Claim Determination dated June 16, 1999;

(iv) On July 12, 1999, Petitioner's Notice of Appeal on the denied master claim was received by the Deputy Receiver;

(v) On December 7, 1999, a Determination of Appeal by the Deputy Receiver also denied the Petitioner's master claim;

(vi) The Petition was received by the Commission on January 14, 2000;

(vii) Appeals of the Deputy Receiver's Determination of Appeal must have been filed with the Commission by the thirtieth day following the date shown on the Determination of Appeal;

(viii) The Determination of Appeal issued by the Deputy Receiver for Petitioner's master claim was dated December 7, 1999;

(ix) Any appeal of the Deputy Receiver's Determination of Appeal must have been filed with the Commission on or before January 6, 2000;

(x) The Petition was not filed with this Commission until January 14, 2000;

(xi) Since the Petition was filed with this Commission more than thirty (30) days following the Determination of Appeal dated December 7, 1999, the Petition is untimely and should be dismissed;

(xii) The telephonic hearing scheduled for June 8, 2000, should be canceled;

(xiii) The Deputy Receiver's Determination of Appeal in Claim Nos. H509118 through H509129 should be affirmed;

(xiv) The Petition of Advanced Management Services should be dismissed; and

(xv) The Commission should enter an order adopting his findings and dismissing this case from the Commission's docket of active cases.

Upon consideration of the pleadings, the Hearing Examiner's Report, and Petitioner's Comments to the Hearing Examiner's Report, the Commission is of the opinion that the findings and recommendations of the Hearing Examiner should be adopted.

Accordingly, IT IS ORDERED THAT:

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

(2) The Deputy Receiver's Determination of Appeal issued in Claim Nos. H509118 through H509129 on December 7, 1999, be, and it is hereby, AFFIRMED;

(3) The Petition for Review of Advanced Management Services be, and it is hereby, DISMISSED; and

(4) The case is dismissed from the Commission's active docket and the papers herein are passed to the file for ended causes.

CASE NO. INS000025
FEBRUARY 28, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
LARRY'S HOMES OF VIRGINIA, INC.,
Defendant

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-1804, 38.2-1812, and 38.2-1822 of the Code of Virginia by signing or allowing an insured to sign an incomplete or blank form pertaining to insurance, accepting commissions without being properly licensed, and knowingly permitting a person to act as an agent 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 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 seven thousand five hundred dollars ($7,500), 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 §§ 38.2-1804, 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. INS000026
FEBRUARY 3, 2000

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

IMPAIRMENT ORDER

WHEREAS, First Continental Life and Accident Insurance Company, a foreign corporation domiciled in the State of Utah 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 $2,500,000, and surplus of $2,887,217;

IT IS ORDERED that, on or before May 3, 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. INS000026
MAY 12, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FIRST CONTINENTAL LIFE AND ACCIDENT 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 February 3, 2000, 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 May 3, 2000; 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 May 23, 2000, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before May 23, 2000, 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. INS000026
JUNE 5, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FIRST CONTINENTAL LIFE AND ACCIDENT 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 12, 2000, Defendant was ordered to take notice that the Commission would enter an order subsequent to May 23, 2000, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before May 23, 2000, 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. INS000027
MARCH 2, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
METROPOLITAN PROPERTY AND CASUALTY INSURANCE COMPANY,
METROPOLITAN CASUALTY INSURANCE COMPANY,
METROPOLITAN DIRECT PROPERTY AND CASUALTY INSURANCE COMPANY,
and
METROPOLITAN GENERAL INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendants, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated the Code of Virginia to wit: Metropolitan Property and Casualty Insurance Company violated §§ 38.2-305 A, 38.2-305 B, 38.2-510 A 1, 38.2-510 A 10, 38.2-610, 38.2-1906 D, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2120, 38.2-2202 A, 38.2-2202 B, 38.2-2206 A, 38.2-2208, 38.2-2212, 38.2-2214, 38.2-2220, and 38.2-2230 of the Code of Virginia, as well as 14 VAC 5-400-40 A, 14 VAC 5-400-50 C, 14 VAC 5-400-70 A, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D; Metropolitan Casualty Insurance Company violated §§ 38.2-305 A, 38.2-510 A 1, 38.2-510 A 10, 38.2-1906 D, 38.2-2206 A, 38.2-2212, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-40 A, 14 VAC 5-400-70 A, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D; Metropolitan Direct Property and Casualty Insurance Company violated §§ 38.2-305 A, 38.2-510 A 1, 38.2-510 A 10, 38.2-2014, 38.2-2202 A, 38.2-2202 B, 38.2-2212, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-40 A, 14 VAC 5-400-50 C, 14 VAC 5-400-70 A, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D; and Metropolitan General Insurance Company violated §§ 38.2-305 A, 38.2-510 A 1, 38.2-510 A 10, 38.2-2202 A, 38.2-2202 B, 38.2-2206 A, 38.2-2212, 38.2-2214, and 38.2-2220 of the Code of Virginia, as well as 14 VAC 5-400-40 A, 14 VAC 5-400-50 C, 14 VAC 5-400-70 A, 14 VAC 5-400-70 D, 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 seventeen thousand dollars ($17,000), 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) Metropolitan Property and Casualty Insurance Company cease and desist from any conduct which constitutes a violation of §§ 38.2-305 A, 38.2-305 B, 38.2-510 A 1, 38.2-510 A 10, 38.2-610, 38.2-1906 D, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2120, 38.2-2202 A, 38.2-2202 B, 38.2-2206 A, 38.2-2208, 38.2-2212, 38.2-2214, 38.2-2220, or 38.2-2230 of the Code of Virginia, or 14 VAC 5-400-40 A, 14 VAC 5-400-50 C, 14 VAC 5-400-70 A, 14 VAC 5-400-70 D, or 14 VAC 5-400-80 D;

(3) Metropolitan Casualty Insurance Company cease and desist from any conduct which constitutes a violation of §§ 38.2-305 A, 38.2-510 A 1, 38.2-510 A 10, 38.2-1906 D, 38.2-2206 A, 38.2-2212, or 38.2-2220 of the Code of Virginia, or 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;

(4) Metropolitan Direct Property and Casualty Insurance Company cease and desist from any conduct which constitutes a violation of §§ 38.2-305 A, 38.2-510 A 1, 38.2-510 A 10, 38.2-2014, 38.2-2202 A, 38.2-2202 B, 38.2-2212, or 38.2-2220 of the Code of Virginia, or 14 VAC 5-400-40 A, 14 VAC 5-400-50 C, 14 VAC 5-400-70 A, 14 VAC 5-400-70 D, or 14 VAC 5-400-80 D;

(5) Metropolitan General Insurance Company cease and desist from any conduct which constitutes a violation of §§ 38.2-305 A, 38.2-510 A 1, 38.2-510 A 10, 38.2-2202 A, 38.2-2202 B, 38.2-2206 A, 38.2-2212, 38.2-2214, or 38.2-2220 of the Code of Virginia, or 14 VAC 5-400-40 A, 14 VAC 5-400-50 C, 14 VAC 5-400-70 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. INS000028
MARCH 2, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FARMERS INSURANCE EXCHANGE
and
MID-CENTURY 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: Farmers Insurance Exchange violated §§ 38.2-304, 38.2-305 A, 38.2-305 B, 38.2-510 C 1, 38.2-511, 38.2-610, 38.2-1906 B, 38.2-2113, 38.2-2114, 38.2-2118, 38.2-2120, 38.2-2202 A, 38.2-2208, 38.2-2212, 38.2-2213, 38.2-2220, 38.2-2223, 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; and Mid-Century Insurance Company violated §§ 38.2-305 A, 38.2-305 B, 38.2-510 C 1, 38.2-511, 38.2-1905, 38.2-1906 B, 38.2-2014, 38.2-2202 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 5-400-40 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 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-nine thousand dollars ($39,000), 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) Farmers Insurance Exchange cease and desist from any conduct which constitutes a violation of §§ 38.2-304, 38.2-305 A, 38.2-305 B, 38.2-510 C 1, 38.2-511, 38.2-610, 38.2-1906 D (formerly 38.2-1906 B), 38.2-2113, 38.2-2114, 38.2-2118, 38.2-2120, 38.2-2202 A, 38.2-2208, 38.2-2212, 38.2-2213, 38.2-2220, 38.2-2223, or 38.2-2230 of the Code of Virginia, or 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;

(3) Mid-Century Insurance Company cease and desist from any conduct which constitutes a violation of §§ 38.2-305 A, 38.2-305 B, 38.2-510 C 1, 38.2-511, 38.2-1905, 38.2-1906 D (formerly 38.2-1906 B), 38.2-2014, 38.2-2202 A, 38.2-2208, 38.2-2212, 38.2-2220, 38.2-2223, or 38.2-2230 of the Code of Virginia, or 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

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

CASE NO. INS000029
FEBRUARY 18, 2000

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-510 A 4 and 38.2-510 A 6 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 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;

IT FURTHER APPEARING that Defendant has agreed to re-emphasize to its Virginia claims staff the importance of proper and complete claim file investigation and documentation; 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 §§ 38.2-510 A 4 or 38.2-510 A 6 of the Code of Virginia; and

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

CASE NO. INS000034
FEBRUARY 24, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
PRIORITY HEALTH CARE, 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 §§ 38.2-316 B, 38.2-316 C, 38.2-503, 38.2-510 A 5, 38.2-511, 38.2-1318 C, 38.2-1812 A, 38.2-1833 A 1, 38.2-1834 C, 38.2-3407.4 A, 38.2-4301 C, 38.2-4308 A, 38.2-4312 A, 38.2-5403 B, and 38.2-5804 A of the Code of Virginia, as well as 14 VAC 5-90-40, 14 VAC 5-90-50 A, 14 VAC 5-90-50 B 1, 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 5-90-160, 14 VAC 5-90-170 A, 14 VAC 5-210-70 C 3, 14 VAC 5-210-70 H 1, and 14 VAC 5-210-100 B 17;

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 fifty thousand dollars ($50,000), 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, §§ 38.2-316 B, 38.2-316 C, 38.2-503, 38.2-510 A 5, 38.2-511, 38.2-1318 C, 38.2-1812 A, 38.2-1833 A 1, 38.2-1834 C, 38.2-3407.4 A, 38.2-4301 C, 38.2-4308 A, 38.2-4312 A, 38.2-5403 B, or 38.2-5804 A of the Code of Virginia, 14 VAC 5-90-40, 14 VAC 5-90-50 A, 14 VAC 5-90-50 B 1, 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 5-90-160, 14 VAC 5-90-170 A, 14 VAC 5-210-70 C 3, 14 VAC 5-210-70 H 1, or 14 VAC 5-210-100 B 17; and

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

CASE NO. INS000035
FEBRUARY 24, 2000

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated subsection 8 of § 38.2-606 and §§ 38.2-316 B, 38.2-316 C, 38.2-510 A 5, 38.2-604, 38.2-1812 A, and 38.2-1822 A 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 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 8 of § 38.2-606 or §§ 38.2-316 B, 38.2-316 C, 38.2-510 A 5, 38.2-604, 38.2-1812 A, or 38.2-1822 A of the Code of Virginia; and

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

CASE NO. INS000036
MARCH 15, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FEDERAL 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 §§ 38.2-1812 A, 38.2-1822 A, 38.2-2204 D, and 38.2-2220 of the Code of Virginia by paying a commission for services as an agent to an unlicensed person, knowingly permitting a person to act as an agent without first obtaining a license in a manner and in a form prescribed by the Commission, attaching to or including in an automobile insurance policy an endorsement, provision, or rider which purports or seeks to limit or reduce the coverage afforded by the provisions required by § 38.2-2204 of the Code of Virginia, and using a form covering substantially the same provisions contained in the standard form filed and adopted by the Commission which did not contain the precise language of the standard form;

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 fifteen thousand dollars ($15,000), 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 A, 38.2-1822 A, 38.2-2204 D, or 38.2-2220 of the Code of Virginia; and

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

CASE NO. INS000038
FEBRUARY 28, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AMERICAN CHAMBERS 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, American Chambers Life Insurance Company, a foreign corporation domiciled in the State of Ohio ("Defendant"), is licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia;

WHEREAS, pursuant to § 38.2-1301 of the Code of Virginia, Defendant was requested by the Bureau of Insurance to file monthly statutory financial statements to demonstrate its ongoing compliance with Virginia's minimum capital and surplus requirements set forth in § 38.2-1036 of the Code of Virginia;

WHEREAS, Defendant has failed to file such monthly reports for October 1999, November 1999, and December 1999; 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 for the reason that any further transaction of the business of insurance by Defendant in the Commonwealth of Virginia may be hazardous to its policyholders, creditors, and public in this Commonwealth;

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to March 9, 2000, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before March 9, 2000, 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. INS000038
MARCH 13, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
AMERICAN CHAMBERS 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 February 28, 2000, Defendant was ordered to take notice that the Commission would enter an order subsequent to March 9, 2000, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before March 9, 2000, 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. INS000040
AUGUST 30, 2000

PETITION OF
MARNELL AND NANCY RINGSAK

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" to govern appeals or challenges to any decisions rendered by the Receiver or the Receiver's duly authorized representatives.

On February 10, 2000, Marnell and Nancy Ringsak ("Petitioners") filed a Petition for Review ("Petition") with the Commission contesting the Deputy Receiver's Determination of Appeal of January 11, 2000, in Claim No. 3819334, in which the Deputy Receiver denied Petitioners' claim for warranty and major structural defect coverage for problems associated with the roof of their home located at 2609 Ithica Drive, Bismarck, North Dakota. Therein, Petitioners claimed, among other things, that: (i) the plywood roof decking is part of the roof framing system and the problem with the decking is clearly a major structural defect; (ii) their claim is not affected by the January 16, 1992, warranty coverage expiration date since this date applies exclusively to the builder default coverage, not the major structural defect warranty coverage; and (iii) the Deputy Receiver did not indicate how or why the plywood roof decking is not part of the roof framing system.[1]

By Order dated March 2, 2000, 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 31, 2000.

On March 30, 2000, the Deputy Receiver filed a Motion to Dismiss and Answer to Petition for Review, and a Memorandum in Support of Motion to Dismiss. In its Motion to Dismiss and Memorandum in Support of Motion to Dismiss, the Deputy Receiver argued that the Petition fails to state a claim upon which relief may be granted under the HOW Program because: (i) Petitioners' claim is untimely pursuant to the express terms of the HOW insurance/warranty documents; (ii) damage to roofing and sheathing is specifically excluded from the definition of a major structural defect; and (iii) Petitioners' allegations are insufficient to support a claim for major structural defect coverage.[2]

By Hearing Examiner's Ruling of April 5, 2000, Petitioners were granted an opportunity to file a response to the Motion to Dismiss on or before April 26, 2000.

On April 26, 2000, Petitioners filed a Reply and Memorandum in Opposition to Motion to Dismiss. Therein, Petitioners averred, among other things, that: (i) the Deputy Receiver misstated the nature of their claim; (ii) Petitioners' claim is not one for shingles or roof sheathing i.e., tar paper, but rather is a claim for a major structural defect, i.e., the plywood; (iii) the plywood is part of the roof framing system and is covered under the major structural defect coverage; and (iv) plywood decking is also a part of the load-bearing structure, and as such, is covered under the HOW insurance/warranty documents.[3]

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

(1) Virginia substantive law should be applied to determine whether or not coverage is available under the HOW insurance/warranty documents;

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[1] Petition for Review of Deputy Receiver's Determination of Appeal of Marnell and Nancy Ringsak at 1-2.

[2] Motion to Dismiss at 2-5.

[3] Petitioners Reply and Memorandum in Opposition to Motion to Dismiss at 1-3.

(2) Petitioners' claim for defects to the plywood roof decking of their home is not covered under the builder's limited warranty of the HOW insurance/warranty documents;

(3) Petitioners' claim for defects to the plywood roof decking of their home is not covered under the major structural defect insurance coverage of the HOW insurance/warranty documents;

(4) The Deputy Receiver's Motion to Dismiss should be granted; and

(5) The Commission should enter an order adopting the findings in his Report, affirming the Deputy Receiver's Determination of Appeal, and dismissing the Petition for Appeal with prejudice.[4]

Upon consideration of the filings and the Hearing Examiner's Report of June 9, 2000, and for the reasons set forth below, the Commission is of the opinion that only the findings enumerated as one (1) and two (2) above shall be adopted.

At this stage in the proceedings (a ruling on the Deputy Receiver's Motion to Dismiss), the burden required for the Deputy Receiver to prevail is a showing that there is no material fact in question. Morgan v. American Family Life Assurance Company of Columbus, 559 F. Supp. 477, 480 (W.D. Va. 1983) (citing Conley v. Gibson, 355 U.S. 41, 45-46 (1957); and Tahir Erk v. Glenn L. Martin Company, 116 F.2d 865, 870 (4th Cir. 1941). "When ruling on a motion to dismiss for failure to state a claim upon which relief can be granted, the court must take all allegations in the complaint as admitted, and the pleading should not be dismissed 'unless it appears beyond doubt that the Plaintiff can prove no set of facts in support of his claim which would entitle him to relief.'" Morgan, 559 F. Supp. at 480 (citing Conley v. Gibson, 355 U.S. 41, 45-46 (1957)).

Here, Petitioners maintain that the defective plywood roof decking is part of the roof framing system, which is considered a load-bearing portion of the home that qualifies for major structural defect coverage.[5] The Deputy Receiver's position is that the damage to the house is confined to roofing and sheathing and by definition cannot be a major structural defect under the HOW insurance/warranty documents.[6]

The Hearing Examiner agreed with Petitioners that the plywood roof decking is a load-bearing portion of the home and a part of the roof framing system and would normally qualify as a major structural defect under the HOW insurance/warranty documents.[7] However, the Hearing Examiner took the position that the plywood roof decking met the definition of roofing and sheathing, and was therefore expressly excluded from coverage.[8]

The Hearing Examiner's finding that the plywood roof decking is excluded from major structural defect coverage is based solely on whether or not it is considered roofing or sheathing. However, an argument could be made that the exclusion of roofing and sheathing as a major structural defect is only applicable when the roofing and sheathing in question is non load-bearing. Under this interpretation, the Petitioners would be entitled to relief since they have alleged that the plywood roof decking is in fact load-bearing.

In order to grant the Deputy Receiver's Motion to Dismiss, all conflicts of interpretations of language contained in the HOW insurance/warranty documents must be resolved in favor of the Petitioners. Greenwood v. Royal Neighbors of America, 118 Va. 329, 333 (1916). When the exclusion is interpreted in the light most favorable to the Petitioners, it becomes apparent that there is at least one material fact still in question, i.e., does the complained of damage to the home result from a major structural defect not excluded from coverage. The nature and cause of the damage to the home can only be determined from evidence presented by the parties. Presently, there is no expert testimony in the record as to damage and causation. In fact, the record contains only the allegations of the parties, which are diametrically opposed. The Deputy Receiver may well be correct in his interpretation of the exclusion being applicable, but that must be determined from the evidence. Therefore, the Commission is of the opinion that the Motion to Dismiss should be denied and the Petitioners should be given the opportunity to present evidence and attempt to prove their allegations.

Accordingly, IT IS ORDERED THAT:

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

(2) The Petition for Review of Nancy and Marnell Ringsak be, and it is hereby, REMANDED to the Office of the Hearing Examiners for hearing; and

(3) The findings enumerated as Nos. one (1) and two (2) of the Hearing Examiner's Report of June 9, 2000, be and they are hereby, ADOPTED.

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[4] Report of Michael D. Thomas, Hearing Examiner at 8.

[5] Petition for Review of Deputy Receiver's Determination of Appeal of Marnell and Nancy Ringsak at 1.

[6] Motion to Dismiss and Answer to Petition for Review at 4-5.

[7] Report of Michael D. Thomas, Hearing Examiner at 7.

[8] Report of Michael D. Thomas, Hearing Examiner at 7.

CASE NO. INS000041
JUNE 6, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte, in re: adoption of adjusted prima facie rates for credit life and credit accident and sickness insurance pursuant to Virginia Code §§ 38.2-3725, 38.2-3726, 38.2-3737 and 38.2-3730

ORDER TO TAKE NOTICE

TAKE NOTICE, pursuant to Virginia Code § 38.2-3730.B., that the Commission shall conduct a hearing on July 18, 2000, at 10:00 a.m. in its courtroom, Tyler Building, 2nd Floor, 1300 East Main Street, Richmond, Virginia 23219, for the purpose of receiving comments from interested parties with respect to proposed adjusted prima facie rates for credit life insurance and credit accident and sickness insurance to be effective for the triennium commencing January 1, 2001. The adjusted prima facie rates have been calculated and proposed on behalf of and by the Bureau of Insurance in accordance with the provisions of Chapter 37.1 of Title 38.2 of the Code of Virginia (Virginia Code §§ 38.2-3717 *et seq.*) and are attached hereto, denominated "Attachment 1" and made a part hereof.

NOTE: A copy of Attachment 1 entitled "Proposed Adjusted Prima Facie Credit Life and Credit Accident and Sickness Insurance Rates to be Effective January 1, 2001" 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. INS000041
JULY 20, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte, in re: adoption of adjusted prima facie rates for credit life and credit accident and sickness insurance pursuant to Virginia Code §§ 38.2-2725, 38.2-2726, 38.2-2727 and 38.2-2730

ORDER ADOPTING ADJUSTED PRIMA FACIE RATES FOR THE TRIENNIUM COMMENCING JANUARY 1, 2001

PURSUANT to an order entered herein June 6, 2000, after notice to all insurers licensed by the Bureau of Insurance (Bureau) to transact the business of credit life and credit accident and sickness insurance in the Commonwealth of Virginia, the Commission conducted a hearing on July 18, 2000, for the purpose of considering any public or other comment on the adoption of adjusted prima facie rates for credit life and credit accident and sickness insurance proposed by the Bureau pursuant to Chapter 37.1 of Title 38.2 of the Code of Virginia and the Credit Insurance Experience Exhibits (CIEE's) filed by licensed insurers for the reporting years 1997, 1998, and 1999. Represented by its counsel, the Bureau, by its witnesses, appeared before the Commission in support of the proposed adjusted prima facie rates. No other person appeared in any capacity before the Commission at the hearing.

AND THE COMMISSION, having considered the record herein, the recommendations of the Bureau of Insurance and the law applicable hereto, is of the opinion, finds and ORDERS that the adjusted prima facie rates for credit life and credit accident insurance, as proposed by the Bureau, which are attached hereto and made a part hereof, should be, and they are hereby, ADOPTED pursuant to the provisions of Chapter 37.1 of Title 38.2 of the Code of Virginia and shall be effective for the triennium commencing January 1, 2001.

NOTE: A copy of the Attachment entitled "Prima Facie Life and Credit Accident and Sickness Insurance Rates" 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. INS000043
APRIL 7, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
KARI ANNE FLANARY,
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 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;

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 determination 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 notified of Defendant's right to a hearing before the Commission in this matter by certified letter dated February 28, 2000, 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 § 38.2-1813 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;

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 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. INS000044
JULY 25, 2000

APPLICATION OF
MADISON NATIONAL LIFE INSURANCE COMPANY, INC.

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 February 28, 2000, Madison National Life Insurance Company, Inc., a Wisconsin-domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia ("Madison National"), requested approval of an assumption reinsurance agreement pursuant to § 38.2-136 C of the Code of Virginia, whereby Madison National would assume all of the policies and annuity obligations of Franklin Protective Life Insurance Company, in Liquidation ("FPL"), a Mississippi-domiciled insurer, not licensed to transact the business of insurance in the Commonwealth of Virginia;

WHEREAS, the Mississippi Commissioner of Insurance, the domiciliary regulator and Liquidator of FPL, has approved the assumption reinsurance agreement, pursuant to the Final Order of Liquidation and Finding of Insolvency, entered against FPL in the Chancery Court of the First Judicial District of Hinds County, Mississippi, on June 29, 1999, as evidenced by the letter of Betty Cordial, Deputy Liquidator of FPL, dated May 9, 2000, and filed with the Commission on July 19, 2000;

WHEREAS, the Wisconsin Commissioner of Insurance, the domiciliary regulator of Madison National, has approved the assumption reinsurance agreement, as evidenced by a letter dated September 30, 1999, and filed as part of the application;

WHEREAS, FPL has waived its right to a hearing pursuant to § 38.2-136 C of the Code of Virginia, also evidenced by the letter of Betty Cordial, Deputy Liquidator of FPL, dated May 9, 2000, and filed with the Commission on July 19, 2000;

WHEREAS, although FPL has never been licensed to transact the business of insurance in the Commonwealth of Virginia, there are Virginia policyholders who would receive protection under the Virginia Life, Accident and Sickness Guaranty Association Act if their policies are assumed by Madison National;

WHEREAS, the Bureau of Insurance, having reviewed the application to ensure that Virginia policyholders 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 Madison National Life Insurance Company, Inc. 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. INS000045
JULY 25, 2000

APPLICATION OF
MADISON NATIONAL LIFE INSURANCE COMPANY, INC.

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 February 28, 2000, Madison National Life Insurance Company, Inc., a Wisconsin-domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia ("Madison National"), requested approval of an assumption reinsurance agreement pursuant to § 38.2-136 C of the Code of Virginia, whereby Madison National would assume all of the policies and annuity obligations of Family Guaranty Life Insurance Company, in Liquidation ("FGL"), a Mississippi-domiciled insurer, not licensed to transact the business of insurance in the Commonwealth of Virginia;

WHEREAS, the Mississippi Commissioner of Insurance, the domiciliary regulator and Liquidator of FGL, has approved the assumption reinsurance agreement, pursuant to the Final Order of Liquidation and Finding of Insolvency, entered against FGL in the Chancery Court of the First Judicial District of Hinds County, Mississippi, on June 29, 1999, as evidenced by the letter of Betty Cordial, Deputy Liquidator of FGL, dated May 9, 2000, and filed with the Commission on July 19, 2000;

WHEREAS, the Wisconsin Commissioner of Insurance, the domiciliary regulator of Madison National, has approved the assumption reinsurance agreement, as evidenced by a letter dated September 30, 1999, and filed as part of the application;

WHEREAS, FGL has waived its right to a hearing pursuant to § 38.2-136 C of the Code of Virginia, also evidenced by the letter of Betty Cordial, Deputy Liquidator of FGL, dated May 9, 2000, and filed with the Commission on July 19, 2000;

WHEREAS, although FGL has never been licensed to transact the business of insurance in the Commonwealth of Virginia, there are Virginia policyholders who would receive protection under the Virginia Life, Accident and Sickness Guaranty Association Act if their policies are assumed by Madison National;

WHEREAS, the Bureau of Insurance, having reviewed the application to ensure that Virginia policyholders 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 Madison National Life Insurance Company, Inc. 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. INS000047
MARCH 8, 2000

APPLICATION OF
CENTENNIAL LIFE INSURANCE COMPANY IN LIQUIDATION

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

ORDER GRANTING APPROVAL OF APPLICATION

ON A FORMER DAY came Centennial Life Insurance Company in Liquidation (CLIC), by its Special Deputy Liquidator, Daniel L. Watkins, and, pursuant to Virginia Code § 38.2-136 C, filed with the with the Bureau of Insurance an application for approval of an assumption reinsurance agreement by and between, among others, CLIC and Philadelphia American Life Insurance Company (PALIC), a foreign insurer duly licensed to transact the business of insurance in the Commonwealth of Virginia, whereby CLIC would cede, and PALIC would assume and reinsure, certain policies of insurance heretofore issued by CLIC to residents of this Commonwealth; and

THE BUREAU OF INSURANCE, having reviewed the application to ensure that Virginia policyholders will not forfeit any rights or claims afforded under their CLIC policies pursuant to Chapter 17 of Title 38.2 of the Code of Virginia, has recommended that approval of the application be granted by the Commission;

NOW, THEREFORE, THE COMMISSION, having considered the application of CLIC, the recommendation of the Bureau of Insurance that approval of the application be granted and the law applicable herein, specifically Virginia Code § 38.2-136 C, is of the opinion, finds and ORDERS that approval of the application herein should be, and it is hereby, GRANTED.

CASE NO. INS000049
MARCH 20, 2000

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

IMPAIRMENT ORDER

WHEREAS, Acceleration National Insurance Company, a foreign corporation domiciled in the State of Ohio 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, 1999 Annual Statement of Defendant, filed with the Commission's Bureau of Insurance, indicates capital of $3,750,000, and surplus of $1,755,459;

IT IS ORDERED that, on or before June 20, 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. INS000049
JUNE 23, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
ACCELERATION NATIONAL 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 March 20, 2000, 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 June 20, 2000;

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to July 5, 2000, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before July 5, 2000, 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. INS000049
JULY 14, 2000

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

ORDER SUSPENDING LICENSE

WHEREAS, § 38.2-1040 of the Code 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 June 23, 2000, Defendant was ordered to take notice that the Commission would enter an order subsequent to July 5, 2000, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before July 5, 2000, 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. INS000051
APRIL 21, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
JACKQULINE KAY TAYLOR,
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 and 38.2-1826 of the Code of Virginia by failing to make records available promptly upon request for examination by the Commission and failing to report within thirty days to the Commission, and to every insurer for which she is appointed, any change in her residence or name;

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 opportunity to be heard, 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 30, 2000, 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 and 38.2-1826 of the Code of Virginia by failing to make records available promptly upon request for examination by the Commission and failing to report within thirty days to the Commission, and to every insurer for which she is appointed, any change in her residence or name;

THEREFORE, IT IS ORDERED THAT:

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

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

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

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

(5) The Bureau of Insurance 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. INS000052
MAY 23, 2000

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-316 B, 38.2-316 C, 38.2-502, 38.2-503, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A 1, 38.2-3407.4, 38.2-4301 C, 38.2-4306 A 2, 38.2-4306.1, 38.2-4312 A, 38.2-4313, 38.2-5803 A, and 38.2-5804 of the Code of Virginia, as well as 14 VAC 5-90-50 B, 14 VAC 5-90-60 A 1, 14 VAC 5-90-90 C, 14 VAC 5-90-100 A, 14 VAC 5-90-110 A, 14 VAC 5-90-130, 14 VAC 5-90-170 B, and 14 VAC 5-210-110 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 twenty-two thousand dollars ($22,000) 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. INS000056
APRIL 7, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CALIFORNIA COMPENSATION 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 Superior Court of California, County of Sacramento, on March 6, 2000, based on a finding by the Insurance Commissioner of California that California Compensation Insurance Company ("Defendant"), a foreign corporation domiciled in the State of California and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, was in a hazardous condition, the Insurance Commissioner of California was appointed the conservator 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 April 17, 2000, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before April 17, 2000, 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. INS000056
APRIL 28, 2000

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

VACATING ORDER

GOOD CAUSE having been shown, the Order to Take Notice entered herein April 7, 2000, is hereby vacated.

CASE NO. INS000056
MAY 18, 2000

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

IMPAIRMENT ORDER

WHEREAS, California Compensation Insurance Company, a foreign corporation domiciled in the State of California 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 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;

WHEREAS, pursuant to § 38.2-1300 of the Code of Virginia, Defendant was required to file its 1999 annual statement of financial condition with the Bureau of Insurance on or before March 1, 2000;

WHEREAS, Defendant has failed to file such annual statement;

WHEREAS, on March 6, 2000, the Superior Court of Sacramento County, California, entered an Order Appointing Conservator and a Restraining Order against Defendant;

WHEREAS, the March 6, 2000, Order was based upon the Verified Application of Insurance Commissioner for Order Appointing Conservator, which included the Report of Examination of Defendant as of December 31, 1999 (the "Examination Report");

WHEREAS, the Examination Report increased Defendant's reserve for losses and loss adjustment expenses by $230,804,000 due to the affiliate relationship among Defendant and Commercial Compensation Insurance Company , Combined Benefits Insurance Company, Superior National Insurance Company, and Superior Pacific Casualty Company and the participation of Defendant and these companies in the same intercompany pooling agreement; and

WHEREAS, the Examination Report determined that, as a result of the examination adjustments set forth in the immediately preceding paragraph, Defendant's surplus as regards policyholders of Defendant, as of December 31, 1999, was negative $145,772,000;

IT IS ORDERED that, on or before August 16, 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; provided, however, that renewals of contracts or policies of insurance in the Commonwealth of Virginia originally written by Commercial Compensation may be written by Defendant on behalf of Commercial Compensation while the impairment of Commercial Compensation's surplus exists and until further order of the Commission.

CASE NO. INS000056
AUGUST 21, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CALIFORNIA COMPENSATION 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 18, 2000, Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer on or before August 16, 2000;

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 31, 2000, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before August 31, 2000, 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. INS000056
SEPTEMBER 11, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CALIFORNIA COMPENSATION 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 August 21, 2000, Defendant was ordered to take notice that the Commission would enter an order subsequent to August 31, 2000, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia

unless on or before August 31, 2000, 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. INS000057
APRIL 7, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
SUPERIOR NATIONAL 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 Superior Court of the State of California for the County of Los Angeles, on March 6, 2000, based on the finding of the Insurance Commissioner of the State of California that Superior National Insurance Company, a foreign corporation domiciled in the state of California and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia ("Defendant"), is in a hazardous condition, the Insurance Commissioner of the State of California was appointed the conservator 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 April 17, 2000, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before April 17, 2000, 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. INS000057
APRIL 28, 2000

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

VACATING ORDER

GOOD CAUSE having been shown, the Order to Take Notice entered herein April 7, 2000, is hereby vacated.

CASE NO. INS000057
MAY 18, 2000

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

IMPAIRMENT ORDER

WHEREAS, Superior National Insurance Company, a foreign corporation domiciled in the State of California 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 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;

WHEREAS, pursuant to § 38.2-1300 of the Code of Virginia, Defendant was required to file its 1999 annual statement of financial condition with the Bureau of Insurance on or before March 1, 2000;

WHEREAS, Defendant has failed to file such annual statement;

WHEREAS, on March 6, 2000, the Superior Court of Los Angeles County, California, entered an Order Appointing Conservator and a Restraining Order against Defendant;

WHEREAS, the March 6, 2000, Order was based upon the Verified Application of Insurance Commissioner for Order Appointing Conservator and Points and Authorities in Support Thereof, which included the Report of Examination of Defendant as of December 31, 1999 (the "Examination Report");

WHEREAS, the Examination Report increased Defendant's reserve for losses and loss adjustment expenses by $121,426,000 due to the affiliate relationship among Defendant and California Compensation Insurance Company, Commercial Compensation Insurance Company, Combined Benefits Insurance Company, and Superior Pacific Casualty Company and the participation of Defendant and these companies in the same intercompany pooling agreement; and

WHEREAS, the Examination Report determined that, as a result of the examination adjustments set forth in the immediately preceding paragraph, Defendant's surplus as regards the policyholders of Defendant, as of December 31, 1999, was negative $40,320,000;

IT IS ORDERED that, on or before August 16, 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. INS000057
AUGUST 21, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
SUPERIOR NATIONAL 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 18, 2000, Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer on or before August 16, 2000;

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 31, 2000, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before August 31, 2000, 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. INS000057
SEPTEMBER 11, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
SUPERIOR NATIONAL 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 August 21, 2000, Defendant was ordered to take notice that the Commission would enter an order subsequent to August 31, 2000, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before August 31, 2000, 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. INS000058
APRIL 7, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
COMMERCIAL COMPENSATION 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 has violated any law of this Commonwealth;

WHEREAS, Commercial Compensation Insurance Company, a foreign corporation domiciled in the State of New York ("Defendant"), is licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia;

WHEREAS, pursuant to § 38.2-1300 of the Code of Virginia, Defendant was required to file its 1999 annual statement of financial condition with the Bureau of Insurance on or before March 1, 2000;

WHEREAS, Defendant has failed to file such annual statement; 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 for the reason that Defendant has violated a law of the Commonwealth of Virginia;

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to April 17, 2000, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before April 17, 2000, 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. INS000058
APRIL 28, 2000

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

VACATING ORDER

GOOD CAUSE having been shown, the Order to Take Notice entered herein April 7, 2000, is hereby vacated.

CASE NO. INS000058
MAY 18, 2000

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 California 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 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;

WHEREAS, pursuant to § 38.2-1300 of the Code of Virginia, Defendant was required to file its 1999 annual statement of financial condition with the Bureau of Insurance on or before March 1, 2000;

WHEREAS, Defendant has failed to file such annual statement;

WHEREAS, on March 6, 2000, the Superior Court of Sacramento County, California, entered an Order Appointing Conservator and a Restraining Order against California Compensation Insurance Company ("California Compensation"), an affiliate of Defendant;

WHEREAS, the March 6, 2000, Order was based upon the Verified Application of Insurance Commissioner for Order Appointing Conservator, which included the Report of Examination of California Compensation as of December 31, 1999 (the "Examination Report");

WHEREAS, the Examination Report increased Defendant's reserve for losses and loss adjustment expenses by $3,305,000 due to the affiliate relationship among Defendant and California Compensation Insurance Company, Combined Benefits Insurance Company, Superior National Insurance Company, and Superior Pacific Casualty Company and the participation of Defendant and these companies in the same intercompany pooling agreement; and

WHEREAS, the $3,305,000 adjustment reduced Defendant's surplus, as reported in the Quarterly Statement of Defendant dated September 30, 1999, and filed with the Commission's Bureau of Insurance, to $1,377,026;

IT IS ORDERED that, on or before August 16, 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; provided, however, that renewals of contracts or policies of

insurance in the Commonwealth of Virginia originally written by Defendant may be written by California Compensation on behalf of Defendant while the impairment of Defendant's surplus exists and until further order of the Commission.

CASE NO. INS000058
MAY 26, 2000

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

CORRECTING ORDER

By Impairment Order entered herein May 18, 2000, Commercial Compensation Insurance Company 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 its president or other authorized officer on or before August 16, 2000. In line 2 of the first paragraph on page 1 of that Order, it is stated that Commercial Compensation Insurance Company is domiciled in the State of "California." The correct domicile, however, is New York.

THEREFORE, IT IS ORDERED THAT:

(1) The state of domicile for Commercial Compensation Insurance Company stated in paragraph 1, line 2, on page 1 of the Commission's May 18, 2000, Impairment Order shall be corrected to read "New York."

(2) All other provisions of the May 18, 2000, Impairment Order shall remain in full force and effect.

CASE NO. INS000058
AUGUST 21, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
COMMERCIAL COMPENSATION 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 18, 2000, Defendant was ordered to eliminate the impairment in its surplus and restore the same to at least $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer on or before August 16, 2000;

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 31, 2000, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before August 31, 2000, 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. INS000058
SEPTEMBER 11, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
COMMERCIAL COMPENSATION CASUALTY COMPANY (FORMERLY COMMERCIAL COMPENSATION 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 August 21, 2000, Defendant was ordered to take notice that the Commission would enter an order subsequent to August 31, 2000, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before August 31, 2000, 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. INS000059
MARCH 30, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
KARL R. BARNA,
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 §§ 38.2-1804, 38.2-1809, 38.2-1813, 38.2-1822 E, and 38.2-1826 of the Code of Virginia by signing or allowing an insured to sign an incomplete or blank form pertaining to insurance, failing to retain all records relative to insurance transactions for the three previous calendar years, failing to make records available promptly upon request for examination by the Commission, 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, failing to maintain an accurate record and itemization of the funds deposited into his separate fiduciary account, failing to notify the Bureau of Insurance in writing of the assumed or fictitious name under which business is to be conducted, and failing to report within thirty days to the Commission and to every insurer for which he is appointed any change in his residence or name;

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 opportunity to be heard, 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, 2000, 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 §§ 38.2-1804, 38.2-1809, 38.2-1813, 38.2-1822 E, and 38.2-1826 of the Code of Virginia by signing or allowing an insured to sign an incomplete or blank form pertaining to insurance, failing to retain all records relative to insurance transactions for the three previous calendar years, failing to make records available promptly upon request for examination by the Commission, 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, failing to maintain an accurate record and itemization of the funds deposited into his separate fiduciary account, failing to notify the Bureau of Insurance in writing of the assumed or fictitious name under which business is to be conducted, and failing to report within thirty days to the Commission and to every insurer for which he is appointed any change in his residence or name;

THEREFORE, IT IS ORDERED THAT:

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

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

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

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

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

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

CASE NO. INS000067
MAY 30, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
DEBORAH ANN WILLIAMS-BLOOD,
Defendant

ORDER REVOKING LICENSE

IT APPEARING from an investigation by the Bureau of Insurance that Defendant, while duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as a surplus lines broker, in a certain instance, violated § 38.2-4806 D of the Code of Virginia by failing to file timely with the Commission the quarterly report summarizing the business transacted by Defendant for the fourth quarter of 1999;

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 as an insurance agent 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 notified of Defendant's right to a hearing before the Commission in this matter by certified letter dated April 18, 2000, and mailed to the Defendant's address shown in the records of the Bureau of Insurance, and by certified letter dated April 25, 2000, and mailed to Defendant's forwarding address as provided by the United States Postal Service;

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 § 38.2-4806 D of the Code of Virginia by failing to file timely with the Commission the quarterly report summarizing the business transacted by Defendant for the fourth quarter of 1999;

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. INS000068
APRIL 6, 2000

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

IMPAIRMENT ORDER

WHEREAS, Riscorp National Insurance Company, a foreign corporation domiciled in the State of Missouri and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia ("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 minimum surplus of any foreign insurer, the Commission may order the insurer to eliminate the impairment and restore the minimum surplus to the amount required by law and may prohibit the insurer from issuing any new policies in the Commonwealth of Virginia while the impairment of its surplus exists; and

WHEREAS, the Annual Statement of Defendant, dated December 31, 1999, and filed with the Commission's Bureau of Insurance, indicates capital of $ 2,500,000, and surplus of $ 1,327,981;

IT IS ORDERED that, on or before July 6, 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. INS000068
JULY 12, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
RISCORP NATIONAL 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 April 6, 2000, Defendant was ordered to eliminate the impairment in its surplus and restore the same to at lease $3,000,000 and advise the Commission of the accomplishment thereof by affidavit of Defendant's president or other authorized officer on or before July 6, 2000;

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

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to July 21, 2000, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before July 21, 2000, 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. INS000068
AUGUST 1, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
RISCORP NATIONAL 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 July 12, 2000, Defendant was ordered to take notice that the Commission would enter an order subsequent to July 21, 2000, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before July 21, 2000, 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. INS000077
APRIL 18, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
SOUTHERN UNITED SETTLEMENTS, LLC,
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 §§ 6.1-2.21 E and 38.2-1809 of the Code of Virginia by failing to provide the Commission with a copy of Defendant's audit report of its escrow accounts in a timely manner and failing to make records available promptly upon request for examination by the Commission;

IT FURTHER APPEARING that the Commission is authorized by § 6.1-2.27 of the Code of Virginia to impose certain monetary penalties and suspend or revoke Defendant's license upon a determination by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violation of § 6.1-2.21 E of the Code of Virginia;

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 opportunity to be heard, 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 29, 2000, 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 its 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 §§ 6.1-2.21 E and 38.2-1809 of the Code of Virginia by failing to provide the Commission with a copy of Defendant's audit report of its escrow accounts in a timely manner and 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 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. INS000078
APRIL 20, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CAPITAL TITLE & ESCROW, INC.,
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 §§ 6.1-2.21 E and 38.2-1809 of the Code of Virginia by failing to provide the Commission with a copy of Defendant's audit report of its escrow accounts in a timely manner and failing to make records available promptly upon request for examination by the Commission;

IT FURTHER APPEARING that the Commission is authorized by § 6.1-2.27 of the Code of Virginia to impose certain monetary penalties and to suspend or revoke Defendant's license upon a determination by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violation of § 6.1-2.21 E of the Code of Virginia;

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 opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been notified of its right to a hearing before the Commission in this matter by certified letter dated February 25, 2000, 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 its 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 §§ 6.1-2.21 E and 38.2-1809 of the Code of Virginia by failing to provide the Commission with a copy of Defendant's audit report of its escrow accounts in a timely manner and 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 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. INS000079
APRIL 10, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
HAMILTON 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 has violated any law of this Commonwealth;

WHEREAS, Hamilton Insurance Company, a foreign corporation domiciled in the State of Pennsylvania ("Defendant"), is licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia;

WHEREAS, pursuant to § 38.2-1300 of the Code of Virginia, Defendant was required to file its 1999 annual statement of financial condition with the Bureau of Insurance on or before March 1, 2000;

WHEREAS, Defendant has failed to file such annual statement; 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 for the reason that Defendant has violated a law of the Commonwealth of Virginia;

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to April 20, 2000, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before April 20, 2000, 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. INS000079
APRIL 28, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
HAMILTON 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 has violated any law of this Commonwealth;

WHEREAS, for the reasons stated in an order entered herein April 10, 2000, Defendant was ordered to take notice that the Commission would enter an order subsequent to April 20, 2000, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before April 20, 2000, 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. INS000082
MAY 17, 2000

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated § 38.2-1906 D of the Code of Virginia, as well as the Cease and Desist Orders entered by the Commission in Case Nos. INS930421, INS960271, INS970005, and INS970133, 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 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 D of the Code of Virginia; and

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

CASE NO. INS000083
MAY 16, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FIDELITY AND GUARANTY INSURANCE UNDERWRITERS, INC.,
Defendant

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated § 38.2-1906 D of the Code of Virginia, as well as the Cease and Desist Orders entered by the Commission in Case Nos. INS860046, INS930434, INS960270, INS970134, and INS980027, 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 ten thousand dollars ($10,000), 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 D of the Code of Virginia; and

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

CASE NO. INS000084
MAY 17, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
UNITED STATES FIDELITY AND GUARANTY 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 D of the Code of Virginia, as well as the Cease and Desist Orders entered by the Commission in Case Nos. INS860045, INS880178, INS930435, INS960269, INS970138, and INS980026, 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 thirty-five thousand dollars ($35,000), 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 D of the Code of Virginia; and

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

CASE NO. INS000088
JUNE 23, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
LIBERTY MUTUAL FIRE 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 §§ 38.2-317, 38.2-510 A 1, 38.2-610 A, 38.2-1906 D, 38.2-2113, 38.2-2114, 38.2-2208, 38.2-2212, 38.2-2220, and 38.2-2223 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 fourteen thousand dollars ($14,000) 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. INS000089
APRIL 14, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
UNION OF AMERICA MUTUAL INSURANCE COMPANY,
Respondent

ORDER SUSPENDING LICENSE

ON MOTION OF the Bureau of Insurance, Union of America Mutual Insurance Company ("Union"), a domestic insurer licensed by the Bureau of Insurance pursuant to the provisions of Chapter 25 of Title 38.2 of the Code of Virginia, by its counsel, having consented thereto, and for good cause shown,

The COMMISSION is of the opinion that the license of Union to transact the business of insurance in the Commonwealth of Virginia should be suspended.

THEREFORE, IT IS ORDERED THAT:

(1) The license of Union of America Mutual Insurance Company to transact the business of insurance in the Commonwealth of Virginia be, and it is hereby, SUSPENDED until further order of the Commission;

(2) Union shall not issue any new policies or contracts of insurance in this Commonwealth until further order of the Commission;

(3) Union and its appointed agents shall continue servicing its existing book of business as well as renewing same, provided, Union or its appointed agents are requested to do so by any named insured under any existing Union policy or contract of insurance, until further order of the Commission;

(4) Except as set forth above with respect to any renewal of existing policies, the authority of Union's appointed agents to transact the business of insurance on behalf of Union be, and it is hereby, SUSPENDED until further order of the Commission;

(5) As notice of the suspension of Union's license and the suspension of Union's agents' authority, the Bureau of Insurance shall cause a copy of this Order to be sent to the address of record of each person appointed by Union to transact the business of insurance as an agent on behalf of Union; and

(6) The Bureau of Insurance shall cause notice of the suspension ordered herein to be published in accordance with Virginia Code § 38.2-1043.

CASE NO. INS000089
JUNE 22, 2000

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

CONSENT ORDER

ON A FORMER DAY came Union of America Mutual Insurance Company (Union), a domestic insurer licensed by the Bureau of Insurance pursuant to Chapter 25 of Title 38.2 of the Code of Virginia, by its counsel, and agreed to the entry by the Commission of a consent order, the terms of which are set forth in the ordering paragraphs below.

THEREFORE, IT IS ORDERED THAT:

(1) Union shall not, without prior written approval of the Commission, and until further order of the Commission,

(a) make any disbursements;

(b) bind the company on, or terminate, any obligation or contract;

(c) make any loan or advance to any person; or

(d) enter into any transaction with any officer or director or with any person in which an officer or director, either directly or indirectly, has an ownership, creditor or other beneficial interest.

IT IS FURTHER ORDERED that Union shall comply with all provisions of Chapter 25 of Title 38.2 of the Code of Virginia.

CASE NO. INS000089
AUGUST 8, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
UNION OF AMERICA MUTUAL INSURANCE COMPANY,
Respondent

MODIFICATION OF SUSPENSION ORDER

ON MOTION OF the Bureau of Insurance, after an examination of Union of America Mutual Insurance Company (Union), a domestic insurer licensed by the Bureau of Insurance pursuant to the provisions of Chapter 25 of Title 38.2 of the Code of Virginia, Union having consented thereto, by its counsel, and for good cause shown,

THE COMMISSION is of the opinion and finds that Union is in such condition that any further transaction of its business in its present financial condition will be hazardous to its policyholders, creditors or to the public.

THEREFORE, IT IS ORDERED:

(1) That the order entered herein April 14, 2000, be, and it is hereby, modified to the extent that Union and its appointed agents shall not renew any existing business;

(2) That said Union and its appointed agents shall not renew any existing Union policies;

(3) That, in all other respects, said order shall continue in full force and effect until further order of the Commission; and

(4) That, as notice of the modification of the April 14, 2000 order and the prohibition herein against the renewal of any existing Union policies, the Bureau of Insurance shall cause a copy of this order to be sent to the address of record of each person appointed by Union to transact the business of insurance as an agent on behalf of Union.

CASE NO. INS000090
JUNE 5, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
JAMES EDWARD ARMSTRONG
and
EAST COAST TITLE, INC.,
Defendants

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendants, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated §§ 6.1-2.23, 38.2-1809, 38.2-1813, 38.2-1822, and 38.2-4616 of the Code of Virginia, as well as 14 VAC 5-395-60 and 14 VAC 5-395-70;

IT FURTHER APPEARING that the Commission is authorized by § 6.1-2.27 of the Code of Virginia to impose certain monetary penalties 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 of Chapter 1.3 (§ 6.1-2.19 et seq.) of Title 6.1 of the Code of Virginia;

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 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 seven thousand two hundred ninety dollars ($7,290), 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) Defendants cease and desist from any conduct which constitutes a violation of §§ 6.1-2.23, 38.2-1809, 38.2-1813, 38.2-1822, or 38.2-4616 of the Code of Virginia, 14 VAC 5-395-60 or 14 VAC 5-395-70; and

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

CASE NO. INS000091
MAY 5, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MORRIS, BONIFACE & ASSOCIATES TITLE SERVICES, L.L.C.,
Defendant

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, in certain instances, violated §§ 6.1-2.21, 6.1-2.23, 38.2-1813, 38.2-1822, and 38.2-4616 of the Code of Virginia, as well as 14 VAC 5-395-30, 14 VAC 5-395-40, and 14 VAC 5-395-60;

IT FURTHER APPEARING that the Commission is authorized by § 6.1-2.27 of the Code of Virginia to impose certain monetary penalties upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations of Chapter 1.3 (§ 6.1-2.19 et seq.) of Title 6.1 of the Code of Virginia;

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

IT FURTHER APPEARING that Defendant has been advised of its right to a hearing in this matter, whereupon Defendant, 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 seven thousand nine hundred fifty-six dollars ($7,956) 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. INS000095
MAY 17, 2000

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-510 A 5, 38.2-4301 C, 38.2-4306.1, and 38.2-5409 of the Code of Virginia;

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 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 §§ 38.2-510 A 5, 38.2-4301 C, 38.2-4306.1 or 38.2-5409 of the Code of Virginia; and

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

CASE NO. INS000096
JULY 18, 2000

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated §§ 6.1-2.21 and 6.1-2.23 of the Code of Virginia by failing to have an audit of its escrow accounts conducted at least once each consecutive twelve month period, and by retaining interest received on funds deposited in connection with an escrow, settlement, or closing;

IT FURTHER APPEARING that the Commission is authorized by § 6.1-2.27 of the Code of Virginia to impose certain monetary penalties 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 of Chapter 1.3 (§ 6.1-2.19 et seq.) of Title 6.1 of the Code of Virginia;

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 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 sixteen thousand three hundred dollars ($16,300), 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 §§ 6.1-2.21 or 6.1-2.23 of the Code of Virginia; and

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

CASE NO. INS000098
MAY 2, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Revisions to the Rules Governing Independent External Review of Final Adverse Utilization Review Decisions

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 proposed revisions to Chapter 215 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Independent External Review of Final Adverse Utilization Review Decisions," which amend the rules at 14 VAC 5-215-30 through 14 VAC 5-215-70 and 14 VAC 5-215-110;

WHEREAS, the proposed revisions reflect amendments to certain sections of Chapter 59 of Title 38.2 of the Code of Virginia enacted by the General Assembly of Virginia in its 2000 session; and

WHEREAS, the Commission is of the opinion that the proposed revisions should be adopted with an effective date of July 1, 2000;

THEREFORE, IT IS ORDERED THAT:

(1) The proposed revisions to the "Rules Governing Independent External Review of Final Adverse Utilization Review Decisions," which amend 14 VAC 5-215-30 through 14 VAC 5-215-70, and 14 VAC 5-215-110, be attached hereto and made a part hereof;

(2) All interested persons TAKE NOTICE that the Commission shall enter an order subsequent to June 1, 2000, adopting the revisions proposed by the Bureau of Insurance unless on or before June 1, 2000, 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 July 1, 2000, with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218;

(3) All interested persons TAKE NOTICE that on or before June 1, 2000, 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;

(4) All filings made under paragraphs (2) or (3) above shall contain a reference to Case No. INS000098.

(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 Gerald A. Milsky, 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 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

(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 the Attachment 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. INS000098
JUNE 5, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Revisions to the Rules Governing Independent External Review of Final Adverse Utilization Review Decisions

ORDER ADOPTING REGULATION

WHEREAS, by order entered herein May 2, 2000, all interested persons were ordered to take notice that the Commission would enter an order subsequent to June 1, 2000, adopting revisions proposed by the Bureau of Insurance to the Commission's Rules Governing Independent External Review of Final Adverse Utilization Review Decisions unless on or before June 1, 2000, any person objecting to the adoption of the proposed revisions filed a request for a hearing with the Clerk of the Commission;

WHEREAS, the May 2, 2000, Order required all interested persons to file their comments to the proposed revisions on or before June 1, 2000;

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

WHEREAS, the Bureau has reviewed the filed comments and has recommended that, in response to the filed comments, there be no amendments to the proposed revisions; and

THE COMMISSION, having considered the proposed revisions, the comments of interested persons, and the Bureau's recommendation, is of the opinion that the proposed revisions should be adopted;

THEREFORE, IT IS ORDERED THAT:

(1) The revisions to Chapter 215 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Independent External Review of Final Adverse Utilization Review Decisions," which amend 14 VAC 5-215-30 through 14 VAC 5-215-70, and 14 VAC 5-215-110, and which are attached hereto and made a part hereof, should be, and they are hereby, ADOPTED to be effective July 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 Gerald A. Milsky, who forthwith shall give further notice of the adoption of the revisions to the rules by mailing a copy of this Order, together with a copy of the attached revised rules, 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 plans licensed by the Commission under Chapters 42, 43, and 45, 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 the Attachment 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. INS000099
JUNE 29, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CGU INSURANCE COMPANY (FORMERLY GENERAL ACCIDENT INSURANCE COMPANY OF AMERICA),
Defendant

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that General Accident Insurance Company of America, then duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated § 38.2-1906 D of the Code of Virginia, as well as the Cease and Desist Orders entered by the Commission in Case No. INS950159, INS960122, INS960282, and INS990064, 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 sixteen thousand dollars ($16,000), 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 D of the Code of Virginia; and

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

CASE NO. INS000103
JUNE 5, 2000

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia, in certain instances, violated 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, 38.2-511, 38.2-1318 C, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A 1, 38.2-4301 C, 38.2-4306 B 1, 38.2-4306.1, 38.2-4308 A, 38.2-4313, and 38.2-5804 A 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 A 2, 14 VAC 5-90-60 B 1, 14 VAC 5-90-90 C; 14 VAC 5-90-110, 14 VAC 5-90-130 A, 14 VAC 5-210-70 B, 14 VAC 5-210-70 H 1, 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 forty-three thousand dollars ($43,000), 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, or subsection 8 of § 38.2-606, or §§ 38.2-316 B, 38.2-316 C, 38.2-503, 38.2-510, 38.2-511, 38.2-1318 C, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A 1, 38.2-4301 C, 38.2-4306 B 1, 38.2-4306.1, 38.2-4308 A, 38.2-4313, or 38.2-5804 A of the Code of Virginia, 14 VAC 5-90-40, 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 1, 14 VAC 5-90-90 C; 14 VAC 5-90-110, 14 VAC 5-90-130 A, 14 VAC 5-210-70 B, 14 VAC 5-210-70 H 1, or 14 VAC 5-210-110 B; and

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

CASE NO. INS000114
JUNE 15, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
INNOVATION HEALTH, 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 §§ 38.2-316 A, 38.2-316 B, 38.2-316 C, 38.2-503, 38.2-508, 38.2-510 A 5, 38.2-510 A 10, 38.2-511, 38.2-1318 C, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A 1, 38.2-3407.4 A, 38.2-3431 C 3, 38.2-3431 C 6, 38.2-3432.2 A, 38.2-3432.2 B, 38.2-4301 C, 38.2-4306 A 2, 38.2-4306.1, 38.2-4308, 38.2-4311 C, 38.2-4312 A, 38.2-4313, 38.2-5803 A 4, 38.2-5804 A, 38.2-5805 C 4, and 38.2-5805 C 10 of the Code of Virginia, as well as 14 VAC 5-90-60 A 1, 14 VAC 5-90-60 A 2, 14 VAC 5-90-110, 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, and 14 VAC 5-210-110 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 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 subsection 1 of § 38.2-502 or §§ 38.2-316 A, 38.2-316 B, 38.2-316 C, 38.2-503, 38.2-508, 38.2-510 A 5, 38.2-510 A 10, 38.2-511, 38.2-1318 C, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A 1, 38.2-3407.4 A, 38.2-3431 C 3, 38.2-3431 C 6, 38.2-3432.2 A, 38.2-3432.2 B, 38.2-4301 C, 38.2-4306 A 2, 38.2-4306.1, 38.2-4308, 38.2-4311 C, 38.2-4312 A, 38.2-4313, 38.2-5803 A 4, 38.2-5804 A, 38.2-5805 C 4, or 38.2-5805 C 10 of the Code of Virginia, 14 VAC 5-90-60 A 1, 14 VAC 5-90-60 A 2, 14 VAC 5-90-110, 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, or 14 VAC 5-210-110 A; and

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

CASE NO. INS000116
JUNE 30, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
WESMOR SETTLEMENT SERVICES, INC.,
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 §§ 6.1-2.21 and 38.2-1809 of the Code of Virginia by failing to provide a copy of Defendant's audit report of its escrow accounts to the Commission and failing to make records available promptly upon request for examination by the Commission;

IT FURTHER APPEARING that the Commission is authorized by § 6.1-2.27 of the Code of Virginia to impose certain monetary penalties and to suspend or revoke Defendant's license upon a determination by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

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 opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been notified of its right to a hearing before the Commission in this matter by certified letter dated May 1, 2000, 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 its 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 §§ 6.1-2.21 and 38.2-1809 of the Code of Virginia by failing to provide a copy of Defendant's audit report of its escrow accounts to the Commission and 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 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. INS000120
JUNE 29, 2000

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia, in certain instances, violated § 38.2-3407.15 of the Code of

Virginia by failing to include in its provider contracts specific provisions requiring the Defendant to adhere to and comply with the minimum fair business standards required by §§ 38.2-3407.15 B 1 through 38.2-3407.15 B 7 of the Code of Virginia;

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 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 § 38.2-3407.15 of the Code of Virginia; and

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

CASE NO. INS000121
JUNE 30, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MAMSI LIFE AND HEALTH 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 § 38.2-3407.15 of the Code of Virginia by failing to include in its provider contracts specific provisions requiring the Defendant to adhere to and comply with the minimum fair business standards required by §§ 38.2-3407.15 B 1 through 38.2-3407.15 B 7 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 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 § 38.2-3407.15 of the Code of Virginia; and

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

CASE NO. INS000122
JUNE 30, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MD-INDIVIDUAL PRACTICE ASSOCIATION, INC.,
Defendant

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia, in certain instances, violated § 38.2-3407.15 of the Code of Virginia by failing to include in its provider contracts specific provisions requiring the Defendant to adhere to and comply with the minimum fair business standards required by §§ 38.2-3407.15 B 1 through 38.2-3407.15 B 7 of the Code of Virginia;

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 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 § 38.2-3407.15 of the Code of Virginia; and

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

CASE NO. INS000124
JULY 12, 2000

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a health maintenance organization 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, 38.2-503, 38.2-511, 38.2-1812 A, 38.2-1833 A, 38.2-1834 C, 38.2-3433 C, 38.2-4304 B, 38.2-4306 A 2, 38.2-4306 B, 38.2-4312, 38.2-5803 A 4, and 38.2-5804 A 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 B 1, 14 VAC 5-90-60 B 3, 14 VAC 5-90-90 A, 14 VAC 5-90-90 C, 14 VAC 5-90-120, 14 VAC 5-90-130 A, 14 VAC 5-90-160, 14 VAC 5-90-170 A, 14 VAC 5-210-60 L, 14 VAC 5-210-70 C, 14 VAC 5-210-70 H, 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, 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 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. INS000129
JUNE 23, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Revisions to the Rules Governing Group Self-Insurers of Liability Under the Virginia Workers' Compensation Act

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;

WHEREAS, § 65.2-802 of the Code of Virginia provides that the Commission may establish regulations for the administration of group self-insurance associations;

WHEREAS, the rules and regulations issued by the Commission pursuant to § 65.2-802 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 370 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Group Self-Insurers of Liability Under the Virginia Workers' Compensation Act," which amend the rules at 14 VAC 5-370-20 and 14 VAC 5-370-100; and

WHEREAS, the Commission is of the opinion that the proposed revisions should be adopted with an effective date of September 30, 2000.

THEREFORE, IT IS ORDERED THAT:

(1) The proposed revisions to the "Rules Governing Group Self-Insurers of Liability Under the Virginia Workers' Compensation Act," which amend 14 VAC 5-370-20 and 14 VAC 5-370-100, be attached hereto and made a part hereof;

(2) All interested persons TAKE NOTICE that the Commission shall enter an order subsequent to August 4, 2000, adopting the revisions proposed by the Bureau of Insurance unless on or before August 4, 2000, 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 September 30, 2000, with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218;

(3) All interested persons TAKE NOTICE that on or before August 4, 2000, 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;

(4) All filings made under paragraphs (2) or (3) above shall contain a reference to Case No. INS000129.

(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 group self-insurance associations 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 the Attachment entitled "Chapter 370. Rules Governing Group Self-Insurers of Liability Under the Virginia Workers' Compensation Act" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS000129
AUGUST 8, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Revisions to the Rules Governing Group Self-Insurers of Liability Under the Virginia Workers' Compensation Act

ORDER ADOPTING REGULATION

WHEREAS, by order entered herein June 23, 2000, all interested persons were ordered to take notice that the Commission would enter an order subsequent to August 4, 2000, adopting revisions proposed by the Bureau of Insurance to the Commission's Rules Governing Group Self-Insurers of Liability Under the Virginia Workers' Compensation Act unless on or before August 4, 2000, any person objecting to the adoption of the proposed revisions filed a request for a hearing with the Clerk of the Commission;

WHEREAS, the June 23, 2000, Order also required all interested persons to file their comments to the proposed revisions on or before August 4, 2000;

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

WHEREAS, as of the date of this Order, no comments have been filed with the Clerk of the Commission; and

THE COMMISSION having considered the proposed revisions and the Bureau's recommendation, is of the opinion that the proposed revisions should be adopted;

THEREFORE, IT IS ORDERED THAT:

(1) The revisions to Chapter 370 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Group Self-Insurers of Liability Under the Virginia Workers' Compensation Act," which amend the rules at 14 VAC 5-370-20 and 14 VAC 5-370-100, and which are attached hereto and made a part hereof, should be, and they are hereby, ADOPTED to be effective September 30, 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 group self-insurance associations 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 the Attachment entitled "Chapter 370. Rules Governing Group Self-Insurers of Liability Under the Virginia Workers' Compensation Act" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS000130
AUGUST 10, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Revisions to the Rules Governing Long-Term Care Insurance

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, § 38.2-5202 of the Code of Virginia also provides that the Commission shall promulgate such regulations regarding long-term care insurance policies and certificates as it deems appropriate;

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 200 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Long-Term Care Insurance," which amend the rules at 14 VAC 5-200-20 through 14 VAC 5-200-70, 14 VAC 5-200-90, 14 VAC 5-200-110, 14 VAC 5-200-120, 14 VAC 5-200-150 through 14 VAC 5-200-180, and 14 VAC 5-200-200, and propose new rules at 14 VAC 5-200-65, 14 VAC 5-200-155, 14 VAC 5-200-175, 14 VAC 5-200-185, and 14 VAC 5-200-187;

WHEREAS, the proposed revisions reflect amendments to certain sections of Chapter 52 of Title 38.2 of the Code of Virginia enacted by the General Assembly of Virginia in its 2000 session and provisions of the model Long-Term Care Insurance regulation adopted by the National Association of Insurance Commissioners ("NAIC") subsequent to the Commission's most recent adoption of amendments to these Rules in 1992 and prior to the amendments currently under consideration by the NAIC; and

WHEREAS, the Commission is of the opinion that the proposed revisions should be considered for adoption with a proposed effective date of December 1, 2000;

THEREFORE, IT IS ORDERED THAT:

(1) The proposed revisions to the "Rules Governing Long-Term Care Insurance," which amend the rules at 14 VAC 5-200-20 through 14 VAC 5-200-70, 14 VAC 5-200-90, 14 VAC 5-200-110, 14 VAC 5-200-120, 14 VAC 5-200-150 through 14 VAC 5-200-180, and 14 VAC 5-200-200, and propose new rules at 14 VAC 5-200-65, 14 VAC 5-200-155, 14 VAC 5-200-175, 14 VAC 5-200-185, and 14 VAC 5-200-187, be attached hereto and made a part hereof;

(2) All interested persons who desire to comment in support of or in opposition to, or to request a hearing to oppose the adoption of, the proposed revisions shall file such comments or hearing request on or before September 14, 2000, in writing with the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218 and shall refer to Case No. INS000130;

(3) If no written request for a hearing on the proposed revisions is filed on or before September 14, 2000, the Commission, upon consideration of any comments submitted in support of or in opposition to the proposed revisions, may adopt the revisions proposed by the Bureau of Insurance;

(4) 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 Gerald A. Milsky, 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 licensed by the Commission to write long-term care insurance in the Commonwealth of Virginia; and

(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.

NOTE: A copy of the Attachment entitled "Chapter 200. Rules Governing Long-Term Care Insurance" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS000130
OCTOBER 6, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of Adopting Revisions to the Rules Governing Long-Term Care Insurance

ORDER ADOPTING REVISIONS TO RULES

WHEREAS, by order entered herein August 10, 2000, all interested persons were ordered to take notice that the Commission would consider the entry of an order subsequent to September 14, 2000, adopting revisions proposed by the Bureau of Insurance to the Commission's Rules Governing Long-term Care Insurance unless on or before September 14, 2000, any person objecting to the adoption of the proposed revisions filed a request for a hearing with the Clerk of the Commission;

WHEREAS, the August 10, 2000, Order also required all interested persons to file their comments in support of or in opposition to the proposed revisions on or before September 14, 2000;

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

WHEREAS, a comment was filed with the Clerk of the Commission on September 13, 2000, by AARP requesting that the Commission adopt the proposed revisions as submitted by the Bureau of Insurance;

WHEREAS, a comment was filed with the Clerk of the Commission on September 12, 2000, by GE Financial Assurance regarding the number of activities of daily living that must be taken into account when determining the benefit trigger under 14 VAC 5-200-187;

WHEREAS, the Bureau has reviewed the filed comments and has recommended that, in response to the filed comments, there be no amendments to the proposed revisions; and

THE COMMISSION, having considered the proposed revisions, the filed comments, and the Bureau's recommendation, is of the opinion that the attached proposed revisions should be adopted;

THEREFORE, IT IS ORDERED THAT:

(1) The revisions to Chapter 200 of Title 14 of the Virginia Administrative Code entitled "Rules Governing Long-Term Care Insurance," which amend the rules at 14 VAC 5-200-20 through 14 VAC 5-200-70, 14 VAC 5-200-90, 14 VAC 5-200-110, 14 VAC 5-200-120, 14 VAC 5-200-150, 14 VAC 5-200-170, and 14 VAC 5-200-200, repeal 14 VAC 5-200-180 in its entirety, and propose new rules at 14 VAC 5-200-65, 14 VAC 5-200-155, 14 VAC 5-200-175, 14 VAC 5-200-185, and 14 VAC 5-200-187, and which are attached hereto and made a part hereof, should be, and they are hereby, ADOPTED to be effective December 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 Gerald A. Milsky, who forthwith shall give further notice of the adoption of the revisions to the rules by mailing a copy of this Order, together with a clean copy of the revised rules, to all insurers licensed by the Commission to write long-term care 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 200. Rules Governing Long-Term Care Insurance" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. INS000141
AUGUST 9, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
FEDERAL INSURANCE COMPANY, GREAT NORTHERN INSURANCE COMPANY,
PACIFIC INDEMNITY COMPANY,
and
VIGILANT INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendants, each of which is duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated the Code of Virginia and the Virginia Administrative Code as follows: Federal Insurance Company violated §§ 38.2-305 A, 38.2-305 B; 38.2-510 A 10, 38.2-610 A, 38.2-1822, 38.2-1833, 38.2-1905, 38.2-1906 D, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2206, 38.2-2208, 38.2-2212, and 38.2-2223 of the Code of Virginia, as well as 14 VAC 5-400-70 A and 14 VAC 5-400-70 D; Great Northern Insurance Company violated §§ 38.2-305 A, 38.2-305 B, 38.2-510 A 10, 38.2-610 A, 38.2-1822, 38.2-1833, 38.2-1906 D, 38.2-2014, 38.2-2114, 38.2-2208, 38.2-2212, and 38.2-2223 of the Code of Virginia, as well as 14 VAC 5-400-30, 14 VAC 5-400-70 A, and 14 VAC 5-400-70 D; Pacific Indemnity Company violated §§ 38.2-304, 38.2-305 A, 38.2-305 B, 38.2-510 A 10, 38.2-1906 D, 38.2-2014, 38.2-2114, 38.2-2208, 38.2-2212, and 38.2-2223 of the Code of Virginia, as well as 14 VAC 5-400-30 and 14 VAC 5-400-70 D; and Vigilant Insurance Company violated §§ 38.2-305 A, 38.2-305 B, 38.2-510 A 10, 38.2-1833, 38.2-1904 D, 38.2-1906 D, 38.2-2014, 38.2-2208, 38.2-2212, and 38.2-2223 of the Code of Virginia, as well as 14 VAC 5-400-30, 14 VAC 5-400-70 A, 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 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-six thousand five hundred dollars ($26,500), 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) Federal Insurance Company cease and desist from any conduct which constitutes a violation of §§ 38.2-305 A, 38.2-305 B; 38.2-510 A 10, 38.2-610 A, 38.2-1822, 38.2-1833, 38.2-1905, 38.2-1906 D, 38.2-2014, 38.2-2113, 38.2-2114, 38.2-2206, 38.2-2208, 38.2-2212, or 38.2-2223 of the Code of Virginia, or 14 VAC 5-400-70 A, or 14 VAC 5-400-70 D; Great Northern Insurance Company cease and desist from any conduct which constitutes a violation of §§ 38.2-305 A, 38.2-305 B, 38.2-510 A 10, 38.2-610 A, 38.2-1822, 38.2-1833, 38.2-1906 D, 38.2-2014, 38.2-2114, 38.2-2208, 38.2-2212, or 38.2-2223 of the Code of Virginia, or 14 VAC 5-400-30, 14 VAC 5-400-70 A, or 14 VAC 5-400-70 D; Pacific Indemnity Company cease and desist from any conduct which constitutes a violation of §§ 38.2-304, 38.2-305 A, 38.2-305 B, 38.2-510 A 10, 38.2-1906 D, 38.2-2014, 38.2-2114, 38.2-2208, 38.2-2212, or 38.2-2223 of the Code of Virginia, or 14 VAC 5-400-30 or 14 VAC 5-400-70 D; and Vigilant Insurance Company cease and desist from any conduct which constitutes a violation of §§ 38.2-305 A, 38.2-305 B, 38.2-510 A 10, 38.2-1833, 38.2-1904 D, 38.2-1906 D, 38.2-2014, 38.2-2208, 38.2-2212, or 38.2-2223 of the Code of Virginia, or 14 VAC 5-400-30, 14 VAC 5-400-70 A, or 14 VAC 5-400-70 D; and

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

CASE NO. INS000142
AUGUST 9, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
UNITED SERVICES AUTOMOBILE ASSOCIATION
and
USAA CASUALTY COMPANY,
Defendants

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendants, each of which is duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated the Code of Virginia and the Virginia Administrative Code as follows: United Services Automobile Association violated §§ 38.2-510 A 1, 38.2-510 A 10, 38.2-610 A, 38.2-1822, 38.2-1833, and 38.2-1906 D of the Code of Virginia, as well as 14 VAC 5-400-70 D; and USAA Casualty Insurance Company violated §§ 38.2-510 A 1, 38.2-510 A 10, 38.2-610 A, 38.2-1822, 38.2-1833, 38.2-1906 D, 38.2-2014, 38.2-2113, 38.2-2114, and 38.2-2212 of the Code of Virginia, as well as 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 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 eight thousand five hundred dollars ($8,500), 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) United Services Automobile Association cease and desist from any conduct which constitutes a violation of §§ 38.2-510 A 1, 38.2-510 A 10, 38.2-610 A, 38.2-1822, 38.2-1833, or 38.2-1906 D of the Code of Virginia, or 14 VAC 5-400-70 D; USAA Casualty Insurance Company cease and desist from any conduct which constitutes a violation of §§ 38.2-510 A 1, 38.2-510 A 10, 38.2-610 A, 38.2-1822, 38.2-1833, 38.2-1906 D, 38.2-2014, 38.2-2113, 38.2-2114, or 38.2-2212 of the Code of Virginia, or 14 VAC 5-400-70 D; and

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

CASE NO. INS000144
NOVEMBER 29, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
UNITED WISCONSIN 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 life insurance in the Commonwealth of Virginia, in certain instances, violated subsection 1 of § 38.2-502, subsection 7 of § 38.2-606, and subsection 8 of § 38.2-606, and §§ 38.2-503, 38.2-510 A 2, 38.2-510 A 5, 38.2-604, 38.2-610, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A, 38.2-3115, 38.2-3407.1, 38.2-3407.4 A, 38.2-3415, 38.2-3522.1, 38.2-3527, and 38.2-3541 of the Code of Virginia, as well as 14 VAC 5-90-50 A, 14 VAC 5-90-60 B 1, 14 VAC 5-90-90 C, 14 VAC 5-400-50 A, 14 VAC 5-400-60 A, and 14 VAC 5-400-60 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 forty thousand dollars ($40,000) 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. INS000145
DECEMBER 19, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
SPECTERA VISION, 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 B, 38.2-316 C, 38.2-502, 38.2-503, 38.2-510 A 4, 38.2-1812 A, 38.2-1822 A, 38.2-1833 A 1, 38.2-3407.4, 38.2-4301 C, 38.2-4306 B 1, 38.2-4312 A, 38.2-4313, and 38.2-5803 A 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 5-90-60 A 3, 14 VAC 5-90-90 B, 14 VAC 5-90-90 C, 14 VAC 5-90-100 A, 14 VAC 5-90-130 A, 14 VAC 5-90-160, 14 VAC 5-90-170 A, 14 VAC 5-210-50 C 2, 14 VAC 5-210-90 A 1 b, and 14 VAC 5-210-110 B of the Virginia Administrative Code;

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 seventeen thousand dollars ($17,000) 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. INS000148
JULY 26, 2000

APPLICATION OF
FRANKLIN AMERICAN 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 June 28, 2000, Franklin American Life Insurance Company, in Liquidation ("FALIC"), by its Special Deputy Liquidator, filed with the Commission an application requesting approval of an assumption reinsurance agreement among FALIC, the National Organization of Life and Health Insurance Guaranty Associations, and Investors Heritage Life Insurance Company of Kentucky, a Kentucky-domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia ("Investors Heritage"), pursuant to § 38.2-136 C of the Code of Virginia, whereby Investors Heritage would assume the insurance policies and annuity contracts issued by FALIC;

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 Franklin American 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. INS000149
JULY 5, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In re approval of regulatory settlement agreement by and between the Florida Department of Insurance, for and on behalf of the State of Florida and the Bureau of Insurance, among others, and American General Life and Accident Insurance Company

ORDER APPROVING SETTLEMENT AGREEMENT

ON A FORMER DAY came the Bureau of Insurance ("the Bureau"), by counsel, and requested (i) Commission approval and acceptance of a certain multi-state Regulatory Settlement Agreement dated June 21, 2000 ("the Agreement"), a copy of which is attached hereto and made a part hereof, by and between the Florida Department of Insurance, for and on behalf of the State of Florida and the Bureau, among others, and American General Life and Accident Insurance Company, a foreign insurer domiciled in the state of Tennessee and licensed by the Bureau to transact the business of insurance in the Commonwealth of Virginia, and (ii) authority to execute any documents attendant to the Agreement necessary to evidence the Commission's acceptance of the Agreement;

AND THE COMMISSION, having considered the terms of the Agreement together with the recommendation of the Bureau that the Commission approve and accept the Agreement, is of the opinion, finds and ORDERS that (i) the Agreement be, and it is hereby, APPROVED AND ACCEPTED and (ii) the Commissioner of Insurance be, and he is hereby, authorized to execute any attendant documents necessary to evidence the Commission's approval and acceptance of the Agreement.

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

CASE NO. INS000160
DECEMBER 19, 2000

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 8, 2000. 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 intervenors Washington Construction Employers Association and the Iron Workers Employers Association (intervenors) appeared before the Commission by their counsel.

NOW, ON THIS DAY, having considered the record herein, together with the post-hearing briefs of counsel, the Commission is of the opinion, finds and ORDERS:

(1) That the profit and contingency factor of – 8.62 proposed by NCCI be, and it is hereby, disapproved; and, in lieu thereof, a factor of – 8.41 shall be employed;

(2) That, as agreed by NCCI and BOI, no data need be updated by NCCI for the purpose of determining loss costs and rate level revisions unless such updating of data results in a change of at least plus or minus one-half of one percent to the profit and contingency factor;

(3) That the provision of 6.5% of involuntary market premium proposed for NCCI administrative expenses, comprised of: (i) NCCI internal plan and pool expenses [5.0%] and (ii) plan and pool expenses for outside services [1.5%] be, and it is hereby, disapproved; and, in lieu thereof, and until further order of the Commission, the involuntary administrative expense provision shall be 5% plus the involuntary market's proportional share of any difference between said 5% provision and the most recent five year average of such expenses or the most recent five year average of such expenses, whichever is the lesser;

(4) That, based upon the suggestion of the intervenors in their post-hearing brief concerning a less complicated Virginia Contracting Classification Premium Adjustment Program (VCCPAP) description and the inclusion therein of the "average hourly wage" for each policy year as is apparently done in Maryland, the Commission finds merit therein and urges NCCI to consider the same for use in Virginia;

(5) That the Commission encourages the working group, consisting of representative of NCCI, BOI, OAG and any other interested parties, to continue to meet and seek consensus to the extent possible concerning methodological and other issues of concern to members of the working group;

(6) That NCCI and any other persons 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;

(7) 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 2.2% in industrial class voluntary loss costs; (ii) a decrease of 14.6% in "F" class voluntary loss costs; (iii) an increase of 23.3% in underground coal mines voluntary loss costs; (iv) an increase of 13.5% in surface coal mines voluntary loss costs; (v) an increase of 8.1% in industrial class assigned risk rates; (vi) an increase of 12.5% in "F" class assigned risk rates; (vii) an increase of 18.0% in underground coal mines assigned risk rates; and (viii) an increase of 18.1% in surface coal mines assigned risk rates;

(8) 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, 2001; and

(9) That NCCI, BOI, OAG and the intervenors in this proceeding make their best efforts to recommend jointly to the Commission, on or before May 1, 2001, a proposed schedule for any year 2001 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 any other parties; (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 pre-filed 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. INS000218
SEPTEMBER 13, 2000

APPLICATION OF
CITIZENS SECURITY 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 originally filed with the Commission on June 16, 2000, Citizens Security Life Insurance Company, a Kentucky-domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia ("Citizens Security"), requested approval of an assumption reinsurance agreement pursuant to § 38.2-136 C of the Code of Virginia, whereby Citizens Security would assume all of the policies and annuity obligations of National Affiliated Investors Life Insurance Company, in Liquidation ("NAI"), a Louisiana-domiciled insurer, not licensed to transact the business of insurance in the Commonwealth of Virginia;

WHEREAS, the Louisiana Commissioner of Insurance, the domiciliary regulator and Receiver of NAI, has approved the assumption reinsurance agreement, pursuant to the Final Order of Liquidation and Finding of Insolvency entered against NAI in the Ninth Judicial District Court for the Parish of Rapides, Louisiana, on April 26, 2000, as evidenced by the signature of the authorized designee of the Louisiana Commissioner of Insurance on the assumption reinsurance agreement, and filed with the Commission as part of the application;

WHEREAS, the Kentucky Commissioner of Insurance, the domiciliary regulator of Citizens Security, was not required to approve the transaction, including the assumption reinsurance agreement;

WHEREAS, NAI has waived its right to a hearing pursuant to § 38.2-136 C of the Code of Virginia, as evidenced by the letter of Barry W. Kams, Receiver of NAI, dated June 20, 2000, and filed with the Bureau of Insurance on July 27, 2000;

WHEREAS, although NAI has never been licensed to transact the business of insurance in the Commonwealth of Virginia, there are Virginia policyholders who would receive protection under the Virginia Life, Accident and Sickness Guaranty Association Act if their policies are assumed by Citizens Security;

WHEREAS, the Bureau of Insurance, having reviewed the application to ensure that Virginia policyholders 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 Citizens Security 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. INS000221
SEPTEMBER 20, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
VIRGINIA FARM BUREAU MUTUAL INSURANCE COMPANY,
VIRGINIA FARM BUREAU FIRE & CASUALTY INSURANCE COMPANY,
and
VIRGINIA FARM BUREAU TOWN & COUNTRY 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 and the Virginia Administrative Code in the following manner: Virginia Farm Bureau Mutual Insurance Company violated §§ 38.2-231, 38.2-304, 38.2-305 A, 38.2-510 A 10, 38.2-612, 38.2-1906 D, 38.2-2113, 38.2-2114, and 38.2-2124 of the Code of Virginia, as well as 14 VAC 5-400-40 A, 14 VAC 5-400-70 B, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D; Virginia Farm Bureau Fire & Casualty Insurance Company violated §§ 38.2-231, 38.2-305, 38.2-510 A 10, 38.2-610 A, 38.2-1906 D, 38.2-2014, and 38.2-2114 of the Code of Virginia, as well as 14 VAC 5-400-40 A, 14 VAC 5-400-70 B, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D; and Virginia Farm Bureau Town & Country Insurance Company violated §§ 38.2-510 A 10 and 38.2-1906 D of the Code of Virginia, as well as 14 VAC 5-400-40 A, 14 VAC 5-400-70 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 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 twelve thousand dollars ($12,000) and 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; and

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

CASE NO. INS000222
OCTOBER 10, 2000

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of a health maintenance organization in the Commonwealth of Virginia, in certain instances, violated subsection 1 of § 38.2-502 and §§ 38.2-316 B, 38.2-316 C, 38.2-503, 38.2-510 A 5, 38.2-511, 38.2-1812 A, 38.2-1833 A, 38.2-1834 C, 38.2-3431 C 3, 38.2-3431 C 6, 38.2-3433 D, 38.2-4301 B 9, 38.2-4301 B 12, 38.2-4301 C, 38.2-4306 A 2, 38.2-4306 A 3, 38.2-4306 A 4 a, 38.2-4306 B, 38.2-4306.1, 38.2-4308, 38.2-4312 A, 38.2-5803 A 4, and 38.2-5804 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 5-90-110, 14 VAC 5-90-130 A, 14 VAC 5-90-170 A, 14 VAC 5-210-50 C 3, 14 VAC 5-210-70 C 3, 14 VAC 5-210-70 H, 14 VAC 5-210-100 B, 14 VAC 5-210-110 A, 14 VAC 5-210-110 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 eighty-two thousand dollars ($82,000), 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 or §§ 38.2-316 B, 38.2-316 C, 38.2-503, 38.2-510 A 5, 38.2-511, 38.2-1812 A, 38.2-1833 A, 38.2-1834 C, 38.2-3431 C 3, 38.2-3431 C 6, 38.2-3433 D, 38.2-4301 B 9, 38.2-4301 B 12, 38.2-4301 C, 38.2-4306 A 2, 38.2-4306 A 3, 38.2-4306 A 4 a, 38.2-4306 B, 38.2-4306.1, 38.2-4308, 38.2-4312 A, 38.2-5803 A 4, or 38.2-5804 of the Code of Virginia; or 14 VAC 5-90-50 A, 14 VAC 5-90-60 A 1, 14 VAC 5-90-60 A 2, 14 VAC 5-90-110, 14 VAC 5-90-130 A, 14 VAC 5-90-170 A, 14 VAC 5-210-50 C 3, 14 VAC 5-210-70 C 3, 14 VAC 5-210-70 H, 14 VAC 5-210-100 B, 14 VAC 5-210-110 A, 14 VAC 5-210-110 B, or 14 VAC 5-234-40 C; and

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

CASE NO. INS000228
DECEMBER 14, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
REO H. MAYNARD,
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 §§ 38.2-1804, 38.2-1812.2, and 38.2-1826 of the Code of Virginia by signing or allowing an insured to sign an incomplete or blank form pertaining to insurance, by failing to obtain a signed consent form from an applicant or policyholder who has been charged a fee in addition to the premium, and by failing to file a change of residence address with the Commission within thirty days of such 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 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 notified of Defendant's right to a hearing before the Commission in this matter by certified letter dated October 19, 2000, 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 §§ 38.2-1804, 38.2-1812.2, and 38.2-1826 of the Code of Virginia by signing or allowing an insured to sign an incomplete or blank form pertaining to insurance, by failing to obtain a signed consent form from an applicant or policyholder who has been charged a fee in addition to the premium, and by failing to file a change of residence address with the Commission within thirty days of such 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 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. INS000228
DECEMBER 28, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
REO H. MAYNARD,
Defendant

VACATING ORDER

GOOD CAUSE having been shown, the Order Revoking License entered herein December 14, 2000, is hereby vacated.

CASE NO. INS000229
DECEMBER 14, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
RANDOLPH S. MORRISON,
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, and 38.2-1826 of the Code of Virginia by failing to retain all records relative to insurance transactions for the three previous calendar years, by failing to pay funds in the ordinary course of business to the insured or his assignee, insurer, insurance premium finance company or agent entitled to the payment, by failing to hold all premiums, return premiums, or other funds received by Defendant in a fiduciary capacity, by commingling business or personal funds with funds required to be maintained in a separate fiduciary trust account, by failing to maintain an accurate record and itemization of funds deposited into such account, and by failing to report within thirty days to the Commission and to every insurer for which he is appointed any change in his residence or name;

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 opportunity to be heard, 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 27, 2000, 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 §§ 38.2-1809, 38.2-1813, and 38.2-1826 of the Code of Virginia by failing to retain all records relative to insurance transactions for the three previous calendar years, by failing to pay funds in the ordinary course of business to the insured or his assignee, insurer, insurance premium finance company or agent entitled to the payment, by failing to hold all premiums, return premiums, or other funds received by Defendant in a fiduciary capacity, by commingling business or personal funds with funds required to be maintained in a separate fiduciary trust account, by failing to maintain an accurate record and itemization of funds deposited into such account, and by failing to report within thirty days to the Commission and to every insurer for which he is appointed any change in his residence or name;

THEREFORE, IT IS ORDERED THAT:

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

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

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

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

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

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

CASE NO. INS000229
DECEMBER 28, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
RANDOLPH S. MORRISON,
Defendant

VACATING ORDER

GOOD CAUSE having been shown, the Order Revoking License entered herein December 14, 2000, is hereby vacated.

CASE NO. INS000230
DECEMBER 14, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
VALERIE M. MORRISON,
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 §§ 38.2-1804, 38.2-1809, 38.2-1813, and 38.2-1826 of the Code of Virginia by signing or allowing an insured to sign an incomplete or blank form pertaining to insurance, by failing to retain all records relative to insurance transactions for the three previous calendar years, by failing to pay funds in the ordinary course of business to the insured or his assignee, insurer, insurance premium finance company or agent entitled to the payment, by failing to hold all premiums, return premiums, or other funds received by Defendant in a fiduciary capacity, by commingling business or personal funds with funds required to be maintained in a separate fiduciary trust account, by failing to maintain an accurate record and itemization of funds deposited into such account, and by failing to report within thirty days to the Commission and to every insurer for which she is appointed any change in her residence or name;

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 opportunity to be heard, 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 19, 2000, 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 §§ 38.2-1804, 38.2-1809, 38.2-1813, and 38.2-1826 of the Code of Virginia by signing or allowing an insured to sign an incomplete or blank form pertaining to insurance, by failing to retain all records relative to insurance transactions for the three previous calendar years, by failing to pay funds in the ordinary course of business to the insured or her assignee, insurer, insurance premium finance company or agent entitled to the payment, by failing to hold all premiums, return premiums, or other funds received by Defendant in a fiduciary capacity, by commingling business or personal funds with funds required to be maintained in a separate fiduciary trust account, by failing to maintain an accurate record and itemization of funds, and by failing to report within thirty days to the Commission and to every insurer for which she is appointed any change in her residence or name;

THEREFORE, IT IS ORDERED THAT:

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

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

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

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

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

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

CASE NO. INS000230
DECEMBER 28, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
VALERIE M. MORRISON,
Defendant

VACATING ORDER

GOOD CAUSE having been shown, the Order Revoking License entered herein December 14, 2000, is hereby vacated.

CASE NO. INS000243
NOVEMBER 2, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
DAVID H. CHASE,
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 and a surplus lines broker, in a certain instance, violated § 38.2-4806 D of the Code of Virginia by failing to file timely with the Commission the quarterly report summarizing the business transacted by Defendant for the second quarter of 2000;

IT FURTHER APPEARING that the Commission is authorized by §§ 38.2-218, 38.2-219, 38.2-1831, and 38.2-1832 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 notified of his right to a hearing before the Commission in this matter by certified letters dated September 19, 2000, and October 12, 2000, and mailed to Defendant's address as 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 § 38.2-4806 D of the Code of Virginia by failing to file timely with the Commission the quarterly report summarizing the business transacted by Defendant for the second quarter of 2000;

THEREFORE, IT IS ORDERED THAT:

(1) The licenses of Defendant to transact the business of insurance as an insurance agent and a surplus lines broker 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 or a surplus lines broker;

(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. INS000246
OCTOBER 18, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CHRISTOPHER M. BAGGETT,
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 § 38.2-1809 of the Code of Virginia by failing to make records available promptly upon request for examination by the Commission or its employees;

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 opportunity to be heard, 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 September 14, 2000, and mailed to Defendant's address shown in the records of the Bureau of Insurance;

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

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 of the Code of Virginia by failing to make records available promptly upon request for examination by the Commission or its employees;

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. INS000246
NOVEMBER 2, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
CHRISTOPHER M. BAGGETT,
Defendant

VACATING ORDER

GOOD CAUSE having been shown, the Order Revoking License entered herein October 18, 2000, is hereby vacated.

CASE NO. INS000258
DECEMBER 14, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
MERIT TITLE, LC,
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 § 6.1-2.23 of the Code of Virginia by retaining interest received on funds deposited in connection with an escrow, settlement, or closing;

IT FURTHER APPEARING that the Commission is authorized by § 6.1-2.27 of the Code of Virginia to impose certain monetary penalties 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 of Chapter 1.3 (§ 6.1-2.19 et seq.) of Title 6.1 of the Code of Virginia;

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 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 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 § 6.1-2.23 of the Code of Virginia; and

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

CASE NO. INS000259
OCTOBER 30, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
DOUGLAS S. DICKINSON, SR.,
Defendant

ORDER REVOKING LICENSE

IT APPEARING from an investigation by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia as an insurance agent, in a certain instance, violated § 38.2-1826 of the Code of Virginia 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 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 notified of Defendant's right to a hearing before the Commission in this matter by two certified letters dated September 18, 2000, and October 12, 2000, respectively, and mailed to Defendant's address shown in the records of the Bureau of Insurance;

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

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 § 38.2-1826 of the Code of Virginia 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. INS000272
NOVEMBER 17, 2000

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

SETTLEMENT ORDER

IT APPEARING from an investigation and subsequent allegations by the Bureau of Insurance that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-512, 38.2-1304, 38.2-1802, and 38.2-4806 of the Code of Virginia, as well as 14 VAC 5-350-120;

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 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 §§ 38.2-512, 38.2-1304, 38.2-1802, or 38.2-4806 of the Code of Virginia, or 14 VAC 5-350-120; and

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

CASE NO. INS000274
OCTOBER 25, 2000

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

IMPAIRMENT ORDER

WHEREAS, IGF Insurance Company, a foreign corporation domiciled in the State of Indiana and licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia ("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 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;

WHEREAS, the Quarterly Statement of Defendant, dated June 30, 2000, and filed with the Commission's Bureau of Insurance, indicates capital of $3,000,770, and surplus of $16,465,334;

WHEREAS, the Bureau has received information from the Indiana Department of Insurance, the domiciliary regulator of Defendant, that Defendant has net reinsurance recoverable from its affiliate PAFCO General Insurance Company ("PAFCO"), of $15,408,000;

WHEREAS, PAFCO is not an authorized reinsurer pursuant to § 38.2-1316.3 of the Code of Virginia, and the net reinsurance recoverable is not secured by trust, letter of credit, or funds withheld pursuant to § 38.2-1316.4 of the Code of Virginia; and

WHEREAS, Defendant's reported surplus should be adjusted in the amount of such $15,408,000, resulting in an adjusted surplus amount at June 30, 2000, of $1,057,334;

IT IS ORDERED THAT, on or before January 24, 2001, 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. INS000280
NOVEMBER 2, 2000

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

IMPAIRMENT ORDER

WHEREAS, Credit General Insurance Company, a foreign corporation domiciled in the State of Ohio 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 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;

WHEREAS, the Quarterly Statement of Defendant, dated June 30, 2000, and filed with the Commission's Bureau of Insurance, indicates capital of $4,500,000, and surplus of $4,299,655;

WHEREAS, the Ohio Insurance Department, Defendant's domiciliary regulator ("ODI"), has requested that Defendant record on its June 30, 2000 Quarterly Statement a potential penalty in the amount of $2,200,000 for unauthorized reinsurance;

WHEREAS, ODI also has requested that Defendant adjust on its June 30, 2000 Quarterly Statement the amount of its federal income tax recoverable by $1,100,000; and

WHEREAS, Defendant's reported surplus should be adjusted in the amount of such $3,300,000, resulting in an adjusted surplus amount at June 30, 2000, of $999,655;

IT IS ORDERED THAT, on or before January 30, 2001, 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. INS000282
NOVEMBER 3, 2000

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

SETTLEMENT ORDER

IT APPEARING from a market conduct examination performed by the Bureau of Insurance that Defendants, each of which is duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated the Code of Virginia and the Virginia Administrative Code as follows: Government Employees Insurance Company violated §§ 38.2-1906 D, 38.2-2206, 38.2-2220, and 38.2-2223 of the Code of Virginia, as well as 14 VAC 5-400-40 A, 14 VAC 5-400-70 A, and 14 VAC 5-400-70 D; GEICO Casualty Company violated §§ 38.2-610 A, 38.2-1822, 38.2-1833, 38.2-1906 D, and 38.2-2223 of the Code of Virginia, as well as 14 VAC 5-400-40 A, 14 VAC 5-400-70 A, and 14 VAC 5-400-70 D; GEICO General Insurance Company violated §§ 38.2-510 C, 38.2-1906 D, 38.2-2206, 38.2-2212, 38.2-2220, and 38.2-2223 of the Code of Virginia, as well as 14 VAC 5-400-40 A, 14 VAC 5-400-70 A, and 14 VAC 5-400-70 D; GEICO Indemnity Company violated §§ 38.2-610 A, 38.2-1822, 38.2-1833, 38.2-1906 D, 38.2-2206, 38.2-2208, 38.2-2212, 38.2-2220, and 38.2-2230 of the Code of Virginia, as well as 14 VAC 5-400-40 A, 14 VAC 5-400-70 A, 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 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 thirteen thousand dollars ($13,000), 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) Government Employees Insurance Company cease and desist from any conduct that constitutes a violation of §§ 38.2-1906 D, 38.2-2206, 38.2-2220, or 38.2-2223 of the Code of Virginia, or 14 VAC 5-400-40 A, 14 VAC 5-400-70 A, or 14 VAC 5-400-70 D; GEICO Casualty Company cease and desist from any conduct that constitutes a violation of §§ 38.2-610 A, 38.2-1822, 38.2-1833, 38.2-1906 D, or 38.2-2223 of the Code of Virginia, or 14 VAC 5-400-40 A, 14 VAC 5-400-70 A, or 14 VAC 5-400-70 D; GEICO General Insurance Company cease and desist from any conduct that constitutes a violation of §§ 38.2-510 C, 38.2-1906 D, 38.2-2206, 38.2-2212, 38.2-2220, or 38.2-2223 of the Code of Virginia, or 14 VAC 5-400-40 A, 14 VAC 5-400-70 A, or 14 VAC 5-400-70 D; and GEICO Indemnity Company cease and desist from any conduct that constitutes a violation of §§ 38.2-610 A, 38.2-1822, 38.2-1833, 38.2-1906 D, 38.2-2206, 38.2-2208, 38.2-2212, 38.2-2220, or 38.2-2230 of the Code of Virginia, or 14 VAC 5-400-40 A, 14 VAC 5-400-70 A, or 14 VAC 5-400-70 D; and

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

CASE NO. INS000285
NOVEMBER 8, 2000

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 it 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 Quarterly Statement of Defendant, dated June 30, 2000, and filed with the Commission's Bureau of Insurance, indicates that Defendant's contingency reserve is $1,112,490, which amount is $178,884 less than Defendant's required contingency reserve of $1,291,374;

THEREFORE, IT IS ORDERED that Defendant TAKE NOTICE that the Commission shall enter an order subsequent to November 14, 2000, suspending the license of Defendant to transact the business of insurance in the Commonwealth of Virginia unless on or before November 14, 2000, 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. INS000285
NOVEMBER 22, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
GRAPHIC ARTS BENEFIT CORPORATION,
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, § 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 is licensed by the Commission to transact the business of a health services plan in the Commonwealth of Virginia;

WHEREAS, for the reasons stated in an order entered herein November 8, 2000, Defendant was ordered to take notice that the Commission would enter an order subsequent to November 14, 2000, suspending the license of Defendant to transact the business of a health services plan in the Commonwealth of Virginia unless on or before November 14, 2000, 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 a health services plan in the Commonwealth of Virginia be, and it is hereby, SUSPENDED;

(2) Defendant shall issue no new subscription contracts in connection with its health services plan 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 health services plan 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. INS000296
DECEMBER 12, 2000

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

IMPAIRMENT ORDER

WHEREAS, International Indemnity Company, a foreign corporation domiciled in the State of Georgia 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 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, 2000, and filed with the Commission's Bureau of Insurance, indicates capital of $3,000,000, and surplus of negative $4,999,944;

IT IS ORDERED that, on or before March 12, 2001, 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. INS000303
DECEMBER 14, 2000

APPLICATION OF
THE CENTENNIAL 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 8, 2000, The Centennial Life Insurance Company in Liquidation ("Centennial"), by its Special Deputy Liquidator, filed with the Commission an application requesting approval of an assumption reinsurance agreement between, among others, Centennial and Hartford Life and Accident Insurance Company, a Connecticut-domiciled insurer licensed to transact the business of insurance in the Commonwealth of Virginia ("Hartford"), pursuant to § 38.2-136 C of the Code of Virginia, whereby Hartford would assume certain long-term disability insurance policies issued by Centennial;

WHEREAS, the Bureau of Insurance, having reviewed the application to ensure that Virginia 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, 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 The Centennial 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. INS000304
DECEMBER 20, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
PERRY DENNIE,
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 §§ 38.2-1804, 38.2-1812.2, and 38.2-1813 of the Code of Virginia, as well as the Cease and Desist Orders entered by the Commission in Case Nos. INS960197, INS980017, and INS990075, by signing or allowing an insured to sign an incomplete or blank form pertaining to insurance, by failing to obtain a signed consent form from an applicant or policyholder who has been charged an administrative fee in addition to the premium, by failing to pay funds in the ordinary course of business to the insured or his assignee, insurer, insurance premium finance company or agent entitled to the payment, by failing to hold all premiums, return premiums, or other funds received by Defendant in a fiduciary capacity, and by commingling business or personal funds with funds required to be maintained in a separate fiduciary trust account;

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 opportunity to be heard, that Defendant has committed the aforesaid alleged violations;

IT FURTHER APPEARING that Defendant has been notified of Defendant's right to a hearing before the Commission in this matter by certified letter dated November 22, 2000, 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 §§ 38.2-1804, 38.2-1812.2, and 38.2-1813 of the Code of Virginia by signing or allowing an insured to sign an incomplete or blank form pertaining to insurance, by failing to obtain a signed consent form from an applicant or policyholder who has been charged an administrative fee in addition to the premium, by failing to pay funds in the ordinary course of business to the insured or his assignee, insurer, insurance premium finance company or agent entitled to the payment, by failing to hold all premiums, return premiums, or other funds received by Defendant in a fiduciary capacity, and by commingling business or personal funds with funds required to be maintained in a separate fiduciary trust account;

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. INS000310
DECEMBER 28, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION
v.
NORTH AMERICAN MORTGAGE INSURANCE SERVICES,
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, allegedly violated §§ 38.2-512 and 38.2-1822 of the Code of Virginia;

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 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 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.

DIVISION OF PUBLIC SERVICE TAXATION

CASE NO. PST990005
MARCH 20, 2000

APPLICATION OF
NEXTEL COMMUNICATIONS OF THE MID-ATLANTIC, INC.

For review and correction of tax year 1999 assessments of the value of property

DISMISSAL ORDER

Before the Commission is the application of Nextel Communications of the Mid-Atlantic, Inc. for review and correction of assessments of the value of property subject to local taxation. On March 17, 2000, Nextel, by counsel, withdrew its application. Accordingly,

IT IS ORDERED that this application be dismissed and this case be removed from the Commission's docket.

DIVISION OF PUBLIC UTILITY ACCOUNTING

CASE NO. PUA980006
JANUARY 18, 2000

JOINT PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY
and
RAPPAHANNOCK ELECTRIC COOPERATIVE

For authority to sell and purchase facilities

ORDER GRANTING SUPPLEMENTAL AUTHORITY

In the Commission's Order Granting Authority issued July 15, 1999, in this case, the Commission granted authority pursuant to §§ 56-89 and 56-90 of the Code of Virginia for Virginia Electric and Power Company ("Virginia Power") and Rappahannock Electric Cooperative ("REC") (collectively "Joint Petitioners") to sell to and purchase from the other certain transmission facilities in Orange and Spotsylvania Counties. The approved conveyances occurred on September 18, 1998.

As represented by Joint Petitioners in the Supplement to Joint Petition of Virginia Electric and Power Company and Rappahannock Electric Cooperative ("the Supplement") filed on May 28, 1999, certain metering related equipment located at the Todds Tavern, Lake of the Woods, and Ni River Substations owned by REC intentionally was not included in the joint petition filed with the Commission in February 1998 and, therefore, was not included within the authority granted by the Commission's July 15, 1999, Order. Joint Petitioners have now decided that it would be appropriate for that metering related equipment to be purchased by Virginia Power. The equipment includes instrument transformers, miscellaneous hardware, and equipment enclosures, but not meters. Because this equipment is part of the facilities involved in the transactions previously approved by the Commission, Joint Petitioners request approval as part of this case.

As stated in the Supplement, the total amount of the transaction involving the metering related equipment is $16,406.42. This amount represents the book value and associated expenses to REC of the metering related equipment.

THE COMMISSION, upon consideration of the Supplement and representations of Joint Petitioners 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, therefore, be authorized. 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 sell, and Virginia Electric and Power is granted authority to purchase the metering related equipment as described herein at a price of $16,406.42.

2) The authority granted herein shall have no ratemaking implications.

3) On or before March 31, 2000, Joint 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 transfer, the selling 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. PUA990024
JANUARY 19, 2000

PETITION OF
FOX RUN WATER COMPANY, INC.

For approval to acquire utility assets

ORDER GRANTING APPROVAL

On March 4, 1999, Fox Run Water Company, Inc. ("Fox Run," the "Company"), filed a petition under the Utility Transfers Act requesting approval to acquire utility assets. In Case No. PUE990001, the Commission issued an Order Inviting Written Comments and Requests for Hearing ("Order") on April 28, 1998, in connection with the proposed acquisitions. Fox Run filed proof of its notice on June 24, 1999. Two comments were received but no requests for hearing were made.

Fox Run specifically requests approval to acquire all utility assets relating to the production, transmission and/or distribution of water, and all control, rights, and privileges associated with ownership of such utility assets located within the following subdivisions: Anchor Cove, The Anchorage ("Anchorage"), Joyceville, Cliffs on the Roanoke ("Cliffs"), Tanglewood Shores ("Tanglewood"), and Rolling Acres.

Fox Run represents that it is confident that it has the ability to furnish the systems with adequate and reliable water service. Fox Run is a wholly owned subsidiary of Tanglewood Land Company, Inc. ("Tanglewood Land"). The Company furnishes water for domestic household use to residents within subdivisions developed by Tanglewood Land and other associated companies. All systems once developed are operated and maintained by Fox Run.

In 1991, Tanglewood Land sold Fox Run to Moseley & Nash Enterprises, Inc. ("Moseley & Nash"). As stated by the Company, Moseley & Nash has extensive experience in domestic, commercial, and industrial applications related to the water supply industry. All operations, repairs, maintenance, and monitoring required for Fox Run's systems, other than situations that exceed Moseley & Nash's technical knowledge, are contracted through Moseley & Nash. The Company states that such arrangement results in a quicker response time for emergency repairs and customer complaints as well as easier scheduling of routine maintenance and monitoring. Moseley & Nash and Fox Run operate as separate entities. All material and labor required are itemized and charged to Fox Run.

Fox Run represents that Anchor Cove, Anchorage, Joyceville, and Cliffs are all systems currently owned by others. Tanglewood and Rolling Acres are currently operated and maintained by Fox Run. Fox Run further represents that purchase prices were determined through arms-length negotiations and terms agreeable to all parties involved. The proposed acquisitions will result in a rate increase for all six (6) systems. Additionally, the proposed acquisitions will result in an increase in water connection charges for all systems except Joyceville.

An audit of Fox Run's books and records was conducted by Public Utility Accounting in Case No. PUE990001, and it was determined that the proposed rates were reasonable. In that audit, Staff determined that the actual dollar amount of the proposed rates was consistent with or less than that of other similar water utilities regulated by the Commission.

As stated in the Petition, Tanglewood, and Rolling Acres will be transferred at no cost to Fox Run. Anchor Cove and Anchorage will be transferred as contributed property. The other two systems, Joyceville and Cliffs, will be transferred at a cost of 70% of connection fees collected by Fox Run for ten (10) years and five (5) years, respectively.

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 acquisition 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 Virginia Code §§ 56-89 and 56-90, Fox Run Water Company, Inc., is hereby granted approval to acquire the utility assets of Anchor Cove, Anchorage, Joyceville, Cliffs, Tanglewood, and Rolling Acres as 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 March 21, 2000, 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) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUA990043
JANUARY 14, 2000

JOINT PETITION OF
AT&T CORP.
and
MEDIAONE GROUP, INC.

For approval of change of control of MediaOne Telecommunications of Virginia, Inc.

ORDER GRANTING AUTHORITY

On July 21, 1999, AT&T Corp. ("AT&T") and MediaOne Group, Inc. ("MediaOne Group"), (collectively referenced as "Joint Petitioners" or "Companies") filed a joint petition with the Commission pursuant to § 56-88.1 of the Code of Virginia. In that joint petition, the Companies request approval of a proposed transaction whereby AT&T will acquire indirect control of the regulated telecommunications operations of MediaOne Telecommunications of Virginia, Inc. ("MediaOne").

Pursuant to the Agreement and Plan of Merger ("the Agreement") dated May 6, 1999, AT&T Corp. will effectively become the parent company of MediaOne Group. The stockholders of MediaOne Group will exchange their shares of stock in MediaOne Group for cash, shares of AT&T Corp. common stock, or a combination of both. Specifically, AT&T Corp. will create Meteor Acquisition, Inc. ("Merger Sub"), a wholly owned subsidiary of AT&T Corp. MediaOne Group will merge into Merger Sub with Merger Sub as the surviving entity. Merger Sub will succeed to all assets, liabilities, and businesses of MediaOne Group. The certificates held by MediaOne Group subsidiaries will continue to be held by those subsidiaries as indirectly controlled AT&T subsidiaries.

AT&T Corp. is the corporate parent of AT&T Communications of Virginia, Inc. ("AT&T"), a certificated provider of telecommunications services in Virginia. AT&T has been providing interexchange services in Virginia since its creation pursuant to the divestiture of the Bell System on January 1, 1984. AT&T also has a certificate to provide competitive local exchange telecommunications services in Virginia.

AT&T Corp. is also the corporate parent of TCG Virginia, Inc. ("TCG"). On July 23, 1998, AT&T Corp. merged with Teleport Communications Group, Inc. and acquired controlling interest in TCG. TCG has certificates to provide both local exchange and interexchange telecommunications services in Virginia. At present, TCG provides competitive local exchange services to business customers primarily in Northern Virginia. The Commission approved AT&T Corp.'s acquisition of TCG in Case No. PUA980004.

MediaOne Group is the parent company of MediaOne. MediaOne has certificates to provide both local exchange telecommunications services and interexchange telecommunications services in Virginia. As of the date of the filing of the joint petition, Companies indicate that MediaOne was providing facilities-based local exchange telecommunications services to a limited number of customers in the Richmond area.

By Commission Order dated August 12, 1999, the Commission directed Joint Petitioners to provide notice of their petition and to provide an opportunity for comments and requests for hearing. In that Order, the Commission also extended its period of review from September 19, 1999, to January 17, 2000, and directed Staff to file a report detailing the results of its investigation on or before November 9, 1999.

Pursuant to that Order, Bell Atlantic-Virginia, Inc. ("BA-VA"), filed comments and requested a hearing on the joint petition. BA-VA expressed concern over AT&T's practice in Tele-Communications, Inc.'s ("TCI") territory wherein it required potential customers to subscribe to its cable television service before receiving TCI local telephone service.

MCI WorldCom, Inc. ("MCI"), and The Virginia Citizens Consumer Council ("VCCC") also filed comments on the joint petition. MCI's comments dealt with the Commission's jurisdiction over high-speed Internet access while VCCC's comments dealt with open access to the cable TV network for Internet service providers not affiliated with AT&T.

Pursuant to a November 3, 1999, Order, Staff filed its Report on November 23, 1999. In that Report, Staff stated that BA-VA's concern with respect to forced subscription would be resolved by the Commission's adoption of one of its recommended conditions (i.e., condition no. 3). Staff noted that MediaOne currently does not require its telephone customers to subscribe to its cable service and that adoption of the above-referenced condition would insure that such practice would continue.

Staff also addressed MCI's and VCCC's concerns regarding high-speed Internet and open access of cable TV network. Staff stated that, while it was unwilling to concede that the Commission does not have any jurisdiction over high-speed Internet access service, it believed that the Commission has no jurisdiction over such service in this case and at the present time.[1] Staff noted that open access to the cable modem platform, service classification, and proper jurisdiction are issues before the Federal Communications Commission and local cable-franchising authorities.

In its Report, Staff recommended approval of the joint petition subject to the following conditions:

(1) that upgrades to MediaOne's network in the provision of telecommunications services in Virginia be continued based upon the schedule provided to Staff;

(2) that quarterly reporting on telecommunications network upgrades for MediaOne in Virginia be required; and

(3) that MediaOne not be permitted to require potential telephone subscribers to subscribe to MediaOne's cable television service without prior Commission approval.

On December 6, 1999, the Companies filed a Response to Staff's Report ("Response") and to BA-VA's request for hearing. The Companies specifically request the Commission to approve the joint petition without further proceedings and without imposing the above-referenced condition requiring the Companies to upgrade pursuant to the schedule provided to Staff. The Companies state that adoption of such condition is inappropriate because it would deny them the flexibility to adjust their schedule for changes in regulatory, technical, and economic considerations.

On that same date, BA-VA also filed Comments on Staff's Report ("Comments"). In its Comments, BA-VA requests that the Commission require certain periodic reports from AT&T concerning the number of local exchange customers who presubscribe to long distance carriers other than AT&T. BA-VA maintains that such reporting will insure that AT&T lives up to the Commission's requirement that local exchange carriers provide its customers with equal access to all long distance carriers. BA-VA also requests the Commission to require AT&T to file a plan detailing its timetable for providing local exchange service to residential customers in MediaOne's service area with annual reports verifying compliance with such timetable.

THE COMMISSION, having considered the joint petition, Staff's Report, and the comments and pleadings filed in this proceeding, is of the opinion and finds that the proposed merger, together with the above-referenced condition #3, will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates. Adoption of additional conditions is not warranted. The Commission will approve the merger subject to the above-referenced condition #3 without further proceedings. 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 Agreement and Plan of Merger as described in the Joint Petition, subject to the above-referenced condition.

(2) A Report of Action relating to the merger shall be filed no later than sixty (60) days after consummation of the merger and shall include the date the merger was consummated and the total amount of the transaction.

(3) There appearing nothing further to be done in this matter, it shall be dismissed.

[1] Staff noted that once certain issues surrounding Internet services and cable open access are settled, the Commission may take further action with regard to the proposed merger if such action is warranted. Staff Report at C-7.

CASE NO. PUA990054
JULY 28, 2000

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 Utility Rate Increase Applications

ORDER ADOPTING RULES

By order entered September 14, 1999, the Commission established this proceeding for the consideration of amendments or additions to our Rules Governing Utility Rate Increase Applications and Annual Informational Filings ("Rate Case Rules"),[1] and the Rules Governing Streamlined Rate Proceedings and General Rate Proceedings for Electric Cooperatives Subject to the State Corporation Commission's Rate Jurisdiction ("Cooperative Rules")[2] (collectively, "the Rules"). As noted in our Order Establishing Proceeding, much has changed within the public utility industry and in the Code of Virginia since the Rules were last comprehensively examined, and therefore a full review is now timely.

The Commission Staff filed on November 9, 1999, a report recommending certain amendments and additions to the Rules. The following parties filed comments on the proposed amendments and additions: The Potomac Edison Company, d/b/a Allegheny Power; Washington Gas Light Company, Appalachian Power Company, d/b/a American Electric Power ("AEP-VA"); the Office of the Attorney General's Division of Consumer Counsel; Old Dominion Electric Cooperative and its member distribution cooperatives,[3] together with the Virginia, Maryland & Delaware Association of Electric Cooperatives (collectively, "the Cooperatives"); Kentucky Utilities Company, d/b/a Old Dominion Power Company; Virginia Electric and Power Company ("Virginia Power"); Roanoke Gas Company; Columbia Gas of Virginia, Inc.; GTE South Incorporated; Atmos Energy Corporation, d/b/a United Cities Gas, Delmarva Power & Light Company, Virginia – American Water Company, and Virginia Natural Gas (collectively "the Companies"); and the Virginia Committee for Fair Utility Rates and the Old Dominion Committee for Fair Utility Rates (collectively, "the Industrial Electric Customers"). Following our Order for Additional Notice of June 14, 2000, the Virginia Gas Users' Association also filed comments.

AEP-VA, Virginia Power, the Cooperatives, and the Companies requested a hearing on the proposed Rule changes. Accordingly, by order of March 1, 2000, we scheduled a public hearing for June 6, 2000, and directed the Staff and parties to file either testimony or statements adopting their comments on May 1, 2000, and May 22, 2000, respectively.

The hearing on the Rules was held over 2 days on June 6 and 7, 2000. The Commission requested that the legal issues surrounding a streamlined revenue neutral rate restructuring proceeding advocated by some of the utilities be briefed by the affected parties and the Staff. The Cooperatives and Staff also filed briefs on certain other issues relevant to the Cooperatives. All briefs were filed June 30.

NOW THE COMMISSION, upon consideration of the evidentiary record, legal arguments, and applicable law, is of the opinion and finds that the Rules as amended and attached hereto should be adopted, effective today. Our amendments to the Rules have been made after our consideration of proposals from the Staff and parties. We will not comment on all changes to the original proposal made by Staff. We will, however, address certain provisions of the amended Rules.

We are not imposing in Rule A.7 of the Rate Case Rules a requirement on the Staff to complete its initial review of an application within a specified time of the application's filing. Although no party presented evidence of any past dilatory practices of the Staff in completing its initial review of rate applications, we are nevertheless proposing such a rule in the proceeding to consider revisions to the Commission's Rules of Practice and Procedure.[4] Pending formal adoption of the new Rules of Practice and Procedure, we will expect the Staff to report formally to an applicant the status of an application, including any necessary remedial action necessary to make the application complete, within 10 working days of an application's filing.

We are adopting Rules 20 VAC 5-200-30 A.10 and 20 VAC 5-200-21 G to recognize expressly the right of the Staff and any party to present issues not raised by the applicant in its rate case or Annual Informational Filing ("AIF"). This is an existing practice of the Commission that we now formalize by rule.

With respect to earnings tests, new issues will inevitably arise that were not considered or ruled upon in a company's last rate proceeding. For example, a circumstance not previously considered may occur or there may be issues relevant to an applicant arising from rulings made affecting similarly situated companies in other proceedings. These matters must, of course, be addressed and Staff and others should have an opportunity to address them. At the same time, absent unusual circumstances, matters decided in a company's last rate case should not be relitigated. Accordingly, the same rule will apply for earnings tests as for rate applications and AIF's, except that in earnings test filings made pursuant to the Rate Case Rules for investor-owned utilities, issues specifically decided by the Commission in an applicant's most recent rate case may not be raised by Staff or parties unless good cause can be shown.

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[1] 20 VAC 5-200-30.

[2] 20 VAC 5-200-21.

[3] A&N Electric Cooperative, BARC Electric Cooperative, Community Electric Cooperative, Craig-Botetourt Electric Cooperative, Mecklenburg Electric Cooperative, Powell Valley Electric Cooperative, Prince George Electric Cooperative, Rappahannock Electric Cooperative, Shenandoah Valley Electric Cooperative, and Southside Electric Cooperative.

[4] Commonwealth ex rel.: State Corporation Commission Ex Parte: In the matter concerning revised State Corporation Commission Rules of Practice and Procedure, Case. No. CLK000311, Order for Notice and Comment or Requests for Hearing (July, 18, 2000).

Schedules in the Rate Case Rules required for AIFs will be expanded partially to include Schedules 9 through 14, and 25.[5] Schedules 9 through 14 are for earnings tests and are not required in all instances. With respect to Schedules 9 and 10, we modify the instructions to make clear that the filing requirements do not apply to a utilities' non-jurisdictional regulatory assets. Exemptions for specific classes of regulatory assets may be sought through a requested waiver. If granted, such exemptions would remain in force until the Commission orders otherwise.

We will not accept the Staff's proposal to extend to AIFs the rate application filing requirements found in Schedules 23 (Advertising Expense), 24 (Miscellaneous Expense), 26 (Income Taxes), and 27 (Organization).[6]

We will revise the listed categories of advertising expenses on Schedule 23 to track the language of § 56-235.2, and include an "other" category. Regarding Schedule 25, the narrative description required for "each affiliated service received or provided" presented questions as to the extent of information to be filed. We have revised the instructions to make clear that utilities are expected to file a description of the types of services received or provided, but are not required to provide the description each time the particular service is rendered. The term "accounting" modifying "services" is removed from the instructions because the types of services at issue are not limited to accounting services. Also, where relevant, utilities may comply with the filing requirements of this schedule with appropriate references to Affiliates Act filings.

We will not adopt Virginia Power's proposal for a blanket exemption for electric utilities from filing pro forma information with AIFs while rates are capped under the Virginia Electric Utility Restructuring Act. Utilities are free, however, to request a waiver from this requirement, and any such requests will be considered on a case-by-case basis.

The Staff originally proposed as part of the Rules an earnings test for electric utilities' generation operations. The Staff withdrew this proposal in response to some utilities' comments on the Staff's November 9 report. At the hearing, the Consumer Counsel and the Industrial Electric Customers urged the Commission to reinstate this requirement in the Rules. We will not incorporate a generation earnings test in the Rules; however, investor-owned electric utilities shall maintain the information necessary to conduct an earnings test on a bundled basis through July 1, 2007, the end of the electric restructuring capped rate period, and such information shall be retained by the company until further notice by the Commission. These utilities shall also include in their Annual Informational Filings a statement that such information is being maintained in compliance with this requirement.

Several parties, primarily gas utilities, advocated a new type of expedited proceeding wherein "revenue neutral" tariff and rate design changes could be made without demonstrating in the proceeding that rates, tolls, charges or schedules in the aggregate provide revenues not in excess of the aggregate actual costs incurred by the utility as would otherwise be required by § 56-235.2.A. Because we were concerned with possible statutory impediments to the proposal, we directed the parties and Staff to file legal memoranda on this issue.

We find that § 56-235.2 requires that when any rate, toll, charge, or schedule is to be increased in a proceeding, the public utility must demonstrate at that time that its rates, tolls, charges, or schedules in the aggregate provide revenues not in excess of the aggregate actual costs incurred by the utility in serving its jurisdictional customers.

It has been argued that once aggregate revenues and resulting rates are established by the Commission, they satisfy the requirements of § 56-235.2 and are presumed to be just and reasonable until shown otherwise. It is true that rates established by the Commission are deemed just and reasonable until determined otherwise. However, when a utility proposes to increase any rate, it has the burden of making the showing required by § 56-235.2 relative to aggregate revenues and costs. This burden may not be met by relying on an earlier Commission determination in a prior case.

We recognize, that upon a complaint of a utility customer, the Commission may reduce a single rate schedule without conducting an analysis of the utility's aggregate revenues and costs. See Petition of Luck Stone Corp.[7] Similarly, § 56-40 permits a utility to revise its schedules without notice when the revision effects "no increases." (Emphasis supplied.) With a customer complaint, the customer bears the burden to make a prima facie showing that the rate is not just and reasonable and the Commission may substitute a different rate pursuant to § 56-235. On application of a utility for rate changes that includes an increase, the burden of proof to show that the proposed changes are just and reasonable is upon the utility pursuant to §§ 56-235.2 and 56-235.3, and we are required to consider aggregate revenues and costs pursuant to 56-235.2

We will amend the current Rules for expedited rate filings to permit a utility to propose revisions to terms and conditions, changes in revenue allocations among classes, and rate design changes, provided the requested changes are supported by appropriate cost studies. We have also amended the Rules to make clear that utilities need not request an increase in regulated operating revenues in an expedited rate case.[8] Proposed rate changes will of course be interim and subject to refund while an application is pending, and the utility will be at risk both for any proposed rate increases that are not approved as well as for any interim rate reductions that are ultimately established at the former, higher level.

The Staff has proposed that electric cooperatives file projected financial statements based on Rural Utilities Service ("RUS") Form 325A.[9] We find that this is a reasonable filing requirement in view of the statutory requirement of § 56-582.A that a rate application and Commission approval give due consideration to the justness and reasonableness of rates on a forward-looking basis. The cooperatives are free to file any additional projections or propose any adjustments in these Schedules that they find may be more appropriate for supporting a forward-looking rate increase accompanied by an explanation of the variance from the Form 325A data. The projected financial statements required in Schedules 15, 16, and 17, as well as 18 and 19, of the Cooperative Rules shall be reflected on a year-by-year basis to assist the Staff, parties, and the Commission in their analysis of the applicant's proposed rates.

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[5] Schedule numbers referenced in this Order coincide with those in the Staff's May 1, 2000, pre-filed testimony. (Ex. KBP-2, Appendices A-D.)

[6] Our decision declining to adopt these filing requirements within the Rules should not be interpreted that it would be inappropriate for the Staff to seek this information through discovery.

[7] To investigate Northern Virginia Electric Cooperative's rates and charges, Case No. PUE880065, 1990 SCC Ann. Rep. 265, Final Order, Feb. 6, 1990.

[8] Indeed, a company can also file a general rate application that does not propose an increase in regulated operating revenues.

[9] Proposed Schedules 15, 16 and 17. (Ex. KBP-2, Appendix D.)

Finally, we are revising Schedule 20 of the Cooperative Rules to omit the categories "energy" and "consumer," to be replaced with "other." The purpose of this category is to include costs associated with services that are not part of the cooperatives' regulated business.

Accordingly, IT IS ORDERED:

(1) The Commission's Rules Governing Utility Rate Increase Applications and Annual Informational Filings and the Rules Governing Streamlined Rate Proceedings and General Rate Proceedings for Electric Cooperatives Subject to the State Corporation Commission's Rate Jurisdiction are adopted as modified, as shown in Appendices A and B to this order.

(2) These Rules as now modified shall be effective as of the date of this order.

(3) All investor-owned electric utilities subject to the Virginia Electric Utility Restructuring Act shall maintain the information necessary to conduct an earnings test on a bundled basis through July 1, 2007, to be retained the company until further notice by the Commission, and shall include in its Annual Informational Filing a statement that such information is being maintained in compliance with this requirement.

(4) Pending formal adoption of revised Rules of Practice and Procedure, the Staff shall report formally to an applicant the status of any application filed pursuant to the Rules adopted herein, including any necessary remedial action necessary to make the application complete, within 10 working days of an application's filing.

(5) There being nothing further to come before the Commission, this matter shall be dismissed and the papers filed herein shall be placed in the file for ended causes.

NOTE: A copy of Appendix A entitled "Rules Governing Utility Rate Increase Applications and Annual Informational Filings" and Appendix B entitled "Rules Governing Streamlined Rate Proceedings and General Rate Proceedings for Electric Cooperatives Subject to the State Corporation Commission's Rate Jurisdiction" 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 NO. PUA990054
AUGUST 16, 2000

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 Utility Rate Increase Applications

AMENDING ORDER

By order entered July 28, 2000, the Commission adopted certain amendments and additions to our Rules Governing Utility Rate Increase Applications and Annual Informational Filings ("Rate Case Rules"),[1] and the Rules Governing Streamlined Rate Proceedings and General Rate Proceedings for Electric Cooperatives Subject to the State Corporation Commission's Rate Jurisdiction ("Cooperative Rules").[2]

Subsection E of the Cooperative Rules[3] adopted in our July 28 Order provides:

> Effective with the adoption of these rules through 2007, any cooperative filing a rate increase application pursuant to the Virginia Electric Utility Restructuring Act (§ 56-576 et seq. of the Code of Virginia) shall include the schedules required for a general rate case, as set forth in Subsection D, of this section, as well as Schedules 15 through 19.

In order to correct an erroneous reference to the time period through the year 2007, and to make this provision of the Cooperative Rules more consistent with the corresponding provision in the Rate Case Rules for investor-owned utilities,[4] we are amending Rule 20 VAC 5-200-21 E to read as follows:

> Any cooperative filing a rate application pursuant to § 56-582 of the Virginia Electric Utility Restructuring Act (§ 56-576 et seq. of the Code of Virginia) shall include the schedules required for a general rate case, as set forth in Subsection D, of this section, as well as Schedules 15 through 19.[5]

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[1] 20 VAC 5-200-30.

[2] 20 VAC 5-200-21.

[3] 20 VAC 5-200-21 E.

[4] 20 VAC 5-200-30 D.

[5] A copy of the corrected and amended page 11 of Appendix B to the July 28, 2000, Order Adopting Rules containing subsection E of 20 VAC 5-200-21 E is attached to this Order.

Accordingly, IT IS ORDERED:

(1) Subsection E of the Commission's 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), as amended and adopted by our July 28, 2000, Order Adopting Rules shall be adopted as corrected and amended herein.

(2) There being nothing further to come before the Commission, this matter shall be dismissed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUA990056
JANUARY 14, 2000

APPLICATION OF
THE POTOMAC EDISON COMPANY, d/b/a ALLEGHENY POWER

For authority to dispose of utility assets

ORDER GRANTING AUTHORITY

On September 13, 1999, The Potomac Edison Company, d/b/a Allegheny Power ("Allegheny Power," the "Company"), filed an application with the Commission under the Utility Transfers Act requesting authority to dispose of utility assets. Allegheny Power requests authority to sell 101.80 acres for the highest bid price of $227,776.00 to Jasbo, Inc.

On January 5, 1978, Allegheny Power purchased 139.809 acres located on Kline's Mill Road in Frederick County, Virginia, from John W. Henry for $275,000.00. The Company also owns an adjoining forty-five -(45) acre of previously acquired property. Approximately fifty (50) acres of the tract are presently being used to house two (2) substations and associated electric facilities. The balance of the property including a house and a barn are being leased and used for farming and pasturing livestock. Because the property is no longer needed to provide electric service to customers, company management authorized the sale of 101.80 acres to the highest bidder.

The Company represents that it will retain approximately thirty (30) acres as a buffer between its substations and the property being sold. The Company acquired two (2) appraisals, which valued the 101.80 acres at $170,000.00 and $205,000.00. Eight (8) bids ranging from $102,000.00 to $227,776.00 were received. Jasbo, Inc., made the highest bid. Accordingly, Allegheny Power entered into a contract of sale with Jasbo, Inc., to sell 101.80 acres for $227,776.00.

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 sale 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, The Potomac Edison Company is hereby granted authority to sell 101.80 acres to Jasbo, Inc., pursuant to the agreement described herein.

2) The authority granted herein shall have no ratemaking implications.

3) The Company shall file a Report of Action with the Commission by no later than March 16, 2000. 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, it is hereby dismissed.

CASE NO. PUA990061
FEBRUARY 8, 2000

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

DISMISSAL ORDER

On December 21, 1999, the Commission issued an Order granting Virginia Electric and Power Company ("Virginia Power," "the Company") approval of certain amendments to its existing Affiliate Services Agreement with Virginia Power Services, Inc. ("VPS"), approved in Case No. PUA970007. The Commission's December 21, 1999, Order did not dismiss the case.

NOW THE COMMISSION, having been advised by its Staff, is of the opinion that there are no further matters to consider in this case and that it should be dismissed. On consideration whereby,

IT IS ORDERED THAT there appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA990068
MARCH 30, 2000

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

ORDER GRANTING RELIEF

By orders dated September 17 and December 21, 1999, the Commission approved, in Case No. PUA990020, the merger of Dominion Resources, Inc. ("DRI") and Consolidated Natural Gas Company ("CNG"). DRI and CNG are the corporate parents of, respectively, Virginia Electric and Power Company ("Virginia Power") and Virginia Natural Gas Company ("VNG"). By order dated December 29, 1999, in the instant proceeding, the Commission approved various changes in the service and pricing agreements among the affiliated Petitioners.

On March 10, 2000, DRI, Virginia Power, and the remaining affiliated petitioners listed in the caption filed their Motion for Modification of Order ("Motion"). The Motion requests the Commission (i) terminate the Cost Allocation and Service Agreement ("CASA"), which previously established the terms under which Virginia Power and DRI could transact business with each other, and (ii) eliminate a limitation imposed by earlier order[1] on the composition of the Virginia Power Board of Directors. The petitioners submit that the requested relief is necessary "because of Commission actions regarding DRI's recent merger with [CNG], and general principles of fairness and equity. . .."

NOW THE COMMISSION, having considered the Motion, the record herein, and the applicable statutes and rules, as well as being sufficiently advised by the Commission Staff, is of the opinion and finds that granting the requested relief would not be detrimental to the public interest. The various agreements and arrangements approved in our December 29, 1999, Order in this proceeding serve to replace the CASA. The petitioners had previously requested that the CASA be terminated, and it now appears appropriate to take that step.

With regard to the restriction on the composition of the Board of Directors of Virginia Electric and Power Company, the Commission is of the opinion that the restriction is not necessary at this time. Accordingly,

IT IS ORDERED THAT:

(1) The Cost Allocation and Service Agreement between DRI and Virginia Power and associated reporting requirements shall be terminated, effective upon the closing of the merger between DRI and CNG.

(2) Continued approval of the agreements authorized in this proceeding is not conditioned upon maintenance of the conditions established in the 1986 Order.

(3) This matter is continued for further orders of the Commission.

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[1] See, Commonwealth of Virginia ex rel. State Corporation Commission In re: Ex Parte investigation of corporate reorganization of Virginia Electric and Power Company, and In the matter of Virginia Natural Gas, Inc., Case Nos. PUC830060 and PUC860037, Opinion and Final Order, 1986 S.C.C. Ann. Rep. 249 (June 30, 1986) (the "1986 Order").

CASE NO. PUA990068
DECEMBER 15, 2000

JOINT PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY AND VIRGINIA NATURAL GAS, INC.
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.

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

By Commission Order dated December 29, 1999, the Commission approved (1) an agreement between Virginia Electric and Power Company ("Virginia Power") and Virginia Natural Gas, Inc., and Dominion Resources, Inc. ("Dominion"), Dominion Resources Services, Inc. ("DRS"), Dominion Capital, Inc., and its subsidiaries and Dominion Energy, Inc., and its subsidiaries, 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. ("CNG Service"), (the "Original Services Agreement"); and (2) an agreement between Virginia Power and DRS ("Original Support Agreement"), both filed with and made part of such proceeding. The Commission imposed, as a condition to the Order approving the Original Services Agreement and Original Support Agreement, a requirement that no changes be made to the terms and conditions of either agreement without prior Commission approval.

On September 22, 2000, Virginia Power, Principal Petitioner, and DRS and CNG Service, Affiliate Petitioners (collectively, the "Petitioners"), filed an application with the State Corporation Commission seeking approval and termination of certain agreements and the transfer of certain assets and liabilities under the Affiliates Act, §§ 56-76, et seq. of the Code of Virginia ("Code"). The Petitioners also request exemption from the prior approval and filing requirements of § 56-77 of the Code.

The Petitioners specifically request (1) approval of a new services agreement ("New Services Agreement") that reflects the proposed merger of DRS and CNG Service and the adoption of certain modified allocation methodologies which more accurately reflect the operations of the companies to which services will be provided; 2) approval of a new support agreement ("New Support Agreement") that reflects reductions in the services to be offered and clarification of certain cost allocation methodologies; (3) termination of the Original Services Agreement and Original Support Agreement; (4) approval of the proposed transfer of Virginia Power general plant assets, assets under capital leases, and employee benefit-related assets and liabilities to DRS, all effective on the later of January 1, 2001, or the closing of the merger between DRS and CNG Service; and (5) an exemption under § 56-77B from the prior approval and filing requirements of subsection A for future similar transfers of assets and liabilities from Virginia Power to DRS.

On December 11, 2000, the Petitioners filed an amendment to their application. They stated that, since filing the application, it had come to their attention that several figures in the Net Book Value column of Exhibit 7 attached to the application were transposed. Such error did not effect the total Net Book Value shown on Exhibit 7. Therefore, the Petitioners submitted a corrected Exhibit 7 to be filed in place of the Exhibit 7 as originally filed. The Petitioners also stated that prior approval of the New Services Agreement and New Support Agreement is required from several states as well as from the Securities and Exchange Commission ("SEC"). While they expect to receive state approvals prior to January 1, 2001, there is a reasonable likelihood that the required approval from the SEC may be received after January 1, 2001, due to administrative delays at the agency. As no additional regulatory approvals are required to merge DRS and CNG Service, DRS and CNG Service plan to make the merger effective January 1, 2001. Therefore, until the date on which the SEC approves the New Services Agreement and New Support Agreement, the Petitioners state that the combined service company will continue to operate under the Original Services Agreement and Original Support Agreement. Accordingly, the Petitioners request that the application be amended to request that terminating the Original Services Agreement and Original Support Agreement be effective on the later of January 1, 2001, or the first day of the month following the date on which the Petitioners receive approval of the New Services Agreement and New Support Agreement from the SEC.

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 direct wholly owned subsidiary of Dominion.

DRS is a mutual service company as defined in the Public Utility Holding Company Act of 1935 ("1935 Act") and is subject to regulation by the SEC. DRS is also a direct wholly owned subsidiary of Dominion.

Dominion is a "holding company," as defined under the 1935 Act and is subject to regulation by the SEC.

CNG Service is an indirect wholly owned subsidiary of Dominion.

The specific requests of the Petitioners are discussed below.

New Services Agreement

Virginia Power and DRS and CNG Service request approval to replace the Original Services Agreement with a New Services Agreement that reflects the merger of DRS and CNG Service effective on the later of January 1, 2001, or the first day of the month following the date on which they receive approval from the SEC. In addition, the Petitioners request approval of certain allocation methodology changes that better align the allocation bases with the cost drivers of the services.

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. The Petitioners also 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 to allow 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).

Consolidated Natural Gas Company ("CNG") established such a subsidiary, CNG Service, to perform centralized services for CNG subsidiaries at their election. Additionally, in anticipation of becoming a registered holding company in connection with its acquisition of CNG, Dominion established a service company subsidiary, DRS, to provide centralized services to Dominion and its subsidiaries ("Dominion Companies").

The Petitioners state that the proposed New Services Agreement describes the services that will be offered by DRS and the methods for allocating costs. The Petitioners further state that, when DRS became operational, its management and employees had no experience under the 1935 Act with the operations of a centralized service company. They further state that CNG Service had no experience with the provision of services to the types of business operations owned by Dominion. Therefore, it was not realistic for either service company to be the exclusive provider of centralized services for all of the Dominion Companies. Accordingly, the Commission and the SEC each granted authority for DRS and CNG Service to operate in tandem under the Original Services Agreement so that all of the Dominion Companies would be able to obtain from DRS and CNG Service the services necessary to meet their needs.

On December 15, 1999, the SEC issued an Order Authorizing Acquisition of Public Utility Companies and Related Transactions; Approving Service Company Arrangements; and Reserving Jurisdiction in which it, in part, approved the formation of DRS and the participation of DRS, CNG Service, and Virginia Power in the Original Services Agreement and the participation by DRS and Virginia Power in the Original Support Agreement (*Dominion Resources, Inc. and Consolidated Natural Gas Company*, Release No. 35-27133; 70-9477) (the "SEC Order"). The Petitioners state the SEC Order provides, in part, for Dominion to submit a revised centralized service agreement to the SEC for a supplemental order on or before February 1, 2001. Pursuant to the SEC Order, the revised service agreement will reflect the consolidation of most services into a single provider, together with any requested amendments and modifications designed to reflect the efficiencies and administrative synergies of the combined operations of Dominion and CNG. The Petitioners further state that, in order to comply with the SEC Order, DRS and CNG Service propose to merge effective January 1, 2001, with DRS being the surviving entity.

Furthermore, the Petitioners state that The New Services Agreement will replace the currently effective Original Services Agreement approved by the Commission's Order Approving, In Part, And Denying, In Part, Petitioner's Requests issued December 29, 1999, in Case No. PUA990068 (the "1999 Case").

The Staff reviewed Exhibit III (Methods Of Allocation For DRS) attached to the New Services Agreement and noticed that: 1) the language in Section VIII regarding the frequency of true-ups of estimated monthly bills for services rendered to a Dominion Company; and 2) the basis for allocating "Research Expenditures" were not in accord with the modifications agreed to by Staff and the Petitioners and approved in the 1999 Case. In the 1999 Case, the Staff and Petitioners agreed to 1) true-up estimated monthly bills on a quarterly basis and 2) to allocate "Research Expenditures" using gross revenues of the Dominion Companies as a whole when not directly assigned.

The Staff believes that: 1) the language in Exhibit III, Section VIII, of the New Services Agreement should be modified to reflect the current monthly billing practice which is based on actual costs; and 2) that "Research Expenditures" should be allocated using gross revenues of the Dominion Operating Companies as a whole when not directly assigned as approved in the 1999 Case.

New Support Agreement

Virginia Power and DRS, as Affiliate Petitioners, request the Commission to approve the proposed New Support Agreement effective on the dates referenced herein. Virginia Power states that the Original Support Agreement was established to enable DRS to obtain from it certain services necessary for DRS to provide centralized services to the Dominion Companies. The SEC Order also provided that any revisions to the Original Support Agreement were to be reflected in the Dominion filing to be made with the SEC by February 1, 2001. DRS has determined that it will not need as of January 1, 2001, all of the services contemplated by the Original Support Agreement but will continue to need certain services from Virginia Power covered by that agreement. DRS and Virginia Power have identified a number of services that should be removed from the agreement as well as certain other revisions that should be made to clarify the agreement's cost allocation methodologies.

The Staff reviewed Exhibit B (Methods of Allocation For Virginia Power) attached to the New Support Agreement and noticed that the language in Section VIII regarding the frequency of true-ups of estimated monthly bills for services rendered to a Dominion Company were not in accord with the modifications agreed to by Staff and the Petitioners and approved in the 1999 Case. In the 1999 Case, the Staff and Petitioners agreed to true-up estimated expenses no less than quarterly.

The Staff believes that the language in Section VIII of Exhibit B should be modified to reflect the current monthly billing practice which is based on actual cost.

Transfer of Virginia Power Assets and Liabilities to DRS

Virginia Power requests approval of the proposed transfer of assets and liabilities to DRS effective on the above-referenced dates. Virginia Power and DRS state that the number and type of services that DRS needs from Virginia Power have been reduced. As a result of this effort, a number of services have been transferred (or will be transferred as of January 1, 2001) from Virginia Power to DRS so that DRS will be able to reduce the services covered by the Original Support Agreement. As this effort progresses, DRS states that it will be staffed, by January 1, 2001, with employees to perform the transferred services. With the transfer of various services from Virginia Power, DRS states that it will also be necessary to transfer certain Virginia Power assets to DRS.

Virginia Power request approval to transfer three primary classes of assets to DRS: (a) general plant, (b) equipment covered under capital leases, and (c) certain employee benefit-related assets and liabilities. General plant includes office furniture and fixtures, data processing equipment hardware, communications equipment, and miscellaneous equipment. The equipment covered by capital leases is primarily personal computers. Finally, the certain employee benefit-related accounts relate to employees and executives of Virginia Power that transferred to DRS. Virginia Power states that, beginning on the date of transfer, the accruals for such benefits have been recorded at DRS. However, amounts previously accrued for such employees/executives are still

reflected on Virginia Power's books. As ultimate payment of such benefits will be made from DRS, the assets and liabilities associated with the employee benefits, which have been accumulated at Virginia Power, should be transferred to DRS.

Exemption

Virginia Power states that in the future, DRS expects to continue its efforts to develop its own capacity to perform services covered by the New Support Agreement. As that occurs and as DRS staffs accordingly, the need will continue for additional general plant assets, capital lease assets, and employee benefit-related assets and liabilities to be transferred from Virginia Power to DRS. Therefore, the Petitioners request the Commission to exercise its authority under § 56-77B of the Code of Virginia ("Code") to exempt such future transfers of assets and liabilities from the prior approval requirements of § 56-77A.

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 modifications and conditions detailed herein. We believe, however, that it is premature to exempt any affiliate transactions from prior approval during the transition period to competition. We will, therefore, deny the Petitioners' request for such exemption.

Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code, the proposed DRS Services Agreement is hereby approved subject to the incorporation of the agreed modifications from the order dated December 29, 1999, in Case No. PUA990068, including the change in monthly billings based on actual costs and the basis for allocating "Research Expenditures." The DRS Services Agreement shall be effective on the later of January 1, 2001, or the first day of the month following the date on which approval is received from the SEC.

2) Petitioners shall file a revised Exhibit III to the DRS Services Agreement incorporating the agreed modifications within 30 days from the date of this Order.

3) Pursuant to § 56-77 of the Code, the Revised Virginia Power Support Agreement is hereby approved, subject to the incorporation of the revised language in section VIII of Exhibit B to reflect Virginia Power's monthly billing practice based on actual costs. Such agreement shall be effective on the later of January 1, 2001, or the first day of the month following the date on which approval is received from the SEC.

4) Petitioners shall file a revised Exhibit B reflecting the current billing practices within 30 days from the date of this Order.

5) No changes in the terms and conditions of the DRS Services Agreement or Revised Virginia Power Support Agreement shall be made without prior Commission approval.

6) The approval granted herein for the DRS Services Agreement and Revised Virginia Power Support Agreement shall not preclude the Commission from exercising its authority under the provisions of §§ 56-78 through 56-80 of the Code 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 § 56-590 of the Code.

7) For ratemaking purposes, all services provided by DRS to Virginia Power shall be at the lower of cost or market. Appropriate documentation of such transactions shall be made available for Staff review upon request.

8) For ratemaking purposes, all services provided by Virginia Power to DRS shall be at the higher of cost or market. Appropriate documentation of such transactions shall be made available for Staff review upon request.

9) If any differences exist between ratemaking and financial reporting for any affiliate transactions, Virginia Power shall maintain calculations and make such calculations available for Staff's review.

10) For ratemaking purposes, Virginia Power shall have the burden of proving that all goods and services received from DRS 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 could not have provided the services or goods to itself at a lower cost.

11) For ratemaking purposes, Virginia Power shall have the burden of proving that all goods and services provided to DRS 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 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 and appropriate adjustments for ratemaking purposes have been made.

13) 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 from Virginia Power to any affiliate.

14) Virginia Power's request to transfer certain general plant assets, assets under capital leases, and employee benefit-related assets and liabilities to DRS is hereby approved as filed and is effective on the later of January 1, 2001, or the closing of the merger between DRS and CNG Service.

15) Virginia Power shall submit a report with the Commission's Division of Public Utility Accounting within forty five (45) days following completion of the transfer of assets and liabilities to DRS. Such report shall include date of transfer, description of each asset, book value, and the accounting entries reflecting the transactions.

16) Virginia Power's request for an exemption from the prior approval requirements of § 56-77A of the Code for future transfers of assets and liabilities from Virginia Power to DRS is hereby denied.

17) Petitioners shall advise the Commission's Division of Public Utility Accounting within forty five (45) days of any changes (terms, conditions, allocation factors, etc.) made to either the New Services Agreement or New Support Agreement by any state or federal agency.

18) The transfer or assignment by Virginia Power after the merger of any real or personal property to DRS or any Dominion Company shall require Commission approval in accordance with § 56-77 of the Code.

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 shall include all transactions under all agreements approved herein in The Annual Report of Affiliated Transactions to be submitted to 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 submitted to the Director of Public Utility Accounting of the Commission by no later than May 1 of each year.

23) Virginia Power 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) 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 herein 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.

25) Virginia Power shall submit to 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 accounting practices.

26) Virginia Power shall have copies of its market price studies for services received from and services provided to DRS available for Staff review upon request.

27) This matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA990072
JANUARY 18, 2000

JOINT PETITION OF
UNITED WATER RESOURCES, INC.
and
LYONNAISE AMERICAN HOLDING, INC.

For authority pursuant to the Utility Transfers Act, § 56-89 of the Code of Virginia

ORDER GRANTING AUTHORITY

On November 9, 1999, United Water Resources, Inc. ("UWR"), and Lyonnaise American Holding, Inc. ("LAH"), (collectively referred to as "Joint Petitioners") filed a joint petition with the Commission under the Utility Transfers Act. In that petition, Joint Petitioners request approval of a transaction by which LAH will acquire the remaining shares of stock that it does not own of UWR, the corporate "grandparent" of United Water Virginia, Inc. ("United Water Virginia").[1] The proposed transaction would result in the transfer of indirect control of United Water Virginia. Such transfer would exist only until the approved acquisition of United Water Virginia by Virginia-American Water Company takes place.

[1] By Commission Order dated December 21, 1999, in Case No. PUA990046, the Commission granted authority for Virginia-American Water Company to acquire the shares of stock of United Water Virginia. The current proposal for LAH to acquire the stock of UWR does not affect the transaction already approved in Case No. PUA990046.

As stated in the joint petition, LAH is a Delaware corporation whose principal assets include the stock of UWR. LAH currently owns 30.1% of the common stock of UWR. LAH is wholly owned by Suez Lyonnaise des Eaux ("Lyonnaise"). Lyonnaise is a French corporation with shares traded on the Paris Bourse. Lyonnaise is a provider of private infrastructure services and, through its water division, supplies water services to seventy-seven (77) million people and wastewater services to fifty-two (52) million people in over one hundred (100) countries.

Pursuant to the Agreement and Plan of Merger ("the Merger Agreement"), all of the remaining shares of the common and preference stock of UWR will be acquired by LAH. In addition to the 30.1% of the common stock owned by LAH, LAH also owns 98.1% of UWR's preference stock and is the largest shareholder of UWR.

As a result of the merger transaction, UWR will become a wholly owned subsidiary of LAH. United Waterworks will continue as a wholly owned subsidiary of UWR. United Water Virginia will continue as a wholly owned subsidiary of United Waterworks and will continue to be a Virginia public utility subject to regulation by the Commission.

As stated in the joint petition, the merger closing is conditioned on receipt of all necessary regulatory approvals in the United States, including: (1) the approval of certain public utility commissions of the states in which UWR directly or indirectly owns regulated utilities; (2) the approval of two-thirds of the holders of the outstanding shares of the common stock not owned by LAH or its affiliates and the holders of two-thirds of UWR's preference stock; and (3) the approval of a majority of the shares of UWR common stock voting at a special meeting of UWR shareholders.

Joint Petitioners represent that neither the service nor the rates charged customers will change as a result of the transfer of stock. Joint Petitioners further represent that United Water Virginia will continue to provide services to its customers as it has in the past. They also represent that there will be no changes in the day-to-day operations of United Water Virginia and that no workforce reductions are anticipated as a result of the transfer of stock. Joint Petitioners further represent that the management of United Water Virginia will not change as a result of the transaction.

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 proposed transfer of United Water Resources' stock to LAH will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and, therefore, should be authorized. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-89 and 56-90 of the Code of Virginia, the disposition and acquisition of the shares of United Water Resources stock and, therefore, indirect ownership of United Water Virginia, Inc., as set forth in this petition is hereby authorized.

2) Joint Petitioners shall file a report of action providing the price paid for the shares of United Water Resources, Inc.'s stock and the date the transfer took place.

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. PUA990073
JANUARY 4, 2000

APPLICATION OF
APPALACHIAN POWER COMPANY

For amendment of affiliates agreement governing operation and maintenance of the Sporn Generating Plant

ORDER GRANTING APPROVAL

On November 9, 1999, Appalachian Power Company ("Appalachian", the "Company") filed an application with the Commission under the Public Utilities Affiliates Act. The Company specifically requests approval to amend an existing Operating Agreement between Appalachian and Ohio Power Company ("Ohio Power," "Ohio"). Appalachian owns Sporn Unit numbers 1 and 3 ("Appalachian Units") at the Philip Sporn Plant ("Sporn Plant"), and Ohio Power owns Sporn Unit numbers 2, 4, and 5 ("Ohio Units"). Appalachian and Ohio Power entered into an Operating Agreement effective January 1, 1998, whereby Appalachian operates and maintains the Sporn Plant. The Commission approved the Operating Agreement in Case No. PUA970036.

Pursuant to the Operating Agreement, Appalachian provides services at cost. Both Appalachian and Ohio Power provide funds for payment of the costs of the Sporn Plant's operation and maintenance in amounts proportionate with their respective ownership interests in the Sporn Plant.

The Company requests approval to amend the Operating Agreement as a result of Staff's concerns for the accounting and the reporting of apportionment of the available capacity and energy output of the Sporn Plant. The Company represents that the amended Operating Agreement will more accurately apportion the available kilowatt output capacity of the Sporn Plant and the associated electric energy. The Company further represents that the Operating Agreement, as amended, provides a fair and equitable method of allocating the operation, maintenance, and other costs associated with the Sporn Plant. The Operating Agreement is amended as follows:

1. Section 1.6 is added to Article one as follows: "On or before January 25 of each calendar year each Owner shall render to the other Owner a statement showing its capital investment in its units of the Sporn Plant as of the beginning of such year."

2. Article two of the Operating Agreement is deleted in its entirety.

3. The following is inserted as a replacement to Article two:

> Appalachian shall have the primary right to demand and use at any and all times the entire available kilowatt output capacity of the Appalachian Units and the electric energy associated with such capacity so demanded and used, and Ohio shall have the primary right to demand and use at any and all times the entire available kilowatt output capacity of the Ohio Units and the electric energy associated with such capacity so demanded and used.

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 amendment to the Operating 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, Appalachian is hereby granted approval to amend the Operating Agreement 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 through 56-80 of the Code of Virginia hereafter.

4) Should there be any changes in the terms and conditions of the agreement from those contained herein, Commission approval shall be required for such changes.

5) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission.

6) The Company shall include this agreement, including the amendment approved herein, 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, 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 hereby is dismissed.

CASE NO. PUA990075
FEBRUARY 10, 2000

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY
and
KING STREET ASSURANCE, LTD

For approval of certain transactions under Chapter 4 Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

Delmarva Power & Light Company ("Delmarva") and King Street Assurance, Ltd. ("KSA"), (collectively referred to as "Applicants"), requests approval of certain transactions involving the reinsurance of risk associated with catastrophic damage to Delmarva's transmission and distribution facilities ("T&D Facilities"). The Applicants specifically request authority (1) for KSA to act as either a reinsurer or direct insurer and share in the risk and premiums paid for such coverage; and (2) for the use of office space and systems currently owned by Delmarva by employees of Conectiv Resource Partners, Inc. ("CRP"), in providing incidental services to KSA.

Delmarva is a Delaware and Virginia corporation that provides electric service to approximately 21,500 retail customers and one wholesale customer in Accomack and Northhampton Counties on Virginia's Eastern Shore. Delmarva's Virginia customers produce approximately 3% of its annual revenues. Approximately 445,000 additional electric customers are located in Delaware and Maryland. Delmarva also provides natural gas service to approximately 106,000 customers located in Delaware. Delmarva is a wholly owned subsidiary of Conectiv, which is incorporated in Delaware.

Conectiv is a registered holding company under the Public Utility Holding Company Act of 1935. Conectiv also owns directly or indirectly 100% of the voting securities of several other companies, including a New Jersey utility company, Atlantic City Electric Company ("ACE") and a service company, CRP. CRP employees provide various services, which include financial, accounting, legal, human resources, and other administrative services, to various operating companies within the Conectiv group of companies.

KSA is a Bermuda incorporated and licensed insurance company. KSA is indirectly owned by Conectiv via the following ownership chain: Conectiv owns 100% of the voting securities of Conectiv Solutions, LLC ("Solutions"), which owns 94 of 100 shares of common stock of ATE Investments, Inc. ("ATE"), which owns 100% of KSA. (The other 6 shares of ATE are owned by Atlantic Generation Inc. ("AGI"), which is also owned directly or indirectly by Conectiv.) Solutions, ATE, and AGI are not utility companies in any state and primarily provide non-regulated products and services.

KSA currently provides reinsurance to an unaffiliated third party, Federal Warranty Service Corporation (a subsidiary of American Bankers Insurance Group, Inc.), that is in the business of providing service warranty coverage. The service warranty coverage by Federal Warranty Service Corporation is for service warranties of Conectiv Services, a non-affiliate of Delmarva. As a reinsurer, KSA assumes the risk of a predictable loss layer and

receives a portion of the premiums paid by Conectiv Services to the Federal Warranty Service Corporation. KSA currently provides no risk management, insurance, or reinsurance services to Delmarva.

The Applicants state that a business decision has been made for Delmarva and ACE to obtain insurance for catastrophic damage to their T&D Facilities. An unaffiliated company will be the primary insurer with KSA assuming a portion of the risk and receiving a portion of the premiums paid to the unaffiliated company. Delmarva states that in the past it has been assuming 100% of the risk of damage from storms to such facilities which in "normal" years is about $1.5 million (system wide) per year. The Applicants also state that preliminary discussions with third-party brokers and reissurers, which involved obtaining non-binding quotes for premiums and coverage terms, confirmed that using KSA as a reinsurer could provide significant benefits in the form of reduced premiums, broader coverage, and more favorable terms.

Delmarva states that the insurance it proposes to purchase from an unaffiliated insurer (in conjunction with coverage for ACE) will have a coverage limit of $25 million for damages and a $5 million retention (deductible). The insurance policy may contain a reinstatement provision permitting an additional $25 million of coverage to be obtained in a given policy year after the initial $25 million (above the $5 million retention) in damages has been incurred. The policy will be from year-to-year, cancelable by either party on 90 days' notice prior to the end of the year.

Delmarva also states that KSA will execute a separate but related agreement with a third-party insurer to reinsure a portion of the risk. Under that agreement, it is expected that KSA will insure about 80% of the risk in return for about 80% of the premiums paid by Delmarva; however, the agreement may include differing percentages, and the amount of risks reinsured by KSA may be up to 100%. If KSA were to assume 100% of the risk, Delmarva notes that there may be some minor additional "fronting" fees by the primary insurer for administrative expenses in issuing the policy.

The Applicants state that a third-party management service company based in Bermuda will manage KSA. The management service company will have its own office space, accounting and billing systems, and other facilities. The costs of such management service company will be paid solely by KSA, and neither Delmarva nor any of its affiliates, including KSA, will own or control the management service company. In addition, KSA will finance its activities primarily with funds from operations and the initial capitalization from ATE. Delmarva will not make capital contributions to KSA and any on-going capital requirements will come from ATE.

The Applicants further state that Delmarva employees will not provide services or support for KSA activities. However, in limited and intermittent circumstances some employees of CRP may provide insurance and claims related or legal services to KSA. Such employees will bill their time to KSA consistent with Conectiv's Cost Accounting Manual previously approved by this Commission in Case No. PUA970040. In addition, the Applicants state that some of the CRP employees providing services may be physically located in buildings owned by Delmarva. Similarly, to the extent that facilities and systems owned by Delmarva are used by CRP employees in providing services to KSA, a direct charged or allocated portion of the costs of such facilities and systems will be charged to KSA.

NOW 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 transactions 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, Delmarva Power & Light Company is hereby authorized to enter into a reinsurance arrangement with an unaffiliated third-party primary insurer with King Street Assurance, LTD., as a reinsurer.

2) Should any terms and conditions of the reinsurance arrangement change from those described herein, Commission approval shall be required for such changes.

3) Pursuant to § 56-77 of the Code of Virginia, Delmarva Power & Light Company is hereby authorized to allow employees of Conectiv Resource Partners, Inc., to use Delmarva's systems and office space in providing incidental services to King Street Assurance, Ltd.

4) The approval granted herein shall have no ratemaking implications.

5) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter. 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.

6) The Commission reserves the authority to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by the Commission.

7) Any use of Delmarva Power & Light Company systems and facilities by Conectiv Resource Partners, Inc.'s employees in providing services to King Street Assurance, Ltd., shall be billed at the higher of cost or market. Appropriate documentation of such transactions shall be made available for Staff review upon request.

8) Delmarva Power & Light Company shall have the burden of proving that all fees paid for insurance and reinsurance have been procured on the most favorable terms and conditions reasonably available in the market, which shall include a showing that such insurance could not have been procured at a lower cost from non-affiliate sources.

9) Delmarva Power and Light Company shall include the transactions approved herein in its Annual Report of Affiliate Transactions to be filed with the Director of Public Utility Accounting of the Commission by no later than April 1 of each year for the preceding calendar year, subject to extension by the Director of Public Utility Accounting of the Commission.

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, it hereby is dismissed.

CASE NO. PUA990076
FEBRUARY 1, 2000

PETITION OF
AQUASOURCE UTILITY, INC.
and
THOMAS L. MATTHEWS, MICHAEL T. MATTHEWS, CHERYL M. TOLER,
RODNEY MATTHEWS, AND BRETT MATTHEWS

For approval of a change of control of a Virginia water public utility company

ORDER GRANTING APPROVAL

On December 9, 1999, AquaSource Utility, Inc. ("AquaSource," the "Company"), and Thomas L. Matthews, Michael T. Matthews, Cheryl M. Toler, Rodney Matthews, and Brett Matthews ("The Shareholders") (collectively, the "Petitioners") filed a petition under the Utility Transfers Act requesting approval for AquaSource to acquire from The Shareholders all the stock of Heritage Homes of Virginia, Inc. ("Heritage Homes, " "HHI").

Heritage Homes is a Virginia small water company governed by Chapter 10.2:1 of Title 56 of the Code of Virginia. HHI provides water service to approximately 150 customers in eight (8) subdivisions in Madison and Culpeper Counties. The Shareholders collectively own all the outstanding stock of Heritage Homes.

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. 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. AquaSource and AquaSource, Inc., report their financial data on a consolidated basis with DQE, Inc.

AquaSource proposes to purchase from The Shareholders all of the issued and outstanding stock of Heritage Homes. Upon consummation of the transaction, Heritage Homes will become a wholly owned subsidiary of AquaSource and will continue to operate as a separate Virginia small water company. The Company will provide operation, maintenance, and other services to HHI by contract.

As agreed by AquaSource and The Shareholders, AquaSource will pay The Shareholders collectively $173,000.00 in cash for HHI's stock, as adjusted pursuant to the Stock Purchase Agreement.

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. 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 Heritage Homes of Virginia, Inc., under the terms and conditions and at the price of $173,000.00, as adjusted pursuant to the Stock Purchase Agreement described herein.

2) The approval granted herein shall have no ratemaking implications.

3) The approval granted herein shall in no way be deemed to include the recovery for ratemaking purposes of any portion of the consideration paid in excess of the rate base at the time of closing, either through an acquisition adjustment or any other type of adjustment.

4) Heritage Homes shall file a Report of Action with the Commission on or before April 7, 2000. Such report shall contain the date of transfer, the sales price, and all accounting entries reflecting the transfers.

5) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA990077
FEBRUARY 4, 2000

PETITION OF
AQUASOURCE UTILITY, INC., INDIAN RIVER WATER COMPANY,
and
THE SIMON FAMILY FOUNDATION

For approval of a change of control of a Virginia water public utility company

ORDER GRANTING APPROVAL

On December 9, 1999, AquaSource Utility, Inc. ("AquaSource," the "Company"), Indian River Water Company ("Indian River"), and The Simon Family Foundation ("The Foundation") (collectively, the "Petitioners") filed a petition under the Utility Transfers Act requesting approval for AquaSource to acquire from The Foundation all the stock of Indian River. Indian River also requests approval to transfer certain utility assets to the City of Virginia Beach, Virginia (the "City"). In addition, Petitioners request the Commission to approve any necessary and conforming changes to Indian River's certificate of public convenience and necessity.

Indian River is a Virginia small water company governed by Chapter 10.2:1 of Title 56 of the Code of Virginia and provides water and sewer service to households in the Cities of Chesapeake and Virginia Beach, Virginia. Indian River currently serves approximately 680 customers.

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. 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 the parent of Duquesne Light Company. AquaSource and AquaSource, Inc., report their financial data on a consolidated basis with DQE, Inc.

AquaSource proposes to purchase, from The Foundation all of the issued and outstanding stock of Indian River. Upon consummation of the transaction, Indian River will become a wholly owned subsidiary of AquaSource and will continue to operate as a separate Virginia small water company. The Company will provide operation, maintenance, and other services to Indian River by contract.

As agreed by AquaSource and The Foundation, AquaSource will pay The Foundation $600,000.00 in cash for Indian River's stock, as adjusted pursuant to the Stock Purchase Agreement. In accordance with a previous agreement Indian River will transfer its Virginia Beach water assets to the City. The purchase price of $252,000.00 was established for such assets pursuant to arm's length negotiations between Indian River and the City. Since such negotiations were concluded prior to the commencement of negotiations between AquaSource and Indian River, AquaSource has agreed to honor Indian River's agreement with the City.

AquaSource represents that it plans to provide Indian River's customers with system improvements with no change in customers' current water rates. Additionally, the Company represents that it projects eventual cost savings to be in excess of $60,000.00 per year.

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 and 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. Upon the closing of the transaction between Indian River and the City, we will make the necessary changes to Indian River's certificate in another proceeding (Case No. PUE000084). 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 Indian River Water Company under the terms and conditions and at the price of $600,000.00, as adjusted pursuant to the Stock Purchase Agreement described herein.

2) Pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Indian River Water Company is hereby granted approval to transfer certain utility assets to the City of Virginia Beach at a price of $252,000.00, under the terms and conditions described herein.

3) The approval granted herein shall have no ratemaking implications.

4) The approval granted herein shall in no way be deemed to include the recovery for ratemaking purposes of any portion of the consideration paid in excess of the rate base at the time of closing, either through an acquisition adjustment or any other type of adjustment.

5) Indian River shall file a Report of Action with the Commission on or before April 7, 2000. Such report shall contain the date of transfer, the sales price, and all accounting entries reflecting the transfers. Such report shall also be filed in Case No. PUE000084.

6) Indian River shall provide usage figures to the Division of Energy Regulation for the six- (6) month period following the close of transaction with the City.

7) Indian River shall provide the Division of Energy Regulation with a remedial plan if it continues to exceed the permitted capacity.

8) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA990078
FEBRUARY 3, 2000

APPLICATION OF
ROANOKE GAS COMPANY
and
RGC VENTURES, INC.

For authority to enter into Affiliate Agreement pursuant to the Affiliates Act

ORDER GRANTING AUTHORITY

On December 8, 1999, Roanoke Gas Company ("Roanoke," "Company") and RGC Ventures, Inc. ("Ventures," "Affiliate"), filed an application with the Commission requesting authority to enter into an Affiliate Agreement ("the Agreement") pursuant to the Public Utilities Affiliates Act. Pursuant to the Agreement, Roanoke will provide Ventures with executive, administrative, public relations, accounting, data processing, information systems, and other operational services. Ventures may provide Roanoke with operational services. Such services will be provided at cost.

As stated in the application, Ventures is a non-utility corporation organized to facilitate diversification efforts in Virginia and West Virginia. Ventures will have two divisions. One division will engage in computer-based mapping, and the other will engage in heating and air conditioning sales, service, and installation. Ventures is wholly owned by Roanoke.

In the application, Roanoke represents that the types of services to be provided are such that there are no market comparisons. For that reason, Roanoke states that it is appropriate to provide such services at cost.

THE COMMISSION, upon consideration of the application and representations of Company and Affiliate and having been advised by its Staff, is of the opinion and finds that the proposed Agreement is in the public interest and should be approved. Although some of the services provided under the Agreement are appropriately priced at cost, the Commission finds that certain services should be priced at the higher of cost or market. Some services could conceivably be obtained from outside third parties and, therefore, a market and a market price exists. Such services include customer billing services, applications programming support services, and credit and collection services.

Roanoke should ascertain whether there is a market for such services and for any other services it provides to Ventures. If a market exists for such services, Roanoke should compare the market prices with its cost of providing similar services and charge Ventures the higher of Roanoke's cost or the cost of obtaining services from an outside party (the market). In future rate proceedings, Roanoke will bear the burden of proving that Roanoke received the higher of cost or market.

For services provided by Ventures to Roanoke, such services should be provided to Roanoke at the lower of cost or market. In future rate proceedings, Roanoke will also bear the burden of proving that it paid the lower of cost or market. All other services should be priced at cost. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Roanoke Gas Company is granted authority to enter into the Affiliate Agreement under the terms and conditions and for the purposes as described herein, subject to certain modifications.

2) For 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 for such services. If a market exists, Roanoke shall compare the market prices with its cost of providing similar services, and it shall charge Ventures the higher of its cost or the cost for obtaining services from an outside party.

3) For services provided by Ventures to Roanoke for which a market might exist, Roanoke shall ascertain whether there is a market from which it could purchase such services. If a market exists, Roanoke shall compare such market prices with its cost of obtaining the services from Ventures, and it shall pay the lower of cost or market for such services.

4) In future rate case proceedings, Roanoke Gas Company shall bear the burden of proving for any services it provided to Ventures for which a market exists that it received the higher of cost or market. Roanoke shall also bear the burden of proving that it paid the lower of cost or market for services obtained from Ventures for which a market exists.

5) Should there be any changes in the terms and conditions of the Affiliate Agreement from those contained herein, Commission approval shall be required for such changes.

6) The authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

7) The approvals granted herein shall have no ratemaking implications.

8) The Commission reserves the right to examine the books and records of any affiliate of Roanoke Gas Company in connection with the authority granted herein whether or not the Commission regulates such affiliate.

9) Roanoke shall include the Affiliate Agreement authorized herein in its Annual Report of Affiliate Transactions filed with the Director of Public Utility Accounting of the Commission.

10) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA990079
FEBRUARY 14, 2000

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"), 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 Appalachian, 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. The Applicant 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 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. 11, was approved by Order dated June 2, 1999, in Case No. PUA990023. The Inter-Company Power Agreement expires on March 12, 2006, or the date of sale or disposition of OVEC's generating stations.

The parties request approval of Modification No. 12, which is intended to:

1- adjust DOE's energy purchases to reflect more closely the power needs of the Ohio enrichment facility;

2- make additional energy available to OVEC's Sponsoring Companies during the winter of 1999-2000; and

3- provide DOE with billing credits in exchange for the release of a portion of its entitlement to such energy.

Appalachian represents that the existing Inter-Company Power Agreement does not make allowances for DOE to release energy in exchange for billing credits. Additionally, the Agreement does not allow OVEC to obtain reimbursement from the Sponsoring Companies for such billing credits to DOE. Modification No. 12 will permit OVEC to recover from its Sponsoring Companies the amounts credited by OVEC to DOE. The amount OVEC recovers from the Sponsoring Companies will be determined based on each Sponsoring Company's purchase of released energy. Reimbursement will permit the Sponsoring Companies to receive additional electricity released by the government during the winter of 1999-2000. OVEC will receive from the Sponsoring Companies only the amounts needed to cover the credits applied to DOE's bill.

As represented by the Applicant, the energy is available from a non-affiliate, and the cost determined by arm's length negotiations.

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 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. 12 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.

6) Applicant shall include this modification 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 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 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, it hereby is dismissed.

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[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."

CASE NO. PUA990080
FEBRUARY 3, 2000

APPLICATION OF
THE POTOMAC EDISON COMPANY, d/b/a ALLEGHENY POWER

For consent to and approval of a modification to an existing inter-company agreement with affiliates

ORDER GRANTING APPROVAL

The Potomac Edison Company, d/b/a Allegheny Power ("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 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. 11, was approved by Order dated June 2, 1999, in Case No. PUA990025. The Inter-Company Power Agreement expires on March 12, 2006, or the date of sale or disposition of OVEC's generating stations.

The parties request approval of Modification No. 12, which is intended to:

1- adjust DOE's energy purchases to reflect more closely the power needs of the Ohio enrichment facility;

2- make additional energy available to OVEC's Sponsoring Companies during the winter of 1999-2000; and

3- provide DOE with billing credits in exchange for the release of a portion of its entitlement to such energy.

Potomac Edison represents that the existing Inter-Company Power Agreement does not make allowances for DOE to release energy in exchange for billing credits. Additionally, the Agreement does not allow OVEC to obtain reimbursement from the Sponsoring Companies for such billing credits to DOE. Modification No. 12 will permit OVEC to recover from its Sponsoring Companies the amounts credited by OVEC to DOE. The amount OVEC recovers from the Sponsoring Companies will be determined based on each Sponsoring Company's purchase of released energy. Reimbursement will permit the Sponsoring Companies to receive additional electricity released by the government during the winter of 1999-2000. OVEC will receive from the Sponsoring Companies only the amounts needed to cover the credits applied to DOE's bill.

As represented by the Applicant, the energy is available from a non-affiliate, and the cost determined by arm's length negotiations.

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 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, The Potomac Edison Company is hereby granted approval of Modification No. 12 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.

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[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."

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 modification 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 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 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, it hereby is dismissed.

CASE NO. PUA990081
FEBRUARY 15, 2000

JOINT PETITION OF
PEOPLES MUTUAL TELEPHONE COMPANY
and
MJD VENTURES, INC.

For authority pursuant to § 56-88.1 of the Code of Virginia

ORDER GRANTING AUTHORITY

On December 23, 1999, Peoples Mutual Telephone Company ("Peoples Mutual") and MJD Ventures, Inc. ("MJD Ventures"), (collectively, "Joint Petitioners"), filed a joint petition with the Commission under Chapter 5 of Title 56 of the Code of Virginia ("Virginia Code"). Joint Petitioners request Commission authority for the acquisition of Peoples Mutual's common stock by MJD Ventures.

On January 11, 2000, the Commission issued its Order for Notice and Comment. Joint Petitioners were required to give notice to the general public by publication in newspapers of general circulation in Peoples Mutual's service territory and by direct service to the Chairman of the Board of Supervisors of any county and the Mayor or Manager of any county, city, or equivalent officials in counties, towns, and cities having alternate forms of government in Virginia. The proof of service and newspaper notice was filed with the Commission on February 9, 2000, as established by the January 11, 2000, Order. No comments or requests for hearing were filed in this case.

MJD Ventures is a Delaware corporation headquartered in Charlotte, North Carolina. MJD Ventures is a wholly owned subsidiary of MJD Communications, Inc. ("MJD Communications"), (collectively, "MJD"). As indicated in the joint petition and responses to staff interrogatories, MJD Communications and its subsidiaries provide incumbent local exchange service and competitive local exchange service and resell long distance service. Peoples Mutual provides telecommunications services to approximately 7,800 access lines to customers located in Pittsylvania County, Virginia.

Peoples Mutual and MJD Ventures have entered into a Stock Purchase Agreement ("the Agreement") dated December 10, 1999, through which the shareholders of Peoples Mutual have agreed to sell and MJD Ventures has agreed to purchase all of the issued and outstanding common stock of Peoples Mutual. Joint Petitioners represent that the proposed stock transfer will not impair the continued provision of adequate service to the public at just and reasonable rates. Joint Petitioners further represent that there will be no rate impact on current customers of Peoples Mutual as a result of the proposed stock transfer as current rates on file with the Commission will continue to be in effect after the stock purchase. Service after the purchase will be maintained at existing levels and all service employees will be retained after completion of the purchase of common stock.

The purchase price to be paid by MJD Ventures in exchange for the common stock of Peoples Mutual was determined through a bidding process followed by arm's length negotiations between Joint Petitioners.

Staff filed its report on February 14, 2000, in which it recommended approval of the proposed transfer of control of Peoples Mutual to MJD Ventures.

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 acquisition and disposition of all the issued and outstanding common stock of Peoples Mutual Telephone Company as set forth herein will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and should be authorized. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to Virginia Code §§ 56-88.1 and 56-90, Peoples Mutual Telephone Company and MJD Ventures, Inc., are hereby granted authority for the acquisition by MJD Ventures, Inc., and the disposition by Peoples Mutual Telephone Company of all of the issued and outstanding common stock of Peoples Mutual under the terms and conditions as described herein.

2) The authority granted herein shall have no ratemaking implications.

3) Joint Petitioners shall file with the Commission a report of the action taken pursuant to the authority granted herein within sixty (60) days of closing the transaction authorized herein. Such report shall include the date of closing, the sales price, and the actual accounting entries to reflect the transaction.

4) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA990082
FEBRUARY 17, 2000

APPLICATION OF
GTE SOUTH INCORPORATED
and
GTE CONSOLIDATED SERVICES INCORPORATED

For approval to enter into a Billing Services Agreement pursuant to the Affiliates Act, §§ 56-76 et seq. of the Code of Virginia

ORDER GRANTING APPROVAL

On January 4, 2000, GTE South Incorporated ("GTE South," the "Company") filed an application under Chapter 4 of Title 56 of the Code of Virginia for approval of certain affiliate transactions. The Company specifically requests approval retroactively to April 1, 1999, to provide billing services to GTE Consolidated Services Incorporated ("CSI").

Pursuant to a Billing Services Agreement ("Agreement"), GTE South will input CSI data in GTE South's end user bills and prepare, mail, and collect bills. Billing services also include the establishment, maintenance, and treatment of end user accounts. Historically, GTE South has provided these billing services to GTE Internetworking and GTE Long Distance through separate billing agreements. In this Agreement, CSI will act as agent for GTE Long Distance and GTE Internetworking. The Company represents that utilizing one agreement will permit the provision of the same services in a more efficient manner. Customers will receive one bill for all their telecommunications services.

The initial term of the Agreement is through March 30, 2002. The Agreement became effective on April 1, 1999, and was amended by Amendment 1 on December 3, 1999. Amendment 1 replaced Attachment G (end user inquiry matrix) in the original Agreement with a new Attachment G (customer contact standard inquiries). Additionally, Amendment 1 added GTE Hawaiian Telephone International to the list of CSI customers.

As compensation for the billing services, GTE South will receive market price from CSI. The market price includes the cost of providing the services plus a reasonable profit based on the volume of bills processed. GTE South states that the market price is appropriate as 77.3% of the revenues from the billing and collection services comes from non-affiliates.

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 the above-described Billing Services Agreement to be in the public interest and should, therefore, be approved, subject to pricing at the higher of cost or market. GTE South should compare the market price with its cost of providing similar services and charge CSI the higher of GTE South's cost or the cost of obtaining services from an outside party (the market). In future rate proceedings, GTE South will bear the burden of proving that CSI received the higher 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 Billing Services Agreement under the terms and conditions described herein, subject to the condition that services shall be provided to CSI at the higher of cost or market.

2) In future rate case proceedings, GTE South shall bear the burden of proving for any services it provided to CSI for which a market exists that it received the higher of cost or market.

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.

5) Should there be any changes in the terms and conditions of the Billing Services Agreement between GTE South and CSI from those contained herein, Commission approval shall be required for such changes.

6) The Commission reserves the authority to examine the books and records of any affiliate in connection with the 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 is hereby dismissed.

CASE NO. PUA000002
FEBRUARY 28, 2000

JOINT APPLICATION OF
GTE SOUTH INCORPORATED
and
GTE DIRECTORIES CORPORATION

For approval of affiliated transactions pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On January 4, 2000, GTE South Incorporated ("GTE South," the "Company") and GTE Directories Corporation ("GTEDC") (collectively, the "Applicants") filed a joint application under Chapter 4 of Title 56 of the Code of Virginia. The Applicants specifically request approval retroactively to December 31, 1999, for approval to amend a Directory Publishing Agreement (the "Agreement") to extend the term of the Agreement.

GTEDC, as purchaser of the rights and interests of Associated Directory Services, Inc., entered into the original Agreement and the first amendment to the Agreement with GTE South on October 10, 1995. The Agreement and the first amendment, which expired on December 31, 1999, were approved in Case No. PUA960005 by Order dated April 1, 1996.

Pursuant to the proposed second amendment to the Agreement, GTEDC will continue to provide GTE South with directory publishing services until December 31, 2001. The Agreement will automatically renew for additional one-year terms from year to year after December 31, 2001.

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 second amendment to the Agreement to be in the public interest and should, therefore, be approved on a prospective basis only, subject to pricing 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 GTEDC are hereby granted prospective approval of the second amendment to extend the term of the Agreement as described herein, subject to the condition that any expenses incurred by GTE South in performing its responsibilities shall be incurred at the lower of cost or market.

2) In future rate case proceedings, GTE South shall bear the burden of proving that it paid the lower of cost or market for any expenses paid to GTEDC associated with GTE South performing its responsibilities.

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.

5) Should there be any changes in the terms and conditions of the Directory Publishing Agreement between GTE South and GTEDC from those contained herein, Commission approval shall be required for such changes.

6) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission.

7) GTE South shall include this amendment 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 is hereby dismissed.

CASE NO. PUA000003
FEBRUARY 18, 2000

APPLICATION OF
PEOPLES MUTUAL TELEPHONE COMPANY
and
MJD VENTURES, INC.

For authority to enter into an affiliate agreement

ORDER GRANTING AUTHORITY

On January 7, 2000, Peoples Mutual Telephone Company ("Peoples Mutual") and MJD Ventures, Inc. ("Ventures"), (collectively, "Applicants"), filed an application with the Commission pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Virginia Code"). In the application, Peoples Mutual requests authority to enter into a Management Services Agreement ("the Agreement") between Ventures and itself.

After the consummation of Ventures' acquisition of all of the issued and outstanding shares of Peoples Mutual's common stock, Peoples Mutual will be a wholly owned subsidiary of Ventures.

Pursuant to the agreement for which authority is being requested, Ventures will provide Peoples Mutual with executive, human resources, finance, accounting, information systems, public relations, data processing, and other operational services from time to time. Ventures will procure these services from MJD Communications, Inc. ("MJDC"), which owns 100% of the common equity of Ventures. The Agreement is for a five-year term and provides for three-year renewal periods. Either party may terminate the Agreement at the end of any term with twelve months' notice. Such services will be provided at cost. For all services provided to Ventures by MJDC for the benefit of Peoples Mutual, expenses incurred by MJDC will be allocated to Peoples Mutual at cost based on access lines.

Peoples Mutual and MJD represent that the Agreement is in the public interest because the services rendered to Peoples Mutual by Ventures will enable Peoples Mutual's customers to utilize the management expertise, knowledge, and financial capacity of MJDC as well as to gain advantages in purchasing, shared management, and centralized facilities.

Peoples Mutual and Ventures represent that because there is no market for the types of services to be exchanged between the two companies, Ventures will be providing services to Peoples Mutual at cost.

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 Management Services Agreement is in the public interest and should be approved. However, regarding pricing at cost, the Commission finds that pricing at cost is appropriate if services are such that there is no market for such services. If, however, there is a market for certain services provided to Peoples Mutual, then cost would be an appropriate pricing basis as long as cost is lower than market. For such services, Peoples Mutual would need to show in any future rate proceedings that it paid the lower of cost or market. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to Virginia Code § 56-77, Peoples Mutual Telephone Company is hereby granted authority to enter into the above-described Management Services Agreement with MJD Ventures, Inc., under the terms and conditions and for the purposes described herein, subject to the modification set forth below.

2) Pricing of services provided to Peoples Mutual shall be at cost for services for which there is no market. Regarding services for which a market exists, pricing shall be at the lower of cost or market. For such services, Peoples Mutual shall bear the burden of proving that it paid the lower of cost or market during any future rate proceedings.

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) The authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

5) The authority granted herein shall not be deemed to include the recovery of any costs incurred in connection with the Agreement for ratemaking purposes.

6) The Commission reserves the right to examine the books and records of any affiliate of Peoples Mutual in connection with the authority granted herein whether or not the Commission regulates such affiliate.

7) Peoples Mutual shall include the Agreement authorized herein in its Annual Report of Affiliate Transactions filed with the Director of Public Utility Accounting of the Commission.

8) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA000004
FEBRUARY 23, 2000

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to sell Public Service Corporation Property

ORDER GRANTING AUTHORITY

On January 11, 2000, Virginia Electric and Power Company ("Virginia Power," the "Company") filed an application under the Utility Transfers Act requesting authority to sell its in-place electric distribution facilities ("Utility Assets"). Virginia Power states that, in July 1999, Wyeth-Ayerst Pharmaceuticals, Inc. ("Wyeth-Ayerst"), contacted Virginia Power concerning its interest in purchasing Virginia Power's Utility Assets. The Utility Assets are currently used to provide service to Wyeth-Ayerst.

In this application, Virginia Power requests authority to sell, and Wyeth-Ayerst requests authority to purchase the Utility Assets. Pursuant to a letter of agreement dated September 15, 1999, the parties mutually agreed that Virginia Power will sell and convey, and Wyeth-Ayerst will purchase and acquire the Utility Assets.

As stated in the application, the original cost of the Utility Assets is $67,204.00. The Company states that the parties mutually agreed, as a result of arm's length bargaining, to a purchase price of $95,406.60. Virginia Power states, in its application, that $70,070.00 of the purchase price represents the present reproduction cost for the Utility Assets. The amount of $20,336.60 represents the costs associated with the installation, rearrangement, or removal of facilities by Virginia Power to accommodate the transfer. The remaining $5,000.00 amount represents legal and administrative fees incurred by Virginia Power.

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.

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 in-place electric distribution facilities 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 Wyeth-Ayerst Pharmaceuticals, Inc., its in-place electric distribution facilities at a price of $95,406.60 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 April 25, 2000. 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, it is hereby dismissed.

CASE NO. PUA000005
MARCH 9, 2000

PETITION OF
ROBERT A. WINNEY, d/b/a THE WATERWORKS COMPANY OF FRANKLIN COUNTY,
TRANSFEROR,
and
MALLARD POINT PROPERTY OWNERS ASSOCIATION, INC.,
TRANSFEREE

For authorization to dispose of utility assets pursuant to the Utility Transfers Act

ORDER GRANTING AUTHORITY

On February 18, 2000, Robert A. Winney, d/b/a The Waterworks Company of Franklin County ("Winney"), filed a petition with the Commission under the Utility Transfers Act. In the petition, Winney requests authority to sell the water system serving the Mallard Point development to the Mallard Point Property Owners Association ("the Association").

As stated in the petition, there are twenty lots in the development. Ten of the properties have houses built on them. Eight of the completed houses have wells. One lot is presently connected to the water system, but the house has been vacant for many years. There is only one paying customer, and that customer does not object to the proposed transfer. Future lot owners may or may not connect to the water system.

As represented in the petition, the Association voted to operate the system as a non-profit operation funded one hundred per cent by the users of the system. However, in order to establish a reserve fund for needed improvements, the Association has indicated that it intends to temporarily charge a rate of $67.50 per quarter, the same as currently charged, and a connection fee of $750. Once the needed improvements are completed and a sufficient reserve fund is established for maintenance, the rates will be reduced to just cover the cost of operation. No availability charge is anticipated.

THE COMMISSION, upon consideration of the petition and representations of Winney and the Association 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, therefore, be authorized.

On April 15, 1999, the Commission entered judgement in 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, Case No. PUE980602 (Doc. Control No. 90430004 filed April 15, 1999). Judgement for the Commonwealth in the amount of $2,500 was entered against Winney for failure to comply with provisions of the Code of Virginia and to obey orders of the Commission. The judgement was recorded in the Circuit Court of Franklin County on June 1, 1999, in Book No. 55, Page No. 452. Upon consideration of this petition, the Commission finds that the lien created by this judgment should be released with regard to the following described real property in Mallard Point.

MALLARD POINT WELL LOT

> BEGINNING at a point located on the westerly side of Mallard Point Drive being a common corner of Lot 2, Mallard Point and the well lot shown on the plat of Mallard Point; thence with the westerly side of Mallard Point Drive Secondary Route 665, a curve to the left whose radius is 489.97 feet and whose chord bearing and distance is N. 12° 17' 39" W. 46.73 feet an arc distance of 46.75 feet to a point; thence continuing with the westerly side of Mallard Point Drive a curve to the left whose radius is 166.61 feet and whose chord bearing

and distance is N. 26° 08' 14" W. 64.21 feet an arc distance of 64.61 feet. Thence leaving the westerly side of Mallard Point Drive S. 65° 14' 16" W. 87.84 feet to a point; thence S. 24° 45' 44" E. 109.82 feet to a point on the lot line of Lot 2, Mallard Point; thence N. 65° 14' 16" E. 79.29 feet to the place of BEGINNING; and shown as well lot .222 acres on the plat of Mallard Point dated December 4, 1987, made by Berkley Howell and Associates, P.C. and recorded in the Clerk's office of the Circuit Court of Franklin County, Virginia, in Deed Book 426, Page 882.

Non-exclusive easement in all of the public utility easements as shown on the plats of the Mallard Point subdivision and such easement of S & W Development Company in the Mallard Point subdivision for the location of any water lines and equipment.

All pipes, mains, pumps, well equipment and any other property installed or located in or on the described well lot and easements.

The Commission directs its Office of General Counsel to prepare and file promptly a release from the lien created by the judgement of April 15, 1999, for the described property.

IT, THEREFORE, IS ORDERED THAT:

1) Pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Robert A. Winney, d/b/a The Waterworks Company of Franklin County, is hereby granted authority to sell to the Mallard Point Property Owners Association the water system serving the Mallard Point development as described herein.

2) The authority granted herein shall have no ratemaking implications.

3) Winney and the Association shall file a report of the action taken pursuant to the authority granted herein by no later than May 31, 2000. Such report shall include the date of sale of the water system and the accounting entries reflecting the transaction.

4) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA000006
MARCH 13, 2000

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

For approval of certain transactions under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

Delmarva Power & Light Company ("Delmarva" or the "Company") proposes to assign twenty-six (26) Master Agreements and related credit support annexes and schedules (the "Contracts") and all related rights to Conectiv Energy Supply, Inc. ("CESI"). Delmarva requests pursuant to § 56-77.B an exemption from the filing and prior approval requirement of § 56-77.A in the event the Commission determines that such assignment requires approval pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Affiliates Act"). In the alternative, Delmarva requests that the Commission grant it Affiliates Act approval.

Delmarva is a Delaware and Virginia corporation that provides electric service to approximately 21,500 retail customers and one wholesale customer in Accomack and Northhampton Counties on Virginia's Eastern Shore. Delmarva's Virginia customers produce approximately 3% of its annual revenues. Approximately 445,000 additional electric customers are located in Delaware and Maryland. Delmarva also provides natural gas service to approximately 106,000 customers located in Delaware. Delmarva is a wholly owned subsidiary of Conectiv, which is incorporated in Delaware.

Conectiv is a registered holding company under the Public Utility Holding Company Act of 1935. Conectiv also owns all of the voting securities of CESI and a service company, Conectiv Resource Partners, Inc. ("CPR"). CRP employees provide various services to various operating companies within the Conectiv group of companies, which include financial, accounting, legal, human resources, and other administrative services.

CESI is a Delaware corporation and a wholly owned subsidiary of Conectiv. CESI currently holds an interest in an energy related company and is a licensed wholesale oil distributor in several states including Virginia. CESI has approximately 25 fuel oil customers in Virginia the majority of which are government agencies and school districts. CESI has also applied for licenses to supply natural gas in Pennsylvania and to supply natural gas and electric service in New Jersey and Maryland.

Delmarva states that it is a party to the Contracts and that it proposes to assign the Contracts and all related rights and obligations to CESI. The Contracts specify terms and conditions for commodity swap transactions for electricity, gas, and fuel oil used in Delmarva's non-utility wholesale commodity operations. There has been no interest rate or other financial swap transactions by Delmarva under the Contracts.[1] Delmarva administers the Contracts through a competitive division of the Company which the Federal Energy Regulatory Commission authorized to engage in such commodity hedging activities. The hedging activities are handled separately from Delmarva's utility operations and have no affect on Delmarva's retail electric service in Virginia. Delmarva also states that in the future CESI will conduct the non-utility wholesale commodity operations that are supported by hedging transactions under the Contracts.

[1] Such interest rate or financial swap transactions would require prior approval under Chapter 3 of Title 56 of the Code of Virginia.

NOW THE COMMISSION, upon consideration of the application and representations of the Applicants and having been advised by its Staff, is of the opinion that the above-described transactions require our approval pursuant to the Affiliates Act. We will not grant Delmarva its requested exemption. We are of the opinion and find that such transactions are in the public interest and should, therefore, be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Delmarva Power & Light Company is hereby authorized to assign the Contracts and all related rights and obligations to Conectiv Energy Supply, Inc.

2) Should any terms and conditions of the Contracts assignment change from those described herein, Commission approval shall be required for such changes.

3) The approval granted herein shall have no ratemaking implications.

4) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter. 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.

5) The Commission reserves the authority to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by the Commission.

6) Applicant shall file on or before May 12, 2000, a report of action that shall include the form of the new Conectiv guaranty document, a summary list of the 26 Contracts assigned to CESI with the name of the counter party, the date of transfer of each ISDA Master Agreement, and a list of any Contracts that were cancelled and not transferred to CESI.

7) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA000007
MARCH 13, 2000

APPLICATION OF
THE POTOMAC EDISON COMPANY, d/b/a ALLEGHENY POWER

For authority to acquire utility assets and enter into a contract with an affiliate

ORDER GRANTING AUTHORITY

On February 14, 2000, The Potomac Edison Company, d/b/a Allegheny Power ("Allegheny," the "Company"), filed an application under the Public Utilities Affiliates Act and the Utility Transfers Act requesting authority for its affiliate, West Penn Power Company ("West Penn"), to transfer a 20% undivided interest in five (5) tracts of land, a roadway easement, and two (2) easements for stream gauging stations ("Utility Assets") to Allegheny.

West Penn wishes to convey to Allegheny, by deed, a 20% undivided interest in the real property located in Greene County, Pennsylvania. The transfer will be made for nominal consideration of $1.00. In addition, for nominal consideration of $1.00, West Penn wishes to assign to Allegheny a 20% interest in the roadway easement and the stream gauging stations.

As represented in the application West Penn, Monongahela Power Company ("Mon Power"), and Allegheny jointly own the Hatfield Ferry Power Station ("Power Station") located in Greene County, Pennsylvania. West Penn owns an undivided 52.5% interest, Mon Power owns an undivided 27.5% interest, and Allegheny owns an undivided 20% interest in the Power Station. As further represented, on November 17, 1999, West Penn transferred its share of the Power Station to Allegheny Energy Supply Company, LLC ("GENCO"), a Delaware limited liability company. Prior to West Penn's transfer of its undivided ownership interest in the Power Station to GENCO, West Penn acquired the Utility Assets in its name solely. The Company states that the Utility Assets should have been acquired according to the undivided ownership interests of each of the affiliates in the Power Station, West Penn 52.5%, Mon Power 27.5%, and Allegheny 20%.

Allegheny represents that the Utility Assets have been carried on the books of West Penn, Mon Power, and Allegheny in a split dollar amount reflecting the ownership percentage of each company in the Power Station. The general ledger and sub-ledger accounts are the same for all three companies. Company further represents that since the accounting records already reflect proper joint ownership of the Utility Assets no accounting entries will be made upon approval of the transactions.

Allegheny states that there will be no costs associated with the asset transfer, and the transactions will have no effect on Virginia customers. Additionally, the transactions will have no effect on operating costs, efficiencies, economies of scale, or quality of service. The transfer is being made to correct the land records in Greene County, Pennsylvania. As a result of the transactions, the records will show Allegheny's proper ownership interest in the tracts of land and the easements consistent with Allegheny's ownership in the Hatfield Ferry Power Station.

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 20% interest in the Utility Assets will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and will be in the public interest and, therefore, should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-77, 56-89 and 56-90 of the Code of Virginia, The Potomac Edison Company is hereby granted authority to acquire 20% interest in the Utility Assets at a price of $2.00 as described in the application.

2) The authority 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 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 such affiliate is regulated by the Commission.

5) The Potomac Edison Power Company 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.

6) 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.

7) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUA000008
MARCH 20, 2000

APPLICATION OF
dPi-TELECONNECT, L.L.C.

For approval of the sale of a majority interest

ORDER GRANTING APPROVAL

On February 11, 2000, dPi-Teleconnect, L.L.C. ("dPi"), filed an application with the Commission under the Utility Transfers Act for approval of the sale of a majority interest in dPi . As stated in the application, dPi was granted authority by the Commission to provide resold local exchange services on August 3, 1999. At the time, dPi was owned by dPi Holdings, Inc. ("Holdings"), and Koch Ventures, Inc. ("Koch"). Holdings owned sixty per cent (60%), and Koch owned forty per cent (40%), of dPi.

On November 24, 1999, Rent-Way, Inc. ("Rent-Way"), entered into a Purchase Agreement ("the Agreement") with Koch, dPi, and Holdings to acquire certain interests in dPi. Under the Agreement, Rent-Way acquired Koch's forty per cent (40%) interest in dPi and an additional nine per cent (9%) of Holdings' interest. Rent-Way's total interest in dPi as of November 24, 1999, is forty-nine per cent (49%). The Agreement, if approved by various Commissions, will result in Rent-Way acquiring an additional eleven per cent (11%) of Holdings' interest, bringing Rent-Ways total interest in dPi to sixty per cent (60%). dPi, therefore, requests that the Commission approve the above-described change in majority ownership of dPi from dPi Holdings to Rent-Way.

THE COMMISSION, upon consideration of the application and representations of dPi and having been advised by its Staff, is of the opinion and finds that the above-described transfer of majority interest in dPi 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, the transfer of the majority interest in dPi-Teleconnect, L.L.C, from dPi Holdings, Inc., to Rent-Way, Inc., as described herein is hereby approved.

2) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA000010
MAY 11, 2000

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY AND ITS AFFILIATED INTERESTS

For approval of transactions under the Code of Virginia of 1950, as amended, Title 56, Chapters 4 and 5, related to the formation of a holding company

ORDER GRANTING APPROVAL

On February 28, 2000, Washington Gas Light Company ("Washington Gas" or "Company") and its affiliated interests (collectively referenced as "Applicants")[1] filed an Application ("Application") with the State Corporation Commission for authority to enter into certain transactions which require approval under the Affiliates Act, §§ 56-76, et seq. of the Code of Virginia ("Code"), and the Utility Transfers Act, §§ 56-88, et seq. of the Code, in order to reorganize their corporate structure and create a holding company. The Applicants are also requesting Commission approval to modify certain restrictions placed on its affiliates' activities pursuant to Orders Granting Authority issued in Case Nos. PUA980015[2] and PUA970019.[3] On March 31, 2000, Washington Gas and WGL Holdings (together, "the Companies") filed an amendment to the Application. Specifically, the Companies filed a revised Service Agreement amending Schedule C to the Application.

The Applicants specifically request (1) approval of the Agreement and Plan of Merger and Reorganization; (2) approval of the transfer of ownership of all of the common stock of Washington Gas from its current shareholders to WGL Holdings; (3) approval of the transfer of all of the common stock of the affiliated interests from Washington Gas to WGL Holdings; (4) approval of the Service Agreement between Washington Gas and WGL Holdings; (5) authorization to modify the recitals of each existing Service Agreement between Washington Gas and the affiliated interests to reflect the new relationship between the Company and its affiliated interests as "sister" subsidiaries of WGL Holdings rather than the old parent and subsidiary relationship; (6) removal of the restrictions placed on affiliate American Combustion, Inc., and American Combustion Industries, Inc. (collectively referenced as "ACI"[4]), in Ordering Paragraph (1) of the Commission's Order of August 7, 1998, Case No. PUA980015; and (7) removal of the restrictions placed on Washington Gas Consumer Services, Inc. ("WG Consumer Services"), and Washington Gas Energy Systems, Inc. ("WG Energy Systems"), in Ordering Paragraph (2) of the Commission's Order of May 14, 1998, in Case No. PUA970019.

Washington Gas is a public service company organized and existing under the laws of the Commonwealth of Virginia and the District of Columbia and is also qualified to conduct business in Maryland. In Virginia, Washington Gas provides natural gas distribution service to more than 342,000 customers in the Counties of Arlington, Fairfax, Loudoun, and Prince William, in the Cities of Alexandria, Fairfax, Falls Church, and Manassas, and in the Towns of Leesburg, Middleburg, and Vienna. Washington Gas also provides natural gas distribution service to more than 502,000 customers in the District of Columbia and Maryland.

Washington Gas is currently a "holding company" under the Public Utility Holding Company Act of 1935 ("PUHCA"), 15 U.S.C. 79 et seq., by virtue of its ownership of 100% of the common stock of Shenandoah Gas. However, it is exempt from regulation by the Securities and Exchange Commission ("SEC") "under Section 3(a)(2) of PUHCA because it is 'predominantly a public utility company whose operations as such do not extend beyond the state in which it is organized and States contiguous thereto'."[5] Upon the merger of Shenandoah Gas into Washington Gas, Washington Gas will no longer be a holding company.

Shenandoah Gas is a public service company organized and existing under the laws of the Commonwealth of Virginia. Shenandoah Gas currently provides natural gas distribution service in Virginia to more than 11,000 customers in the Counties of Clarke, Frederick, Shenandoah, and Warren, in the City of Winchester, and in the Towns of Berryville, Middletown, New Market, Stephens City, Strasburg, and Woodstock. As noted herein, Washington Gas and Shenandoah Gas received authority from the Commission to merge, subject to certain conditions, and also received all necessary approvals from FERC for the merger. Upon completion of the merger, Washington Gas will provide service to the former customers of Shenandoah Gas through its Shenandoah Division. Such service will be provided at the same rates, terms, and conditions as currently provided by Shenandoah Gas.

Washington Gas, in addition to Shenandoah Gas, currently owns 100% of the outstanding shares of Crab Run Gas Company, Hampshire Gas Company, and Washington Gas Resources Corp. ("WG Resources") and 50% of the outstanding voting units of Primary Investors, L.L.C. WG Resources in turn owns 100% of the outstanding shares of WG Consumer Services, ACI Industries, Inc., and Washington Gas Energy Services, Inc. ("WG Energy Services"). WG Energy Services in turn owns 100% of the outstanding shares of Brandywood Estates, Inc., WG Energy Systems, and Advanced Marketing

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[1] Shenandoah Gas Company ("Shenandoah Gas") is currently a wholly owned subsidiary of Washington Gas. However, Washington Gas and Shenandoah Gas (jointly referenced as "the Companies") filed a petition with the Commission on October 6, 1999, for authority to merge Shenandoah Gas into Washington Gas. Such authority was granted, subject to certain conditions, by Order Granting Authority issued by the Commission on December 22, 1999, in Case No. PUA990071. The Companies also filed an Application with the Federal Energy Regulatory Commission ("FERC") for all necessary approvals related to the merger. That authority was granted by Order issued on February 28, 2000, in FERC Docket No. CP00-31-000. For purposes of this Application, Washington Gas assumes that the merger will be accomplished prior to undertaking the transactions contemplated in the captioned Application.

[2] Application of Washington Gas Light Company, For authority to engage in certain affiliate transactions, Case No. PUA980015, 1998 S. C. C. Ann. Rept. 190 (1998) (hereafter referenced as Case No. PUA980015).

[3] Application of Washington Gas Light Company, For approval to enter into service agreements with selected subsidiaries, Case No. PUA970019, 1998 S.C.C. Ann. Rept. 151 (1998) (hereafter referenced as Case No. PUA970019).

[4] American Combustion, Inc., was merged into American Combustion Industries, Inc., with American Combustion Industries, Inc., being the surviving corporation, effective March 30, 1999.

[5] Application at p. 6.

Systems, Inc. Finally, Primary Investors, L.L.C., owns approximately 94% of Primary Service Group, L.L.C. These entities are referred to herein as the "affiliated interests."

WGL Holdings, Inc. ("WGL Holdings"), is a Virginia corporation and a wholly owned subsidiary of Washington Gas, which was formed on January 13, 2000, for the purpose of accomplishing the proposed merger and reorganization. WGL Holdings owns all of the outstanding common stock of Washington Gas Acquisition Co. ("Acquisition"), a Virginia corporation also formed on January 13, 2000, for the purpose of accomplishing the proposed merger and reorganization. Neither WGL Holdings nor Acquisition owns any utility assets or securities or engages in any business at the current time.

The Applicants also affirm that the Company and affiliates will not assert that WGL Holdings' status as a registered holding company under PUHCA preempts Virginia law relating to the transfer of utility assets, the determination of appropriate capital and corporate structure and the establishment of retail rates. In response to a Staff data request, dated March 29, 2000, the Applicants further affirmed that no services offered by Washington Gas or its affiliates nor any rates, charges, terms and conditions of utility service, or services, transfers of utility assets, or capital determinations which are now subject to the Virginia Commission's jurisdiction will, by virtue of the restructuring and reorganization, be preempted by FERC. The Applicants did state, however, that certain services provided by Washington Gas and its affiliates are now, and will continue to be, subject to FERC regulation after the restructuring and reorganization.

The specific requests of the Applicants are discussed below.

Approval of The Agreement and Plan of Merger and Reorganization

The Applicants state that Washington Gas, WGL Holdings, and Acquisition entered into the Agreement and Plan of Merger and Reorganization dated January 13, 2000, whereby:

(i) acquisition, a wholly-owned subsidiary of WGL Holdings, will be merged with and into Washington Gas (the "merger"), with Washington Gas being the surviving corporation;

(ii) each share of Washington Gas common stock outstanding immediately prior to the effective time of the merger will be converted into an equal number of new shares of WGL Holdings common stock;

(iii) each share of Acquisition common stock outstanding immediately prior to the merger will be converted into shares of Washington Gas, resulting in WGL Holdings becoming the owner of all the outstanding shares of Washington Gas common stock; and

(iv) the shares of WGL Holdings common stock held by Washington Gas immediately prior to the merger will be cancelled.

As a result of the merger, the Applicants state that WGL Holdings will become a "public utility holding company" under PUHCA. The former holders of Washington Gas' common stock will own all of the WGL Holdings common stock outstanding immediately after the merger. Shares of Washington Gas' preferred stock outstanding immediately prior to the merger will remain outstanding, except for two convertible series, which have been called and, in accordance with their terms, were converted either to common stock or redeemed in cash effective February 1, 2000.[6]

Any proposal to restructure a utility so that it is owned by a holding company raises the concern of possible impairment of a utility company's current credit quality and ability to attract capital on the most favorable terms after the proposed restructuring. In response to Staff inquiries about this concern, the Applicants state that Washington Gas plans to maintain its own programs for the issuance of long-term and short-term debt, independent of programs for WGL Holdings, Inc. The Applicants also indicate that they met with three major credit rating agencies, Moody's, Standard & Poor's, and Fitch, to discuss business and financing plans for the utility and the unregulated operations under the proposed holding company structure. Since that time, Moody's has reaffirmed its favorable credit ratings for Washington Gas, and Standard & Poor's outlook for the Company's credit ratings have remained "stable." In Staff's view, the maintenance and management of Washington Gas' credit quality is best accomplished by having Washington Gas maintain debt financing programs and credit ratings separate from WGL Holdings, Inc., or its affiliates. This type of financing arrangement also helps to maintain the relevance of the Washington Gas capital structure to reflect utility operations for ratemaking purposes.

Money pools are common arrangements for the short-term borrowing and lending of excess cash among holding company affiliates. Since the Application did not include a specific request for authority for such an arrangement, and a money pool is not specifically addressed under Washington Gas' existing affiliate agreements, Staff asked the Applicants if they had plans to establish an inter-company money pool after the proposed restructuring. The Applicants responded that their plans call for the establishment of an inter-company money pool. While the Applicants' response outlined some of the expected parameters for such an arrangement, no formal money pool agreement governing such transactions was filed by the Applicants with the Commission.

Staff also has concerns about the possible subsidization of unregulated operations having lower credit quality than Washington Gas under a money pool borrowing arrangement. Washington Gas may be able to maintain short-term borrowing (i.e., commercial paper) apart from a money pool. However, the imputed credit strength that WGL Holdings, Inc., would derive from Washington Gas could enable unregulated affiliates with lower credit quality to borrow at commercial paper rates instead of their stand-alone borrowing rates which could be at substantially higher rates like prime or prime plus. This issue will indirectly concern Staff's affiliate pricing guideline of higher of cost or market. While an unregulated affiliate may technically be borrowing from the money pool and not the utility, the utility's imputed credit quality may reduce the money pool's "cost" of the funds below what the unregulated affiliate could otherwise borrow at the market rate. Consequently, Staff recommends that any authority for money pool transactions between Washington Gas and its affiliates be considered in the context of a separate Application.

Washington Gas further maintains that all of its current outstanding indebtedness and other obligations will remain on its financial records after the reorganization. In the future, however, equity capital will be obtained from WGL Holdings while debt securities will be issued to external sources directly by Washington Gas. Washington Gas also states that it will maintain the same capital structure that existed prior to the reorganization.

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[6] The two series of preferred stock that have been called include (i) the $4.36 Convertible series, with 1,846 shares outstanding and a book value of $190,100 as of September 30, 1999, and (ii) the $4.60 convertible Series, with 556 shares outstanding and a book value of $56,900 as of September 30, 1999.

The Applicants represent that the accounting treatment for the reorganization will be based on non-cash, non-taxable transactions, with resulting assets and liabilities recorded at historical cost amounts. After the consummation of the merger and reorganization, the consolidated financial statements of WGL Holdings are expected to be substantially similar to those of Washington Gas.

Washington Gas also represents that it will transfer all of the outstanding common stock of Crab Run Gas Company, Hampshire Gas Company, WG Resources, and its investment in Primary Investors, L.L.C., to WGL Holdings by noncash dividend after the reorganization. In addition, Washington Gas states that it will continue to provide natural gas distribution service to all of its customers in Virginia at the same rates, and under the same terms and conditions of service that are now currently in effect.

Therefore, the Applicants recognize that all parties to the Agreement and Plan of Merger and reorganization qualify as "affiliated interests" of Washington Gas, as defined in § 56-76 of the Code and request approval of such agreement under §§ 56-77 and 56-84 of the Code.

Approval of Transfer of Ownership

The Applicants contend that the proposed corporate restructuring will be in the public interest because the creation of a holding company will strengthen their ability to compete effectively and provide superior service and value to customers and shareholders. In addition, according to the Applicants, the proposed new structure will support the vitality of the Company's regulated utility business while also providing financial and regulatory flexibility necessary to respond quickly and effectively to changing industry and economic conditions. The Applicants maintain that a holding company structure enhances the Company's ability to maintain a clear separation between the costs and operation of unregulated activities versus regulated utility business.

Therefore, the Applicants petition the Commission for authority to acquire and dispose of control of a public utility in order to effect the proposed restructuring pursuant to § 56-90 of the Code.

Approval of a Service Agreement between Washington Gas and WGL Holdings

Washington Gas represents in Schedule C to the Application that it has specialists who are experienced in the operations of gas utilities and related businesses, together with appropriate facilities and equipment through which it is prepared to provide certain services on a centralized basis to WGL Holdings. In addition, in Schedule D to the Application, Washington Gas states that the proposed Service Agreement is identical to Service Agreements between Washington Gas and its affiliates that were approved by the Commission in 1988 in Case No. PUA880021 and in subsequent cases, including Case Nos. PUA970019, PUA980015 and PUA990019.

As noted on page 2, supra, on March 31, 2000, the Company filed a revised Service Agreement amending Schedule C to the Application to clarify that the services provided thereunder would only flow from Washington Gas to WGL Holdings rather than flowing to and from Washington Gas as stated in the original Service Agreement. Furthermore, the Company states that WGL Holdings will have no employees. Upon completion of the reorganization, WGL Holdings will register with the SEC pursuant to Section 5 of PUHCA. In addition, Section 13(a) of PUHCA prohibits a registered holding company from entering into any contract to provide services to any associated company that is a public utility. The Applicants, therefore, have requested approval of the proposed Service Agreement, amended on March 31, 2000, under §§ 56-77 and 56-84 of the Code.

Modification of the Recitals in Existing Service Agreements

Washington Gas maintains that it provides management and other services to Shenandoah Gas and the affiliated interests under Service Agreements approved by this Commission as listed on Schedule B to the Application. Furthermore, Washington Gas states that, except for the existing Service Agreement between itself and Shenandoah Gas which will be cancelled effective upon the merger of Shenandoah Gas into Washington Gas, the terms and conditions of the existing Service Agreements between Washington Gas and the affiliated interests will remain in full force and effect following completion of the proposed Agreement and Plan of Merger and Reorganization.

Washington Gas, therefore, requests authority to modify the recitals of each of the Service Agreements listed on Schedule B to the Application only to the extent necessary to reflect the new relationship between Washington Gas and each of the affiliated interests, effective following the reorganization. As previously stated, Washington Gas and the affiliated interests will then be sister subsidiaries of the new holding company.

Revision of Restrictions on Affiliate Activities in Case Nos. PUA980015 and PUA970019

In the Order issued August 7, 1998, in Case No. PUA980015, the Commission approved Service Agreements between Washington Gas and two subsidiaries (previously referenced collectively as ACI). ACI is a mechanical contractor engaged primarily in the installation and maintenance of gas-fired boilers and chillers and the conversion of oil-fired heating systems to gas for commercial and governmental customers. Primarily, in connection with this work, ACI is also engaged in the removal of oil tanks and environmental remediation associated with the removal of oil tanks. In the last sentence of Ordering Paragraph (1) of that Order, the Commission stated that "[t]he approval of the Service Agreement shall be on condition that in Virginia, ACI shall provide such services only to WGL's gas customers."[7]

In an Order on Reconsideration issued on September 15, 1998, the Commission explained the basis for its restriction. The Commission, relying on § 13.1-620 D of the Code, noted the prohibition against Washington Gas being in any other public service business or nonpublic service business "except as may be related or incidental to its natural gas service business." The Commission also found that this prohibition applied, as well, to any subsidiary of Washington Gas, since "...what the law prohibits the Company from doing directly, it also prevents it from doing indirectly, through a subsidiary,...."[8]

[7] Case No. PUA980015, 1998 S.C.C. Ann. Rept. at 191.

[8] Case No. PUA980015, 1998 S.C.C. Ann. Rept. at 192.

The Applicants note that, following completion of the reorganization, ACI will no longer be a subsidiary of Washington Gas. As a result, they argue that the restriction imposed on the activities of ACI in connection with the approval of the Service Agreement between Washington Gas and ACI in Case No. PUA980015 will no longer be appropriate. Therefore, Washington Gas requests the Commission to remove these restrictions on ACI.

In an Order Granting Approval issued May 14, 1998, in Case No. PUA970019, the Commission approved Service Agreements between Washington Gas and three subsidiaries: WG Resources, WG Consumer Services, and WG Energy Systems. WG Resources serves as a holding company for the Company's non-utility operations. Consumer Services provides various consumer services, including the sale of miscellaneous consumer products and a commercial finance program. WG Energy Systems provides the commercial market with methods and products for increasing the energy efficiency of buildings. In Ordering Paragraph (2) of that Order, the Commission stated that:

> [t]he Service Agreements are approved only to support the provision of miscellaneous consumer products, such as fire extinguishers, and Commercial Finance Program services provided by [Consumer Services] and the provision, to the commercial market, of methods and products for increasing energy efficiency of buildings such as conversion to natural gas operations by [Energy Systems]. Subsequent Commission approval shall be required to support the provision of any additional services.[9]

The Applicants observe that while the Commission did not explain the basis for the restrictions on the activities of these subsidiaries, they believe that the restrictions are also based on the "related to or incidental to" limitation of § 13.1-620 D. As previously noted, following the completion of the reorganization, WG Consumer Services and WG Energy Systems will no longer be subsidiaries of Washington Gas. As a result, according to the Applicants, the restrictions imposed on the activities of these companies will no longer be appropriate. Therefore, Washington Gas requests the Commission to remove these restrictions.

NOW THE COMMISSION, upon consideration of the Application and the representations of the Applicants and having been advised by its Staff, is of the opinion and finds that the above described transactions are in the public interest and should be approved, subject to the conditions set out below. With respect to the disposition of control of Washington Gas as part of the restructuring and reorganization contemplated by this Application, the Commission finds that, subject to the conditions set forth below, adequate service to the public at just and reasonable rates will not be impaired or jeopardized by granting this Application.

The Commission notes that Washington Gas responded on March 29, 2000, to a Staff data request, affirming Applicants' plans for the establishment of an inter-company money pool. The Commission finds, however, that such authority should be requested and considered in the context of a separate Application. Moreover, such Application should include a copy of the agreement governing money pool transactions and detailing the specific terms and conditions for such an arrangement so that the Commission may properly evaluate its public interest effects. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, the Agreement and Plan of Merger and Reorganization is hereby approved as filed subject to the representations made by the Applicants.

2) Pursuant to § 56-90 of the Code of Virginia, the proposed restructuring is hereby approved as filed, subject to the Applicants representations that they will not assert in any forum that the Commission's jurisdiction over rates, charges, terms and conditions of utility service, or services, transfers of utility assets, the determination of appropriate capital and corporate structure, and establishment of retail rates is preempted.

3) Pursuant to § 56-77 of the Code, the revised Service Agreement between Washington Gas Light Company and Washington Gas Holdings, Inc., is hereby approved subject to the conditions described in Ordering Paragraph 6) herein, effective upon completion of the reorganization.

4) No changes in the terms, conditions, or types of services described in the Service Agreement between Washington Gas and WGL Holdings approved herein shall be made without prior Commission approval.

5) The approval granted herein for the Service Agreement between Washington Gas and WGL Holdings shall not preclude the Commission from exercising its authority under the provisions of §§ 56-78 through 56-80 of the Code hereafter.

6) All services provided by Washington Gas to WGL Holdings or any other affiliate shall be at the higher of cost or market. All estimated costs shall be adjusted to actual on a quarterly basis. Appropriate documentation of such transactions shall be made available for Staff review upon the Staff's request.

7) All services provided to Washington Gas by any affiliate shall be at the lower of cost or market. Appropriate documentation of such transactions shall be made available for Staff review upon the Staff's request.

8) Washington Gas shall have the burden of proving that all goods and services provided to any 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.

9) Washington Gas shall have the burden of proving that all goods and services received from any 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 Washington Gas could not have provided the services or goods to itself at a lower cost.

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[9] Case No. PUA970019, 1998 S.C.C. Ann. Rept. at 151.

10) The approval granted herein shall have no ratemaking implications. Any cost of service issues arising as a result of the authority granted herein shall be addressed in future earnings tests or rate proceedings.

11) Washington Gas 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 and reorganization, to advise Staff concerning the types of services and activities being provided by Washington Gas to its affiliates, costs incurred, savings realized, organizational structure changes, and any other related issues. The meetings shall continue until such time as the Staff of the Division of Public Utility Accounting believes such meetings are no longer necessary and shall so advise the Commission.

12) The Applicants request to modify the recitals in certain existing Service Agreements (Schedule B to the Application) to reflect new relationships between Washington Gas and the affiliated interests as "sister" subsidiaries of WGL Holdings rather than as parent and subsidiary is hereby approved prospectively upon accomplishment of the reorganization.

13) The restrictions on affiliate activities detailed in ordering Paragraph (1) of our August 7, 1998, Order in Case No. PUA980015 and in Ordering Paragraph (2) of our May 14, 1998, Order in Case No. PUA970019 are hereby removed prospectively upon accomplishment of the reorganization.

14) The Commission reserves the right to examine the books and records of any affiliate in connection with the authority granted herein whether or not this Commission regulates such affiliate. Washington Gas shall include in all general rate proceedings and Annual Informational Filings evidence that the pricing policies stated herein have been followed.

15) In accordance with the representations made in the Application, the Applicants 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 Washington Gas or from Washington Gas to any affiliate.

16) The transfer or assignment by Washington Gas after the merger of any real or personal property to any other affiliate shall require additional Commission approval in accordance with § 56-77 of the Code.

17) The Applicants shall bear the full risk of any preemptive effects of the 1935 Act and shall take all such actions as the Commission finds necessary to hold Virginia ratepayers harmless from rate increases or lost opportunities for rate decreases arising from the affiliate relationships and restructural reorganization requested in this Application.

18) Washington Gas shall include all transactions under all agreements in the Application 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. Such report shall include all agreements with affiliates regardless of the amount involved and shall supersede all other affiliate reporting requirements previously ordered.

19) 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.

20) Washington Gas shall keep their accounting books and records in a manner that will allow all components of the cost of capital to be easily identified.

21) The Applicants shall not create joint lines of credit or implement guarantees, collateralization, or support agreements between Washington Gas and WGL Holdings or its subsidiaries without prior Commission approval.

22) The authority granted herein does not constitute or imply approval of any money pool agreement or related obligations subject to Chapters 3 and 4 of Title 56 of the Code. Washington Gas must seek additional authority from the Commission if it desires to enter into any money pool agreement or related obligations subject to Chapters 3 and 4 of the Title 56 of the Code.

23) The authority granted herein does not constitute or imply approval of any security obligations subject to Chapter 3 of the Title 56 of the Code. Washington Gas must seek additional authority from the Commission to engage in such transactions.

24) If PUHCA is repealed, amended, or replaced by future legislation, the Applicants shall meet with the Commission Staff after passage of such legislation and reach an agreement in good faith whether and how any transactions approved in the Application have been affected by such legislation and whether the approvals granted herein should be revised or terminated. In the event the Applicants and Staff are unable to reach agreement, the unresolved issues shall be submitted to the Commission for resolution.

25) Washington Gas 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 WGL Holdings as well as copies of all orders issued by the SEC directly affecting Washington Gas' and WGL Holdings' accounting practices.

26) Washington Gas shall have copies of its cost and or market price studies for services provided to WGL Holdings and for services received from and provided to other affiliates available for Staff review upon request.

27) The Applicants shall give consideration to establishing a separate subsidiary (Service Company) for the provision of services to WGL Holdings and all affiliates in the corporate structure.

28) This matter shall be continued generally, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA000011
APRIL 25, 2000

APPLICATION OF
THE POTOMAC EDISON COMPANY, d/b/a ALLEGHENY POWER

For authority to transfer utility securities and enter into a contract with an affiliated interest

DISMISSAL ORDER

By letter dated April 14, 2000, counsel for The Potomac Edison Company, d/b/a/ Allegheny Power ("the Company"), requests that the Commission dismiss the above-captioned case. In support of its request, the Company states that it plans to seek such approval in connection with the anticipated filing of its functional separation plan.

NOW THE COMMISSION, having considered the matter, is of the opinion that the Company's request is reasonable. We will, therefore, dismiss this case from our docket of active cases.

Accordingly, IT IS ORDERED THAT this case shall be and hereby is dismissed from our docket of active cases.

CASE NO. PUA000012
MAY 26, 2000

PETITION OF
AQUASOURCE UTILITY, INC.,
RESTON LAKE ANNE AIR CONDITIONING CORPORATION,
DOUGLAS A. COBB,
and
BARBARA B. COBB

For approval of a change of control of a Virginia public utility company and related matters

ORDER GRANTING APPROVAL

On March 7, 2000, AquaSource Utility, Inc. ("AquaSource," the "Company"), filed a petition under the Utility Transfers Act requesting approval for AquaSource to acquire from Douglas A. Cobb and Barbara B. Cobb ("the Cobbs") all the common stock of Reston Lake Anne Air Conditioning Corporation ("Reston Lake," "RELAC"). On May 5, 2000, the Commission issued its Order Extending Time For Review through June 5, 2000.

AquaSource also petitioned, under the Affiliates Act, for approval of affiliate transactions with RELAC. Additionally, approval is requested to terminate all affiliate agreements between the Cobbs and RELAC since any affiliate relationships between the Cobbs and RELAC will cease to exist upon consummation of the proposed transfer. AquaSource represents that upon approval of the proposed transfer a new lease between non-affiliates RELAC and the Cobbs will be executed.

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. DQE, Inc., the parent company of AquaSource, Inc., is a Pennsylvania based energy service company and parent of Duquesne Light Company. AquaSource and AquaSource, Inc., report their financial data on a consolidated basis with DQE, Inc.

The Cobbs currently own all of the issued and outstanding stock of Reston Lake. As such, the Cobbs and Reston Lake are affiliates. RELAC is a Virginia public utility company providing air conditioning service to households in Fairfax County, Virginia. Reston Lake currently serves approximately 320 customers.

AquaSource/RLAACC, Inc. ("Subsidiary"), is a wholly owned subsidiary of AquaSource Utility, Inc. As stated in the petition, Subsidiary was organized solely for the purpose of completing this transaction and will be merged into Reston Lake.

As described in the petition, each share of Subsidiary's common stock will be converted into one share of common stock of Reston Lake. As the surviving corporation in the merger, RELAC will continue to own the air conditioning system and will continue to use the system to provide service to its current customers. RELAC will become a wholly owned subsidiary of AquaSource after consummation of the transaction.

Company states that upon the merger of Subsidiary into RELAC the Reston Lake common stock owned by the Cobbs will be converted into preferred stock of DQE and cash at a conversion ratio of 80/20. This will result in an aggregate purchase price of $517,000.00, as adjusted pursuant to the Agreement and Plan of Merger between the parties. The Company also states that the net book value of the Reston Lake system as of December 31, 1998, is $282,943.00 and that the adjusted rate base, as determined in the Commission's Order dated September 7, 1999, in Case No. PUE980139, is $290,042.00. AquaSource will record the acquisition under the purchase method of accounting, and the difference between the asset value and the purchase price will be booked as an acquisition adjustment.

AquaSource represents that immediately after closing the transaction it may temporarily contract with an unaffiliated entity for operation and management of Reston Lake. However, in the event AquaSource chooses to operate RELAC through employees of RELAC, AquaSource requests approval to provide limited services to RELAC. Such services include administrative and personnel services consisting of payroll administration and administration of employee benefits programs and insurance programs. AquaSource further represents that it will cover RELAC's employees with the same benefits, insurance plans, and coverage as it has for its own employees. AquaSource will bill RELAC monthly for the actual payroll and related benefits and in turn pay RELAC's employees. The Company states that it will charge RELAC an administrative fee of $10.00 per month per employee to cover the cost of

providing this service. These provisions are identical to those approved by the Commission in Case No. PUA980048 for AquaSource's acquisition of the Lake Monticello Service Company.

THE COMMISSION, upon consideration of the petition and representations of RELAC 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 as long as AquaSource is granted first right of refusal in the event the Cobbs decide to sell the land on which RELAC is situated. The Commission is also of the opinion that the affiliate agreement between AquaSource and RELAC is in the public interest and should, therefore, be approved subject to pricing at the lower of cost or market where a market exists for services provided to RELAC. The Commission notes that upon consummation of the transfer of control any affiliate relationship between the Cobbs and RELAC will cease to exist and approval will not be required pursuant to the Affiliates Act. 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 Reston Lake Anne Air Conditioning Corporation under the terms and conditions and at the price of $517,000.00, as adjusted pursuant to the Agreement and Plan of Merger described herein, subject to AquaSource being given first right of refusal should the Cobbs decide to dispose of the land on which RELAC is situated.

2) RELAC shall file with the Director of Public Utility Accounting within thirty (30) days of execution an executed copy of the new lease for the land on which RELAC is situated that replaces the Lease Agreement currently in effect, reflecting the modification set forth above.

3) Pursuant to § 56-77 of the Code of Virginia, AquaSource Utility, Inc., is hereby granted approval to provide services to Reston Lake Anne Air Conditioning Corporation under the terms and conditions described herein, subject to certain pricing requirements.

4) For services provided by AquaSource for which a market might exist, RELAC shall ascertain whether there is a market for such services. If a market exists, RELAC shall compare the market price with its cost of obtaining the services from AquaSource, and it shall pay the lower of AquaSource's cost or the market price.

5) The approval granted herein shall have no ratemaking implications.

6) Should there be any changes in the terms and conditions of the affiliate agreement between AquaSource and RELAC 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 approval granted herein whether or not such affiliate is regulated by the Commission.

8) Any excess earnings resulting from operational efficiencies or cost reductions shall be at issue in any filings or proceedings addressing rates.

9) 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.

10) RELAC shall file a Report of Action with the Commission's Division of Public Utility Accounting on or before August 31, 2000. Such report shall contain the date of transfer, the sales price, and all accounting entries reflecting the transfer on the books of RELAC and AquaSource.

11) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUA000014
APRIL 20, 2000

APPLICATION OF
SHENANDOAH VALLEY ELECTRIC COOPERATIVE

For approval of transactions with an affiliate

ORDER GRANTING APPROVAL

On March 10, 2000, Shenandoah Valley Electric Cooperative (the "Company," "SVEC") filed an application under Chapter 4 of Title 56 of the Code of Virginia. The Company specifically requests approval of an Operating and Management Agreement ("Agreement") between SVEC and Shenandoah Valley Energy Company, L. C. (the "Subsidiary").

Pursuant to the Agreement, SVEC will provide management and operational services to the Subsidiary. The management services will consist of a portion of C. Douglas Wine's time performing services as manager of the Subsidiary. C. Douglas Wine is President and Chief Executive Officer of SVEC. The operational services will consist of SVEC's vice presidents' participation in sales calls.

SVEC also requests authority for the Subsidiary to use certain SVEC equipment. Such equipment includes motor vehicles for personal transportation to sales calls, telephone and other communications devices, and word processing and other office equipment.

The Subsidiary was formed by SVEC on November 5, 1999, as a wholly owned limited liability company. The Subsidiary was formed to market natural gas in a business venture with Northern Virginia Electric Cooperative, d/b/a America's Energy. The Subsidiary's role in this business partnership is to provide representatives to accompany America's Energy sales representatives on sales calls to SVEC consumers.

The Company further represents that the purpose of forming the Subsidiary and providing for its engagement in the natural gas marketing project is to begin offering SVEC's customers natural gas service through the Subsidiary and to provide SVEC's personnel with experience in a competitive business environment. As represented by SVEC the Subsidiary will provide an opportunity for developing staff experience, which will be beneficial to SVEC in the future. SVEC states that it has no substantial experience individually or collectively outside of a regulated utility's business environment.

SVEC states in its application that compensation will be based on the actual cost to SVEC of providing the services as there is no known market for such services. Labor charges will be based on the actual direct cost of a particular employee performing services for the Subsidiary. SVEC employees performing such services will maintain hourly time records. In addition to the direct labor costs, the Subsidiary will be charged its pro rata share of SVEC's other payroll-related costs. Such costs include fringe benefits and employment taxes. Vehicles used for transportation to sales calls will be charged on a mileage rate per vehicle that includes all costs associated with the operation and maintenance of the vehicle. Additionally, a flat monthly fee of $110.00 will be charged to cover the incidental use of SVEC's office space and equipment, supplies, postage, and telephone services for the benefit of the Subsidiary. As stated by SVEC, this fee will include a return on investment calculated to mirror SVEC's rate of return allowed by the Commission. Any costs incurred by SVEC attributable to the Subsidiary, such as memberships and publications, will be passed through to the Subsidiary. All charges by SVEC to the Subsidiary will be billed and paid monthly.

The Company represents that the nature of the Subsidiary's role in the marketing project is limited in scope and time, and the business risk is not believed to be large due to the nature of the project. The Company further represents that its business risk is limited to its investment of $50,000 in capitalization of the Subsidiary.

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 the above-described Operating and Management Agreement to be in the public interest and should, therefore, be approved subject to pricing restrictions. If a market exists for services provided to the Subsidiary, SVEC should ascertain such market prices, compare the market prices with its cost of providing similar services, and charge the Subsidiary the higher of SVEC's cost or the cost of obtaining the services from an outside party (the market). In future rate proceedings, SVEC will bear the burden of proving that SVEC received the higher of cost or market for such services provided to the Subsidiary. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, SVEC and the Subsidiary are hereby granted approval to enter into the Operating and Management Agreement as described herein, subject to the following pricing procedure. If a market exists for services provided to the Subsidiary, SVEC shall compare the market price with its cost of providing similar services, and it shall charge the Subsidiary the higher of its cost or the cost of obtaining the services from an outside party. All other services for which no market exists shall be priced at cost.

2) In future rate case proceedings, SVEC shall bear the burden of proving that it received the higher of cost or market for any services it provided to the Subsidiary for which a market exists.

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.

5) Should there be any changes in the terms and conditions of the Operating and Management Agreement between SVEC and Subsidiary from those contained herein, Commission approval shall be required for such changes.

6) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission.

7) SVEC 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 April 1 of each year, subject to extension by the Commission's Director of Public Utility Accounting.

8) If 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 is hereby dismissed.

CASE NO. PUA000017
MAY 12, 2000

JOINT APPLICATION OF
GTE SOUTH INCORPORATED
and
GTE CONSOLIDATED SERVICES INCORPORATED

For approval of affiliated transactions pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On March 22, 2000, GTE South Incorporated ("GTE South," the "Company") and GTE Consolidated Services Incorporated ("CSI") (collectively, "Applicants") filed an application under Chapter 4 of Title 56 of the Code of Virginia for approval of a second amendment ("Amendment 2") to an existing

Billing Services Agreement (the "Agreement"). Applicants specifically request approval to add GTE Information Services Incorporated to the list of companies to which CSI provides services pursuant to the Agreement.

Pursuant to the Agreement approved in Case No. PUA990082, GTE South inputs CSI data in GTE South's end user bills and prepares, mails, and collects bills for CSI. Billing services also include the establishment, maintenance, and treatment of end user accounts. CSI acts as agent for GTE Long Distance and GTE Internetworking in the Agreement. The Agreement will continue through March 30, 2002, as approved in Case No. PUA990082. As compensation for the billing services, GTE South is receiving market price from CSI. The market price includes the cost of providing the services plus a reasonable profit based on the volume of bills processed. GTE South states that the market price is appropriate as 77.3% of the revenues from the billing and collection services comes from non-affiliates.

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 the above-described Amendment 2 to be in the public interest and should, therefore, be approved, subject to pricing at the higher of cost or market. GTE South should compare the market price with its cost of providing similar services and charge CSI the higher of GTE South's cost or the cost of obtaining services from an outside party (the market). In future rate proceedings, GTE South should bear the burden of proving that CSI received the higher 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 approval of Amendment 2 under the terms and conditions described herein, subject to the condition that services shall be provided to CSI at the higher of cost or market.

2) In future rate case proceedings, GTE South shall bear the burden of proving for any services it provided to CSI for which a market exists that it received the higher of cost or market.

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.

5) Should there be any changes in the terms and conditions of Agreement or any previous or current amendments between GTE South and CSI from those contained herein, Commission approval shall be required for such changes.

6) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission.

7) GTE South shall include Amendment 2 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 is hereby dismissed.

CASE NO. PUA000018
MAY 23, 2000

JOINT APPLICATION OF
GTE SOUTH INCORPORATED
and
GTE INFORMATION SERVICES INCORPORATED

For approval of affiliated transactions pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On March 22, 2000, GTE South Incorporated ("GTE South," the "Company") and GTE Information Services Incorporated ("GTEISI") (collectively, "Applicants") filed an application under Chapter 4 of Title 56 of the Code of Virginia for approval of a Publishing Agreement (the "Agreement"). Applicants specifically request approval for GTEISI to provide (including publishing and distributing) telephone directories and advertising services to GTE South's service subscribers.

As part of the Agreement, GTEISI will purchase listing information from GTE South at the higher of cost or market. Since GTE South is billing non-affiliates the same price as affiliates, there won't be any preferential pricing to either affiliates or non-affiliates. The Applicants represent that advertising services received from GTEISI will be based on the prevailing market price. The Agreement allows GTE South to receive all other goods and services from GTEISI at the lower of cost or market. The initial term of the Agreement is through December 31, 2002.

As noted in Applicants' data response, GTE Directories Corporation, an operating division of GTEISI, previously provided in Case Nos. PUA910025 and PUA960005 and currently provides in Case No. PUA000002 publishing and directories services to GTE South. Applicants further state that the publishing and directory services in these agreements will be superseded by the proposed Agreement.

The differences between the proposed Agreement and the previously approved Publishing and Advertising Agreements are as follows:

1. GTEISI and GTE South will pay each other for services rendered rather than share Yellow Pages revenues;

2. GTE South's advertising in the Yellow Pages is addressed in the proposed Publishing Agreement while Yellow Pages advertising was previously addressed through a separate agreement filed in Case No. PUA970043; and

3. GTE South will no longer pay for distribution, enhancements, sales and use tax, and inclusion of courtesy listings.

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 the above-described Agreement to be in the public interest and that it should, therefore, be approved, subject to pricing at the higher of cost or market where services are provided by GTE South to GTEISI and at the lower of cost or market where GTE South is receiving services from GTEISI. GTE South should receive advertising services at the prevailing market price only to the extent that the market price is lower than cost.

GTE South should compare the market price with its cost of providing services and charge GTEISI the higher of GTE South's cost or the cost of obtaining services from an outside party (the market). In future rate proceedings, GTE South should bear the burden of proving that GTE South received the higher of cost or market. GTE South should compare the market price with GTEISI's cost of providing similar services and pay the lower of GTEISI's cost or the cost of obtaining services from an outside party (the market). In future rate proceedings, GTE South should bear the burden of proving that GTE South received services from GTEISI at the lower of cost or market or received advertising services at the prevailing market price only to the extent that the market price is lower than cost. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, GTE South and GTEISI are hereby granted approval of the Agreement under the terms and conditions described herein, subject to the condition that services shall be provided to GTEISI at the higher of cost or market. Additionally, advertising services shall be provided to GTE South at the prevailing market price to the extent that the prevailing market price is less than GTEISI's cost of providing the service. All other services shall be provided to GTE South at the lower of GTEISI's cost or the market price.

2) In future rate case proceedings, GTE South shall bear the burden of proving for any services it provided to GTEISI for which a market exists that it received the higher of cost or market.

3) In future rate case proceedings, GTE South shall bear the burden of proving for any services it received from GTEISI for which a market exists that it received such services at the lower of cost or market.

4) The approval granted herein shall have no ratemaking implications.

5) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia.

6) Should there be any changes in the terms and conditions of Agreement between GTE South and GTEISI 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 approval granted herein whether or not such affiliate is regulated by the Commission.

8) GTE South shall include the 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 is hereby dismissed.

CASE NO. PUA000019
MAY 18, 2000

JOINT APPLICATION OF
GTE SOUTH INCORPORATED
and
GTE INFORMATION SERVICES INCORPORATED

For approval of affiliated transactions pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On March 22, 2000, GTE South Incorporated ("GTE South," the "Company") and GTE Information Services Incorporated ("GTEISI") (collectively, "Applicants") filed an application under Chapter 4 of Title 56 of the Code of Virginia for approval of an Information Provisioning Agreement (the "Agreement"). Applicants specifically request approval for GTEISI to provide subscriber listing information ("SLI") and directory assistance listing information ("DALI") for states in GTE South's service territory. The initial term of the Agreement is through December 31, 2002.

As stated in the application, GTE South is required to provide SLI and DALI services, and execution of the Agreement will ensure that GTE South has an agreement in place, which will afford it the best prices and services. The Applicants represent that GTEISI previously provided SLI and DALI services under Publishing Agreements in Case Nos. PUA910025, PUA960005, and PUA000002. As noted in the Applicants' data response, the provision of such services will be superseded by the services provided in the proposed Agreement. The services in the proposed Agreement are the same as those provided in PUA000002, however, the pricing is different. As further stated in Applicants' data response, the proposed Agreement differs from that approved in Case No. PUA000002 because it allows GTE South to receive goods and services at market, which is at least comparable to the cost if obtained from a non-affiliated entity. Applicants represent that the pricing is in accordance with Federal Communications Commission ("FCC") 96-150 where the price for the service is lower of cost or market.

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 the above-described Agreement to be in the public interest and that it should, therefore, be approved, subject to pricing at the lower of GTEISI's cost or the market price. GTE South should compare the market price with GTEISI's cost of providing services and pay the lower of GTEISI's cost or the cost of obtaining services from an outside party (the market). In future rate proceedings, GTE South should bear the burden of proving that GTE South received services from GTEISI 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 GTEISI are hereby granted approval of the Agreement under the terms and conditions described herein, subject to the condition that services shall be provided to GTE South at the lower of GTEISI's cost or the market price.

2) In future rate case proceedings, GTE South shall bear the burden of proving for any services it received from GTEISI for which a market exists that it received such services at the lower of cost or market.

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.

5) Should there be any changes in the terms and conditions of Agreement between GTE South and GTEISI from those contained herein, Commission approval shall be required for such changes.

6) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission.

7) GTE South shall include the 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 is hereby dismissed.

CASE NO. PUA000020
JULY 21, 2000

JOINT PETITION OF
POWERGEN plc, LG&E ENERGY CORP.
and
KENTUCKY UTILITIES COMPANY, d/b/a OLD DOMINION POWER COMPANY

For approval of a merger

FINAL ORDER

On March 24, 2000, PowerGen plc ("PowerGen"), LG&E Energy Corp. ("LG&E Energy"), and Kentucky Utilities Company, d/b/a Old Dominion Power Company ("KU"), (collectively, the "Petitioners") filed a joint petition requesting approval, pursuant to § 56-88.1 of the Code of Virginia (the "Code"), of a proposed transaction whereby LG&E Energy will merge into PowerGen. Under the terms of the Agreement and Plan of Merger ("Merger Agreement"), the stock of LG&E Energy, the parent company of KU, will be acquired by PowerGen.

The Petitioners also request that the Commission determine that neither LG&E Energy nor PowerGen or any intermediate company between LG&E Energy and PowerGen will, by reason or ownership of all outstanding shares of common stock of LG&E Energy, be a public service company as defined in § 56-1 of the Code.

Further, the Petitioners request that the Commission certify to the Securities and Exchange Commission ("SEC") under Section 33(a)(2) of the Public Utility Holding Company Act of 1935 ("the 1935 Act") that the Commission has the authority and resources to protect the ratepayers of KU subject to its jurisdiction and that it intends to exercise that authority.

PowerGen is a public limited holding company formed in 1998 under the laws of England and Wales and is engaged in regulated and unregulated power activities around the world. PowerGen, through its subsidiaries, owns and operates cogeneration projects, nine power stations in England and Wales, and a regulated electric distribution utility known as East Midlands Electricity. It also develops independent power projects in Europe, India, and the Asian

Pacific area. PowerGen conducts energy trading, shipping, and gas pipeline operations, is a leading developer and operator of cogeneration, and is involved in renewable energy ventures.

LG&E Energy is a corporation organized under the laws of the Commonwealth of Kentucky. LG&E Energy is an exempt holding company under the 1935 Act and is engaged in cogeneration, independent power projects, exempt wholesale generation, and the ownership and operation of two retail electric and gas distribution utilities, known as Louisville Gas and Electric Company and KU[1].

KU is a public service corporation organized pursuant to the laws of the Commonwealth of Kentucky and the Commonwealth of Virginia. In Kentucky, KU provides retail electric service to approximately 478,000 customers in 77 counties and wholesale service to several municipalities. In Virginia, KU conducts business under the name Old Dominion Power Company ("ODP") and provides retail electric service to approximately 29,000 customers in five southwestern counties. ODP does not have any wholesale customers in Virginia.

On February 25, 2000, the Boards of Directors of PowerGen and LG&E Energy approved the Merger Agreement and executed the agreement on February 27, 2000. Under the terms of the Merger Agreement, LG&E Energy will merge with PowerGen Acquisition, a corporation to be formed and indirectly owned by PowerGen for the purpose of facilitating the merger. LG&E Energy will survive the merger, and PowerGen Acquisition will cease to exist, resulting in LGE Energy becoming a wholly owned subsidiary of PowerGen.

PowerGen will acquire 100 percent of all outstanding shares and share options of LG&E Energy common stock. The holders of LG&E Energy common stock will not become shareholders of PowerGen, but instead will receive $24.85 per share in cash. The purchase price represents a premium of 58 percent above the closing price ($15.75) of LG&E Energy shares on February 25, 2000, the last trading day prior to the merger announcement. The value of equity, on a fully diluted basis, is $3.2 billion. Upon completion of the merger, there will be no publicly traded shares of LG&E Energy stock. LG&E Energy will continue to own 100 percent of the issued and outstanding common stock of LG&E and KU. LG&E's and KU's outstanding preferred stock will not be changed, converted, or otherwise exchanged as a result of the merger. In addition, PowerGen will assume all the debt of LG&E Energy and its subsidiaries, which totals approximately $2.2 billion as of December 31, 1999. Thus, the total value of the acquisition is approximately $5.4 billion.

Furthermore, the Petitioners state that there will be additional companies between LG&E Energy and PowerGen. These intermediate companies will be, directly or indirectly, wholly owned by PowerGen and will have no public or private institutional equity or debt holders. The Petitioners state that such structures are typical for UK-US cross border transactions and will exist primarily for the purpose of creating an economically efficient and viable structure for completing the merger transaction.

Once the merger becomes effective, the Petitioners state that PowerGen will increase the size of its board of directors to allow LG&E Energy's Chief Executive Officer to be appointed. In addition, LG&E's Chief Executive Officer will also serve as Chairman and Chief Executive Officer of LG&E Energy. LG&E Energy's Board of Directors will be dissolved and replaced with a three-member board and an Advisory Board. PowerGen also intends to retain the existing LG&E Energy, LG&E, and KU senior management team.

The Petitioners state that KU will continue to function as a public utility subject to the regulatory jurisdiction of the Virginia State Corporation Commission, the Kentucky Public Service Commission, and, to the extent required by applicable law, the Tennessee Regulatory Authority. In addition, the Federal Energy Regulatory Commission ("FERC") will continue to regulate KU's transmission services and wholesale rates.

The shareholders of PowerGen and LG&E approved the Merger Agreement on June 5 and June 7, 2000. The merger was also approved by the Public Service Commission of Kentucky on May 15, 2000, and by FERC on June 28, 2000. The Petitioners are awaiting approval from the SEC.

PowerGen and the intermediate companies are expected, subject to SEC approval of the merger, to register as holding companies under the 1935 Act. As registered holding companies, they will be subject to various statutory and administrative requirements. As part of the merger approval process, the SEC will review the Petitioners' non-utility operations and the corporate structure proposed for the merged company. In addition, the SEC will request certification that the Virginia State Corporation Commission has the authority and resources to protect ratepayers subject to its jurisdiction and that it intends to exercise such authority.

Registration under the 1935 Act will also impose a number of restrictions on the operations of PowerGen and its subsidiaries. The restrictions include such things as requiring advance approval of securities issuance, sales and acquisitions of utility assets, acquisitions of other businesses, prohibiting PowerGen subsidiaries from providing certain services to each other, and limiting the ability of PowerGen and its subsidiaries from engaging in various businesses. The Petitioners state that LG&E Energy currently has four first tier subsidiaries[2], and, in order to comply with the 1935 Act, will add a service company, LG&E Energy Services, Inc. ("LG&E Services"), to that tier. LG&E Service will provide utility and non-utility subsidiaries and affiliates in the PowerGen group with administrative, management, and support services.[3]

The Petitioners state that the merger is intended to allow LG&E Energy and its utility subsidiaries, LG&E and KU, to become part of a larger international enterprise that will provide the size and scale that, they represent, have become critical and necessary prerequisites to success in an energy industry that has entered a period of accelerating evolution, rapid deregulation and regulatory change, and increased competition. By becoming part of PowerGen, KU states it will be better able to utilize beneficial developments in transmission and distribution technology, information systems, and capital markets. In addition, PowerGen's experience in the United Kingdom and other countries is expected to provide help in advancing KU's efforts in the wholesale market, as well as in preparing KU for restructuring and competition.

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[1] By Order dated January 20, 1998, in Case No. PUA970041, the Commission approved the merger of KU's then parent company, KU Energy Corporation, with and into LG&E Energy with LG&E Energy being the surviving company.

[2] The first tier subsidiaries of LG&E Energy are LG&E, KU, LG&E Capital Corp., and LG&E Energy Marketing, Inc.

[3] The Petitioners state that they will file a separate application pursuant to Chapter 4 of Title 56 of the Code of Virgina ("Affiliates Act") requesting the Commission to exempt ODP from all of the requirements of § 56-77A or, in the alternative, approve a service agreement between LG&E, ODP, and LG&E Services.

KU further contends that the merger will bring benefits to customers, employees, LG&E Energy's shareholders (a number of whom are residents of Virginia), and the Commonwealth of Virginia. After the merger, KU will have the financial, technical, and managerial capabilities that are needed to provide efficient customer service. Petitioners represent that customers should benefit from improved service quality and energy efficiency resulting from the reciprocal adoption of "best practices". For employees, the merger represents an opportunity for growth as the existing KU affiliated group becomes the U.S. base of operations for a large international entity.

PowerGen pledges to maintain the same commitment to KU that was exhibited by LG&E Energy and KU Energy Corporation, and it is firmly committed to maintaining and supporting the relationships between KU and the communities its serves. KU will maintain its separate existence, will keep its headquarters in Lexington, Kentucky, and will also maintain its connections and commitments to southwestern Virginia.

On May 12, 2000, the Commission issued an order directing the Petitioners to provide public notice of their petition and to provide an opportunity for interested persons to comment and request a hearing. The Commission also directed its Staff to file a report detailing the results of its investigation of the matter.

There were no comments or requests for hearing filed in this proceeding.

Pursuant to a May 12, 2000, Order Extending Procedural Schedule, Staff filed its Report on July 5, 2000. In its Report, Staff stated that it appears that there will be no direct change in the relationship between LG&E Energy and KU other than the inclusion of LG&E Services as a direct affiliate of LG&E Energy. Staff also stated that it believes that ODP is subject to the provisions of § 56-590 of the Code. Staff recommended that the Commission address the matter of Petitioners' request for certification when the SEC summits a letter requesting the same. Staff also recommended approval of the joint petition subject to certain conditions as addressed herein.

There was no response to Staff's Report filed by either the Petitioners or any interested person.

On July 13, 2000, Staff, on behalf of itself and the Petitioners filed a motion wherein it requested that the Commission approve the Memorandum of Agreement ("MOA") attached thereto. The MOA is designed to resolve all issues between Staff and the Petitioners and to ensure that the statutory standard set out in § 56-90 of the Code is met.

NOW THE COMMISSION, having considered the joint petition, the Staff Report, and the proposed MOA, is of the opinion and finds that the MOA should be approved without modification. We find, consistent with the requirements of § 56-90 of the Code, that the provisions of the MOA will ensure that adequate service to the public at just and reasonable rates will not be impaired or jeopardized. We will not address in this proceeding the Petitioners' request regarding a determination that neither LG&E Energy, PowerGen, nor any intermediate company will be a public service company as defined in § 56-1. We will defer our consideration of the requested certification to the SEC until such time as we receive a request from that regulatory agency.

Accordingly, IT IS ORDERED THAT:

(1) The Agreement and Plan of Merger is hereby approved subject to the terms and conditions of the Memorandum of Agreement.

(2) The Memorandum of Agreement is adopted in full herein, and the Petitioners are ORDERED to comply with its terms and the conditions established therein.

(3) Except to the extent set out in the Memorandum of Agreement adopted above, this Order shall have no ratemaking implications.

(4) There being nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUA000021
MAY 26, 2000

JOINT APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY
and
UNITED WATER VIRGINIA, INC.

For authority to enter into an affiliate agreement

ORDER GRANTING AUTHORITY

On March 24, 2000, Virginia-American Water Company ("Virginia-American") and United Water Virginia, Inc. ("UWV"), (collectively reference to as "Applicants") filed a joint application with the Commission pursuant to the Affiliates Act for authority to enter into an affiliate agreement.

As stated in the joint application, Virginia-American provides water service to 50,000 customers in Virginia. It is a wholly owned subsidiary of American Water Works Company, Inc. ("American"). United Waterworks, Inc. ("United"), is a wholly owned subsidiary of United Water Resources, a utility holding company that owns and operates water utilities in nineteen states and Canada. United is the parent company of United Water Virginia, Inc. ("UWV"). UWV provides water service to approximately 1,800 customers in Virginia.

By Commission Order dated December 21, 1999, the Commission approved the acquisition by Virginia-American of UWV in Case No. PUA990046. As represented in the joint application, the transaction was consummated on February 29, 2000. As a result of the transaction, Virginia-American and UWV are affiliates as defineu in Chapter 4 of Title 56 of the Code of Virginia.

Virginia-American and UWV propose to execute a Management Services Agreement ("the Agreement") pursuant to which Virginia-American will provide UWV with executive, finance, human resources, accounting, information systems, public relations, data processing, and other operational services from time to time. Virginia-American will procure some of these services from American Water Works Service Company ("AWWSC"), a subsidiary of American. In addition, Virginia-American will process and pay accounts payable and payroll on behalf of UWV and will be reimbursed for those payments on a monthly basis.

As stated in the joint application, the Agreement will not become effective in Virginia until the Commission approves it. The Agreement is for one year or until such time as UWV is merged into Virginia-American. If not terminated due to the merger, the Agreement will be automatically renewed on the same terms and conditions for successive one-year terms, provided that either party may terminate the Agreement on the expiration of the original term or any renewal term upon three months' prior written notice to the other party.

In the joint application, Joint Applicants represent that because there is no market for the types of internal services to be exchanged between the companies, Virginia-American will be providing services to UWV at cost. Services provided by AWWSC to Virginia-American for the benefit of UWV will be provided to Virginia-American pursuant to the affiliate agreement between Virginia-American and AWWSC and approved in Case No. PUA880055. Those expenses related to services for UWV will be passed on to UWV without markup by Virginia-American.

Applicants represent that AWWSC will incur expenses of approximately $5,000 per month to provide services to UWV. In addition, Virginia-American will charge UWV a flat management fee of $2,500 per month to render management services to UWV. Applicants agree that in no event shall the total management fees charged to UWV by AWWSC and Virginia-American exceed $100,000 on an annualized basis.

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 Agreement is in the public interest and should be approved subject to certain conditions. The Commission believes that, in order that costs incurred by Virginia-American in providing services to UWV be accurately charged to UWV, the determination of the flat management fee should be re-evaluated on an annual basis. Any change in the management fee resulting from such re-evaluation should be approved by the Commission. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Virginia-American and United Water Virginia are hereby granted authority to enter into the Management Services Agreement under the terms and conditions and for the purposes as described herein, subject to the condition that the determination of the flat management fee as described herein be re-evaluated on an annual basis.

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 changes.

3) The authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

4) The authority granted herein shall not have any ratemaking implications.

5) The Commission reserves the right to examine the books and records of any affiliates of Virginia-American and UWV in connection with the authority granted herein whether or not the Commission regulates such affiliate.

6) Virginia-American and UWV shall include the Agreement authorized herein in their Annual Report of Affiliate Transactions filed with the Director of Public Utility Accounting of the Commission.

7) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA000022
MAY 23, 2000

JOINT APPLICATION OF
GTE SOUTH INCORPORATED
and
GTE COMMUNICATIONS CORPORATION

For approval of affiliated agreement

ORDER GRANTING APPROVAL

On March 28, 2000, GTE South Incorporated ("GTE South," the "Company") and GTE Communications Corporation ("GTECC") (collectively, "Applicants") filed an application under Chapter 4 of Title 56 of the Code of Virginia for approval of a second amendment ("Amendment No. 2") to an existing National Transport Network Agreement (the "Agreement"). Applicants specifically request approval to extend the term of the Agreement through March 1, 2001.

In Case No. PUA940057, GTE South entered into the Agreement with the other GTE Telephone Operating Companies ("GTOCS") and GTE Telecom Incorporated ("GTE Telecom") to obtain telecommunications services on dedicated digital telecommunications facilities, i.e., private lines. Amendment No. 1 in Case No. PUA970028 extended the term of the Agreement through February 29, 2000, and the Agreement, as amended, was assigned by GTE Telecom to GTECC.

Applicants state that the Telecommunication Service Orders ("TSOs") entered into prior to February 29, 2000, remain in effect, and thus by the terms of the Agreement have not expired. However, in order to permit continued execution of new TSOs, the Applicants request approval of Amendment No. 2. The Applicants represent that the interlata private line official communication service is required by the utility in order to conduct its daily business activities. The Applicants further represent that AT&T was selected as the appropriate vendor among AT&T, MCI, and Sprint, who all placed bids on the original contract. Thus, the basic service is acquired from a nonaffiliated entity (AT&T), which is the lowest cost provider.

Applicants represent that GTECC has administered the Agreement on behalf of the entire GTE Corporation, replacing the approach of various GTE entities obtaining interlata private line communication services on an individual entity basis. Applicants further represent that GTECC's management of the Agreement on behalf of the GTE Corporation increases the cost benefit for each participating GTE entity because of the "sharing of cost" advantage. Additionally, GTECC will continue to manage the Agreement on a break-even and/or cost basis, which includes no allowance for a rate of return or a profit margin.

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 the above-described Amendment No. 2 to be in the public interest and should, therefore, be approved, subject to pricing at GTECC's cost as long as cost is less than market. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, GTE South and GTECC are hereby granted approval of Amendment No. 2 under the terms and conditions described herein, subject to the condition that services shall be provided to GTE South at GTECC's cost as long as GTECC's cost is less than the market price for such services.

2) GTE South shall bear the burden of proving that it paid the lower of GTECC's cost or market for services obtained from GTECC for which a market exists.

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.

5) Should there be any changes in the terms and conditions of the Agreement or amendments thereto between GTE South and GTECC from those contained herein, Commission approval shall be required for such changes.

6) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission.

7) GTE South shall include Amendment No. 2 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 is hereby dismissed.

CASE NO. PUA000024
JULY 14, 2000

JOINT PETITION OF
NISOURCE INC., NEW NISOURCE INC.
and
COLUMBIA ENERGY GROUP

For approval of agreement and Plan of merger under Chapter 5 Of Title 56 of the Code of Virginia

FINAL ORDER

On April 3, 2000, NiSource Inc. ("NiSource"), New NiSource Inc. ("New NiSource"), and Columbia Energy Group ("Columbia Energy") (collectively, the "Petitioners") filed a joint petition requesting approval, pursuant to § 56-88.1 of the Code of Virginia, of a proposed transaction whereby Columbia Energy would merge into New NiSource. Under the terms of the Agreement and Plan of Merger between Columbia Energy and NiSource dated February 27, 2000, as amended on March 31, 2000 ("Merger Agreement"), the stock of Columbia Energy, the parent company of Columbia Gas of Virginia, Inc. ("Columbia Gas"), will be acquired by New NiSource. Under the Merger Agreement, a new holding company, New NiSource, will be formed and will obtain all of the stock of NiSource and Columbia Energy.

Petitioners also request that the Commission issue a letter certifying to the Securities and Exchange Commission ("SEC") that the Commission has the resources to, and does currently exercise, regulatory jurisdiction over the rates, services, and operation of Columbia Gas and that it will continue to exercise that jurisdiction following the merger.

NiSource is an energy and utility-based holding company organized under the laws of the State of Indiana. It provides natural gas, electricity, and water to the public for residential, commercial, and industrial users in the Midwestern and Northeastern United States. NiSource also markets utility services and customer-focused resource solutions along a corridor stretching from Texas to Maine. NiSource has five energy utility subsidiaries: Northern

Indiana Public Service Company, Kokomo Gas and Fuel Company, Northern Indiana Fuel and Light Company, Inc., Bay State Gas Company, and Northern Utilities, Inc.[1] NiSource is currently an exempt public utility holding company under the Public Utility Holding Company Act of 1935 ("PUHCA").

New NiSource is a Delaware corporation, which will register as a public utility holding company under PUHCA following completion of the Merger.

Columbia Energy is a Delaware corporation, which is currently a registered holding company under PUHCA. Through its subsidiaries, Columbia Energy is engaged in gas exploration and production, gas transmission, storage and distribution, retail energy marketing, energy management, propane and petroleum sales, and electricity generation, sales, and trading. In addition to Columbia Gas, Columbia Energy's natural gas distribution subsidiaries serve customers in Kentucky, Ohio, Pennsylvania, and Maryland.

Columbia Gas, as a wholly owned subsidiary of Columbia Energy, provides natural gas service to more than 180,000 customers in portions of Northern Virginia, Fredericksburg, the Shenandoah Valley, the Lynchburg region, the suburbs of Richmond, Hampton Roads, Southside Virginia, and parts of western Virginia.

Petitioners described two alternative structures for the proposed merger. The first and preferred structure provides for a business combination involving the creation of a new holding company, currently named New NiSource. New NiSource has formed two subsidiaries, NiSource Acquisition Corp. and Columbia Acquisition Corp., to acquire the stock of both NiSource and Columbia Energy and to merge with and into such entities, respectively. Petitioners anticipate that NiSource will subsequently be merged into New NiSource although such action is not explicitly addressed in the Merger Agreement. Under this proposed structure, New NiSource will register as a holding company with the SEC under PUHCA.

The above-referenced structure has been approved by NiSource's and Columbia Energy's Boards of Directors. If NiSource's shareholders approve the merger, the preferred structure will be used. In the event Columbia Energy's shareholders vote in favor of the Merger, but NiSource's shareholders do not approve the Merger, the transaction will be structured so that Columbia Energy will become a wholly owned subsidiary of NiSource. Under this alternative, NiSource will register as a public utility holding company under PUHCA.

Under either structure, Columbia Gas will remain a wholly owned subsidiary of Columbia Energy and will continue to be headquartered in Chesterfield, Virginia. Columbia Gas and the other operating subsidiaries of Columbia Energy will retain their separate corporate identities.

On April 17, 2000, the Commission issued an order directing the Petitioners to provide public notice of their petition and to provide an opportunity for interested persons to comment and request a hearing. The Commission also directed its Staff to file a report on or before May 22, 2000.

Pursuant to that Order, Paper, Allied-Industrial Chemical and Energy Workers International, AFL-CIO-CLC ("PACE"), PACE Local Union No. 5-372, United Steelworkers of American, AFL-CIO-CLC ("Steelworkers"), and Utility Workers Union of America, AFL-CIO ("UWUA") (collectively, "Union Intervenors") filed a petition to intervene in this proceeding. In their petition, the Union Intervenors requested the Commission to consider their protest, comments, and answer and take action consistent with the arguments presented therein. The concerns in that petition focused on post-merger employment levels of Columbia Gas' field personnel and the potential threat of the merger to the maintenance of adequate service at just and reasonable rates. The Union Intervenors also requested a hearing on the matter.

On May 22, 2000, Staff filed its Report wherein it recommended approval of the proposed merger subject to certain conditions and/or commitments by the Petitioners. On May 26, 2000, the Petitioners filed a response to the Staff's Report. In its Response, the Petitioners requested that the Commission approve the proposed merger subject to the conditions contained in Staff's Report, with the exception of certain modifications and clarifications contained in their Response.

On June 2, 2000, Staff filed a Motion for Consideration of Stipulation. The proposed Stipulation attached thereto is designed to resolve all issues between Staff and the Petitioners and to assure that the statutory standard set out in § 56-90 of the Code of Virginia is met.

Pursuant to a Commission Order for Comments on the Stipulation entered on June 15, 2000, several interested persons filed comments, requested a hearing, and/or requested amendments to the Stipulation.[2] In their comments, the Harrisonburg Commentors complain about the quality and reliability of gas service in the Harrisonburg, Virginia area. Stand, a natural gas marketing company currently serving 40 customers on the Columbia Gas system, noted that its natural gas service was regularly interrupted in the Harrisonburg area. Stand specifically requested that the Commission order an amendment to paragraph 2(ii) of the Stipulation to require immediate upgrade of the delivery system into the Harrisonburg area.

In comments filed by the Petitioners on July 7, 2000, as supplemented by affidavits filed on July 10, 2000, the Petitioners note that Stand is a natural gas marketer that sells gas to Columbia Gas interruptible transportation customers in the Harrisonburg area. The remaining Harrisonburg Commentors receive interruptible transportation service under Columbia Gas' Schedule TS1/TS2. The Petitioners note that, by its nature, the above-referenced service is subject to interruption when necessary to continue uninterrupted service to higher-priority core firm customers. The Petitioners also note that Rocco Feeds, Inc., and Rockingham Memorial Hospital subscribe to small volumes of standby sales service under Rate Schedule LGS when the above-referenced transportation service is not available. Standby sales are treated as firm service and are not curtailed.

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[1] Northern Indiana Public Service Company, Kokomo Gas and Fuel Company, and Northern Indiana Fuel and Light Company, Inc., serve customers in Indiana while Bay State Gas Company serves natural gas customers in Massachusetts and Northern Utilities, Inc., serves customers in New Hampshire and Maine.

[2] Union Intervenors filed Notice of Intent to Comment Adversely to Stipulation, Withdrawal of Request for Evidentiary Hearing, and Request to Add United Association to Union Intervenors Group on June 27, 2000, but subsequently filed comments in support of the Stipulation on July 5, 2000. Dunham-Bush, Transprint USA, Shady Brook Farms, Packing Corporation of America, RMC Inc., Tenneco Automotive, Rocco Feeds, Inc, Rockingham County Public Schools, Rockingham Memorial Hospital, Eastern Mennonite University, Stand Energy Corporation (hereinafter referenced as "Stand"), James Madison University, and the City of Harrisonburg, Virginia, (collectively referenced as "Harrisonburg Commentors") each filed comments on the Stipulation and/or requested a hearing and/or amendments to the Stipulation.

Petitioners submit that no hearing is necessary to address such claims and that those claims, if they have any merit, are appropriately addressed through a formal or informal complaint process before the Commission. The Petitioners request that the Commission approve the Stipulation without modification.

NOW THE COMMISSION, having considered the petition, the Staff Report, the proposed Stipulations, and all the comments thereto, is of the opinion and finds that the Stipulation should be approved without modification. We find, consistent with the requirements of § 56-90 of the Code of Virginia, that the provisions of Stipulation will ensure that adequate service to the public at just and reasonable rates will not be impaired or jeopardized. We further find, as Petitioners and the Staff have stipulated, that following the merger we will continue to have, and will exercise, regulatory jurisdiction over the rates, services, and operation of Columbia Gas. The Staff is directed to prepare a letter to the appropriate official at the Securities and Exchange Commission conveying this advice.

With regard to the comments and requests of the Harrisburg Commentors, we note that none of these correspondents identified themselves as customers of interruptible service although their complaints as to Columbia Gas' service adequacy all dealt with interruptions of service.

Customers of interruptible service pay lower rates than customers of firm services in exchange for allowing the utility to interrupt their service if necessary. Affidavits of appropriate officials of Columbia Gas attest that all of the Harrisonburg Commentors are interruptible customers and that no service interruptions to firm customers in Harrisonburg have occurred since at least 1994. The affidavits further imply that optional standby service is available to customers that wish to remain served at interruptible rates but have backup gas supply during a time of interruption. As noted earlier, two of the Harrisonburg Commentors subscribe to this service. We are persuaded from the record that there are adequate service options available to the Harrisonburg Commentors.

We expect the Company to provide adequate service to all customers and to make appropriate capital investment to preserve and maintain Columbia Gas' reliable service and to expand its service to meet growing customer demand as appropriate. Any customer or group of customers believing service to be inadequate may make complaint to the Commission and, if the Commission finds the complaint to be well-founded, we will take appropriate steps to ensure that reliable service is restored.

Accordingly, IT IS ORDERED THAT:

(1) The Agreement and Plan of Merger, as amended, is hereby approved subject to the terms and conditions of the Stipulation.

(2) The Stipulation is adopted in full herein and the Petitioners and Columbia Gas are ORDERED to comply with its terms and with the conditions established therein.

(3) Except to the extent set out in the Stipulation adopted above, this Order shall have no ratemaking implications.

(4) There being nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUA000025
MAY 11, 2000

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY
and
RAPPAHANNOCK ELECTRIC COOPERATIVE

For authority to sell public service corporation property

ORDER GRANTING AUTHORITY

On April 4, 2000, Virginia Electric and Power ("Virginia Power," "Company") and Rappahannock Electric Cooperative ("REC," "Cooperative") filed an application with the Commission under the Utility Transfers Act. In the application, Virginia Power proposes to sell, and Cooperative proposes to purchase certain metering facilities, specifically, instrument transformers, meter, and miscellaneous hardware located within REC's Millers Tavern delivery point. Virginia Power uses the assets that it proposes to transfer in connection with its resale of electricity to REC, and those assets will be used by REC in connection with the distribution and sale of electricity to its retail customers.

As further stated in the application, the total purchase price for the facilities is $6,852. This price is equal to the present reproduction cost of the facilities less depreciation as estimated by Virginia Power to be $5,653, plus $199 for miscellaneous costs associated with inventorying and engineering and $1,000 for legal and administrative fees. After the transfer REC will use the facilities to continue to serve its customers.

THE COMMISSION, upon consideration of the application and representations of Virginia Power and REC and having been advised by its Staff, is of the opinion and finds that the above-described transfer of public service corporation property will neither jeopardize nor impair 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, Virginia Electric and Power Company and Rappahannock Electric Cooperative are hereby granted authority for the proposed sale and transfer of the utility assets as described herein.

2) The authority granted herein shall have no ratemaking implications.

3) Virginia Electric and Power Company and Rappahannock Electric Cooperative shall file a report of the action taken pursuant to the authority granted herein with the Commission's Director of Public Utility Accounting by no later than July 31, 2000, subject to extension by the Director of Public Utility Accounting. Such report shall include the date of transfer, the sales price, and the actual accounting entries reflecting the transaction.

CASE NO. PUA000026
MAY 11, 2000

PETITION OF
WEST ROCKINGHAM WATER COMPANY, INC.

For authority to dispose of its assets and to cease its operation as a water company

ORDER GRANTING AUTHORITY

On April 7, 2000, West Rockingham Water Company, Inc. ("West Rockingham," the "Company"), filed an application under the Utility Transfers Act requesting authority to dispose of all of its assets and to cease its operation as a water company. West Rockingham proposes to transfer its assets to the County of Rockingham, Virginia (the "County"), via the Company's shareholders.

In an Order dated September 23, 1999, in Case No. PUE990006, the Commission found that West Rockingham failed to meet its obligations under § 56-265.13:4 of the Code of Virginia by failing to provide reasonably adequate water services and facilities for its sixty-two (62) customers in the Lilly Gardens and the Sunset Heights Subdivisions. The Commission also found that West Rockingham failed to comply with the National Primary Drinking Water Regulations and the Commonwealth's Water Works Regulations. The Commission ordered West Rockingham to provide adequate water service, to comply with all applicable state and federal laws and regulations, and to submit and carry out a detailed plan of extensive capital improvements. The Company estimated that those capital improvements would cost between $200,000.00 and $300,000.00.

According to the petition, as West Rockingham pursued compliance with the Commission's Order, at least fifty percent (50%) of the landowners and qualified voters of Lilly Gardens and Sunset Heights Subdivisions (the "Petitioners") petitioned the Circuit Court of Rockingham County, Virginia (the "Circuit Court"), for the creation of a sanitary district encompassing the two subdivisions. On January 26, 2000, the Circuit Court entered an Order creating the Lilly Subdivision Sanitary District (the "Sanitary District"). That Order also incorporated a December 20, 1999, opinion of the Judge of the Circuit Court wherein he noted that the cost of needed capital improvements would result in West Rockingham's customers paying rates approximately ten times more than their current rates. In its application, the Company states that the cost to the customers with the County administering the Sanitary District will be no more than it would be if the Company were to proceed with improvements.

The Company asserts that it is impossible to comply with both the Commission's Order and the Circuit Court's Order. West Rockingham also asserts that "the Circuit Court's order controls and [West Rockingham] has, therefore, ceased action under the Commission's Order . . .."[1] The Company represents that it is wrapping up its operations and corporate existence and is turning over its assets and operations to the Sanitary District. Upon liquidation of corporate debts, West Rockingham's assets will first go to the shareholders of the Company and then to the County for use in the Sanitary District.

The residents in the subdivisions expressed at public hearings before the Commission in Case No. PUE990006 and in their petition for the Sanitary District that they want the County to administer the water system to ensure an adequate supply of clean water. Residents also testified that since 1976 their water supply has been less than adequate in terms of quality, quantity, and pressure and that their water is so turbid that many of them have had to install their own private filtration systems. No resident indicated satisfaction with West Rockingham's quality of service or opposed the creation of the Sanitary District. Moreover, West Rockingham admits that its water system is inadequate and needs dramatic capital improvements in order to meet minimal accepted standards.

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 West Rockingham'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, subject to the condition that the deeds and bills of transfer referenced as Exhibits D, E, F, and G of the petition are executed, delivered, and recorded at the same time. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-89 and 56-90 of the Code of Virginia, West Rockingham Water Company, Inc., is hereby granted authority to transfer all of its assets to the County of Rockingham, Virginia, subject to the condition referenced below.

2) The transfers shall be effected immediately and the deeds and bills of transfer referenced as Exhibits D, E, F, and G of the petition shall be executed, delivered, and recorded contemporaneously.

3) The Company shall file a Report of Action with the Commission's Director of Public Utility Accounting no later than July 7, 2000, subject to extension by the Director of Public Utility Accounting. The Report of Action shall contain a certified statement that the deeds and bills of transfer were executed, delivered, and recorded consistent with Ordering Paragraph 2) herein. Such report shall also include the dates of such action.

4) There appearing nothing further to be done in this matter, it is hereby dismissed.

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[1] Although paragraph 4 of West Rockingham's petition states that ". . . the Circuit Court's order controls. . . ", the Judge's Order does not purport to supersede any Commission order. Moreover, the Circuit Court could not change or annul a Commission order. See Va. Const. art. IX, § 4.

CASE NO. PUA000028
APRIL 18, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter concerning the separation of regulated and unregulated businesses of utility consumer services cooperatives and utility aggregation cooperatives

ORDER PRESCRIBING NOTICE AND INVITING COMMENTS

Chapter 9.1 (§ 56-231.15 et seq.) of Title 56 of the Code of Virginia governs the conduct of Utility Consumer Services Cooperatives and Utility Aggregation Cooperatives. Section 56-231.34:1 applicable to Utility Consumer Services Cooperatives, and § 56-231.50:1, applicable to Utility Aggregation Cooperatives, collectively govern relations between cooperatives and their affiliates that are engaged in businesses that are not regulated utility services.

Sections 56-231.34:1 and 56-231.50:1 also direct the Virginia State Corporation Commission ("Commission") to promulgate regulations governing the conduct of cooperatives for the purpose of promoting effective and fair competition between such cooperatives' affiliates and other persons engaged in the same or similar businesses that are not regulated utility services. Additionally, these statutes direct the Commission to establish codes of conduct detailing permissible relationships between such cooperatives and their affiliates. In establishing these codes, the Commission is required to address, among other issues, the sharing of customer information between cooperatives and such affiliates; affiliate use of cooperative name, logo or trademarks; and sharing of vehicles, office space and employees by cooperatives and such affiliates.

The regulations to be adopted in this proceeding will implement the provisions of Chapter 9.1 (§ 56-231.15 et seq.) of Title 56 of the Code of Virginia governing the relations between Utility Consumer Services Cooperatives and Utility Aggregation Cooperatives and non-regulated affiliates thereof.

Upon consideration whereof, the Commission is of the opinion and finds that notice of this proposed rulemaking should be published in newspapers of generation circulation throughout the Commonwealth; that this Order should be published in the Virginia Register of Regulations and that interested persons should be afforded an opportunity to file written comments or request a hearing on the proposed regulations appended hereto as Attachment A. Accordingly,

IT IS ORDERED THAT:

(1) Interested persons may obtain a copy of this Order, together with a copy of the proposed rules upon which comment is sought (Attachment A hereto), by directing a request in writing for the same to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218. Such requests shall refer to Case No. PUA000028.

(2) A copy of this Order and the proposed regulations shall also be made available for public review in the Commission's Document Control Center, located on the First Floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, during its regular hours of operation, Monday through Friday, from 8:15 a.m. to 5:00 p.m.

(3) On or before May 22, 2000, any person desiring to comment upon the proposed regulations shall file an original and fifteen (15) copies of their comments with the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, making reference in such comments to Case No. PUA000028. Such comments should set forth the person's interest in this proceeding, and if such person objects to certain provisions of the proposed regulations, proposed alternative language for the regulations should be included in such person's comments.

(4) Any person desiring a hearing in this matter shall file such a request with their comments on or before May 22, 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 person seeks a hearing, together with the evidence expected to be introduced at any hearing. If no sufficient request for a hearing is received, the Commission may enter an order promulgating regulations upon the basis of the written pleadings filed.

(5) On or before May 2, 2000, the Commission will cause to be published the following notice as classified advertising on one occasion in newspapers of general circulation throughout the Commonwealth of Virginia:

NOTICE TO THE PUBLIC OF A PROCEEDING TO ESTABLISH
REGULATIONS CONCERNING PERMISSIBLE RELATIONS BETWEEN
ELECTRIC COOPERATIVES AND THEIR NON-REGULATED AFFILIATES
CASE NO. PUA000028

Chapter 9.1 (§ 56-231.15 et seq.) of Title 56 of the Code of Virginia governs the conduct of Utility Consumer Services Cooperatives and Utility Aggregation Cooperatives. Section 56-231.34:1 applicable to Utility Consumer Services Cooperatives, and § 56-231.50:1, applicable to Utility Aggregation Cooperatives, collectively govern relations between cooperatives and their affiliates that are engaged in businesses that are not regulated utility services.

These statutory provisions also direct the Virginia State Corporation Commission ("Commission") to promulgate regulations governing the conduct of cooperatives for the purpose of promoting effective and fair competition between such cooperatives' affiliates and other persons engaged in the same or similar businesses that are not regulated utility services. Additionally, they require the Commission to establish codes of conduct detailing permissible relationships between such cooperatives and their affiliates. In establishing these codes, the Commission is required to address, among other issues, the sharing of customer information between

cooperatives and such affiliates; affiliate use of cooperative name, logo or trademarks; and sharing of vehicles, office space and employees by cooperatives and such affiliates.

By Order entered on April 18, 2000, the Commission established a proceeding to consider regulations proposed by the Commission's Staff concerning the matters described above. Interested persons should obtain copies of the Commission's April 18, 2000, Order with attached proposed regulations from the Clerk of the Commission at the address listed below. The Order and proposed regulations will also appear in the May 8, 2000, issue of The Virginia Register of Regulations.

A copy of the Order Prescribing Notice and Inviting Comments, together with the proposed regulations, 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.

Any person desiring to comment upon the proposed regulations shall file, on or before May 22, 2000, an original and fifteen (15) copies of their 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 person's interest in this proceeding, and if a person objects to certain provisions in the proposed regulations, such person should propose alternative language for the regulations in their comments. All such comments should refer to Case No. PUA000028.

Any person desiring to request a hearing in this matter shall file such a request with their comments on or before May 22, 2000, and shall state in detail why a hearing is necessary. Such a request should identify the factual issues 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 communications 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. PUA000028.

THE DIVISION OF PUBLIC UTILITY ACCOUNTING
OF THE VIRGINIA STATE CORPORATION COMMISSION

(6) On or before May 31, 2000, the Division of Public Utility Accounting shall file with the Clerk of the Commission proof of the publication of the notices required herein.

NOTE: A copy of Attachment A entitled "Regulations Governing the Separation of Regulated and Unregulated Businesses of Utility Consumer Services Cooperatives and Utility Aggregation Cooperatives" 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. PUA000028
JUNE 29, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the Matter Concerning the Separation of Regulated and Unregulated Businesses of Utility Consumer Services Cooperatives and Utility Aggregation Cooperatives

ORDER ADOPTING REGULATIONS

Sections 56-231.34:1 and 56-231.50:1 of the Code of Virginia direct the State Corporation Commission ("Commission") to promulgate rules and regulations governing the conduct of utility consumer services cooperatives and utility aggregation cooperatives for the purpose of promoting effective and fair competition between such cooperative's affiliates that are engaged in business activities that are not regulated utility services and other person's engaged in the same or similar unregulated businesses.

By Order Prescribing Notice and Inviting Comments entered April 18, 2000, the Commission established this proceeding for the promulgation of regulations in accordance with §§ 56-231.34:1 and 56-231.50:1. The Commission received comments from the following parties: the Virginia Cooperatives;[1] the Virginia Petroleum Marketers & Convenience Store Association, Inc. ("VAPMACS"); the Virginia Propane Gas Association and the Consulting Engineers Council of Virginia, Inc. (collectively, "Trade Associations"); Roanoke Gas Company and Diversified Energy Company ("Roanoke Gas"); Washington Gas Light Company ("Washington Gas"); and The Potomac Edison Company, d/b/a Allegheny Power. VAPMACS requested a hearing on the proposed regulations.

[1] Namely, A&N Electric Cooperative; BARC Electric Cooperative; Community Electric Cooperative; Craig-Botetourt Electric Cooperative; Mecklenburg Electric Cooperative; Northern Neck Electric Cooperative, Inc.; Northern Virginia Electric Cooperative; Powell Valley Electric Cooperative; Prince George Electric Cooperative; Rappahannock Electric Cooperative; Shenandoah Valley Electric Cooperative; Southside Electric Cooperative, Inc.; Old Dominion Electric Cooperative; and the Virginia, Maryland & Delaware Association of Electric Cooperatives.

By order of June 2, 2000, we scheduled a public hearing to receive evidence on the proposed regulations. The hearing was held on June 22, 2000. The Commission Staff, the Virginia Cooperatives, VAPMACS, the Trade Associations; Roanoke Gas; and Washington Gas participated at the hearing. The Commission received evidence from witnesses for the Staff and the parties, as well as from two public witnesses, and heard argument from counsel and VAPMACS.

NOW THE COMMISSION, upon consideration of the record developed in this proceeding and the applicable law, is of the opinion and finds that the regulations attached hereto should be adopted, effective July 1, 2000. The regulations we adopt herein contain certain modifications to those that were published pursuant to our order of April 18, 2000. These modifications have been made after our consideration of proposed revisions made by the Staff prior to the hearing and the additional changes suggested by the parties at the June 22 hearing, as well as all of the other testimony at the hearing.

We note that these regulations, like many rules, will be evolving. Some parties urged modifications for the regulations to more specifically address particular business activities. At this stage, however, we find that the regulations should be broad in scope as they are applicable to all cooperative affiliate relations.

The regulations adopted, as modified, also reflect our concern with the release of customer information. In the Commission's recently-adopted Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs in Case No. PUE980812, we permit the release of only addresses of eligible pilot customers absent affirmative authorization for the disclosure of additional customer information. In the regulations we adopt today, we will allow at this time disclosure of sales leads and customer information only if such disclosure is authorized by the person whose information is to be disclosed.

The regulations include, as required by §§ 56-231.34:1 and 56-231.50:1, provisions that: prohibit cost-shifting or cross-subsidies between a cooperative and its affiliates; prohibit anti-competitive behavior or self-dealing between a cooperative and its affiliates; prohibit a cooperative from engaging in discriminatory behavior towards nonaffiliated entities; and establish codes of conduct detailing permissible relations between a cooperative and its affiliates.

Accordingly, IT IS ORDERED THAT:

(1) Regulations governing the separation of regulated and unregulated businesses of utility consumer services cooperatives and utility aggregation cooperatives are hereby adopted, to be effective July 1, 2000, as shown in Attachment A to this Order.

(2) Any cooperative engaged in a contract or arrangement with a non-regulated affiliate as of July 1, 2000, shall file with the Commission the information required in 20 VAC 5-203-30 on or before October 2, 2000.

(3) There being nothing further to come before the Commission, this case shall be removed from the docket and the papers filed herein be placed in the file for ended causes.

NOTE: A copy of Attachment A entitled "Chapter 203. Regulations Governing the Separation of Regulated and Unregulated Businesses of Utility Consumer Services Cooperatives and Utility Aggregation Cooperatives" 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. PUA000029
APRIL 18, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter concerning the functional separation of incumbent electric utilities under the Virginia Electric Utility Restructuring Act

ORDER PRESCRIBING NOTICE AND INVITING COMMENTS

Section 56-590 of the Virginia Electric Utility Restructuring Act (§ 56-576 et seq. of the Code of Virginia) declares that all incumbent electric utilities shall functionally separate their generation, transmission and distribution services by January 1, 2002. The utilities are required to submit proposed functional separation plans to the Virginia State Corporation Commission by January 1, 2001.

Section 56-590 B 3 of the Act authorizes the Commission to impose conditions, as the public interest requires, upon its approval of an incumbent electric utility's plan for functional separation, including requirements that (i) such incumbent electric utility's generation assets or their equivalent remain available for electric service during the capped rate period as provided in § 56-582 and, if applicable, during any period the incumbent electric utility serves as a default provider pursuant to § 56-585, and (ii) such incumbent electric utility receives Commission approval for the sale, transfer or other disposition of its generation assets during the capped rate period and, if applicable, during any period the incumbent electric utility serves as a default provider.

Pursuant to § 56-590 C, the Commission is also directed, to the extent necessary to promote effective competition in the Commonwealth, to promulgate regulations:

1. Prohibiting cost-shifting or cross-subsidies between functionally separate units;

2. Prohibiting functionally separate units from engaging in anticompetitive behavior or self-dealing;

3. Prohibiting affiliated entities from engaging in discriminatory behavior toward nonaffiliated units; and

4. Establishing codes of conduct detailing permissible relations between functionally separate units.

The regulations to be adopted in this proceeding will implement the functional separation requirements of the Virginia Electric Utility Restructuring Act, and are intended to aid incumbent electric utilities required to (i) functionally separate their generation, transmission and distribution services by January 1, 2002, and (ii) submit applications for such purpose to the Commission by January 1, 2001.

Upon consideration whereof, the Commission is of the opinion and finds that notice of this proposed rulemaking should be published in newspapers of generation circulation throughout the Commonwealth; that this Order should be published in the Virginia Register of Regulations and that interested persons should be afforded an opportunity to file written comments or request a hearing on the proposed regulations appended hereto as Attachment A. Accordingly,

IT IS ORDERED THAT:

(1) Interested persons may obtain a copy of this Order, together with a copy of the proposed rules upon which comment is sought (Attachment A hereto), by directing a request in writing for the same to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218. Such requests shall refer to Case No. PUA000029.

(2) A copy of this Order and the proposed regulations shall also be made available for public review in the Commission's Document Control Center, located on the First Floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, during its regular hours of operation, Monday through Friday, from 8:15 a.m. to 5:00 p.m.

(3) On or before May 22, 2000, any person desiring to comment upon the proposed regulations concerning functional separation shall file an original and fifteen (15) copies of their comments with the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, making reference in such comments to Case No. PUA000029. Such comments should set forth the person's interest in this proceeding, and if such person objects to certain provisions of the proposed regulations, proposed alternative language for the regulations should be included in such person's comments.

(4) Any person desiring a hearing in this matter shall file such a request with their comments on or before May 22, 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 person seeks a hearing, together with the evidence expected to be introduced at any hearing. If no sufficient request for a hearing is received, the Commission may enter an order promulgating regulations upon the basis of the written pleadings filed.

(5) On or before May 2, 2000, the Commission will cause to be published the following notice as classified advertising on one occasion in newspapers of general circulation throughout the Commonwealth of Virginia:

NOTICE TO THE PUBLIC OF A PROCEEDING TO
ESTABLISH REGULATIONS CONCERNING THE
FUNCTIONAL SEPARATION OF INCUMBENT ELECTRIC
UTILITIES IN REGIONAL TRANSMISSION ENTITIES
CASE NO. PUA000029

The Virginia Electric Utility Restructuring Act ("the Act") in § 56-590 of the Code of Virginia, requires the State Corporation Commission ("Commission") to direct the functional separation of incumbent electric utilities' generation, transmission, and distribution services by January 1, 2002. Such utilities must submit proposed functional separate plans to the Commission by January 1, 2001. The Act also authorizes the Commission to address in conjunction with any utility's proposed functional separation plan the availability of generation assets for capped rate and default service during Virginia's transition to retail competition. The Commission is also directed by the Act to address permissible relations between functionally separate entities, and between such entities and nonaffiliated entities.

By Order entered on April 18, 2000, the Commission established a proceeding to consider regulations proposed by the Commission's Staff governing the functional separation of incumbent electric utilities' generation, transmission, and distribution services by January 1, 2002, as required by the Act. Interested persons should obtain copies of the Commission's April 18, 2000, Order with attached proposed regulations from the Clerk of the Commission at the address listed below. The Order and proposed regulations will also appear in the May 8, 2000, issue of The Virginia Register of Regulations.

A copy of the Order Prescribing Notice and Inviting Comments, together with the proposed regulations, 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.

Any person desiring to comment upon the proposed regulations shall file, on or before May 22, 2000, an original and fifteen (15) copies of their 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 person's interest in this proceeding, and if a person objects to certain provisions in the proposed regulations, such person should propose alternative language for the regulations in their comments. All such comments should refer to Case No. PUA000029.

Any person desiring to request a hearing in this matter shall file such a request with their comments on or before May 22, 2000, and shall state in detail why a hearing is necessary. Such a request should identify the factual issues 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 communications 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. PUA000029.

THE DIVISION OF PUBLIC UTILITY ACCOUNTING
OF THE VIRGINIA STATE CORPORATION COMMISSION

(6) On or before May 31, 2000, the Division of Public Utility Accounting shall file with the Clerk of the Commission proof of the publication of the notices required herein.

NOTE: A copy of Attachment A entitled "Regulations Governing the Functional Separation of Incumbent Electric Utilities Under the Virginia Electric Utility Restructuring Act" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. PUA000029
OCTOBER 19, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: *In the matter concerning the functional separation of incumbent electric utilities under the Virginia Electric Utility Restructuring Act*

FINAL ORDER

This Order promulgates regulations governing the functional separation of incumbent electric utilities' generation, transmission and distribution services by January 1, 2002. Section 56-590 of the Virginia Electric Utility Restructuring Act ("the Act") establishes the functional separation requirement, and directs incumbent electric utilities to submit proposed functional separation plans to the Virginia State Corporation Commission ("the Commission") by January 1, 2001. The Commission is directed by § 56-590 to promulgate rules and regulations in furtherance of its provisions "to the extent necessary to promote effective competition in the Commonwealth."

On April 18, 2000, the Commission issued an order inviting interested persons to file comments or request a hearing concerning proposed regulations implementing the provisions of § 56-590 that were attached to that Order. Comments and requests for hearing were to be filed on or before May 22, 2000. However, on May 15, 2000, Virginia Electric and Power Company ("Virginia Power"), The Potomac Edison Company d/b/a/ Allegheny Power ("Allegheny"), and thirteen jurisdictional electric cooperatives, together with Old Dominion Electric Cooperative, and the Virginia, Maryland & Delaware Association of Electric Cooperatives ("the Cooperatives") filed a joint motion for an extension of time in which to file comments and requests for hearing in this proceeding. The Commission, thereafter, by order dated May 19, 2000, extended the time to file comments concerning the proposed rules to June 12, 2000.

The following parties filed comments concerning the proposed rules: Virginia Power; AEP-Virginia ("AEP"); the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"); Allegheny; the Cooperatives (filing jointly); the Virginia Independent Power Producers, Inc. ("Independent Power Producers"); Washington Gas Light Company ("Washington Gas"); the Virginia Committee for Fair Utility Rates and the Old Dominion Committee for Fair Utility Rates (filing jointly) ("the Committees"); Kentucky Utilities Company d/b/a/ Old Dominion Power Company ("Kentucky Utilities"); and RGC Resources, Inc. ("RGC"). No party requested a hearing.

NOW UPON CONSIDERATION of the pleadings and comments filed herein, we find that we should adopt the rules appended to this order as Attachment A, applicable to the implementation of § 56-590 of the Act, effective as of the date of this Order. While we will not review each rule in detail, we will comment briefly on several of them.

First, we note that Kentucky Utilities and the Cooperatives have requested certain exemptions from the operation of the rules we adopt in this Order. In the case of Kentucky Utilities, that company states that it has no generation facilities and only limited transmission facilities located in Virginia, and that its Virginia operations account for less than five percent of its overall business operations. Consequently, Kentucky Utilities asks the Commission to accept in fulfillment of § 56-590's requirements, Kentucky Utilities' compliance with a code of conduct established under Kentucky law (HB 897 of 2000) that governs relations between utilities and their affiliates. The Cooperatives have requested that the final regulations include within the definition of "affiliated generation company" and "transmission provider," exemptions for those assets or facilities operated by an incumbent electric utility primarily for the maintenance and control of the distribution function. The Cooperatives have also proposed other exemptions, including an exemption for electric cooperatives that purchase all of their generation from the Tennessee Valley Authority ("TVA"), from any provisions of the Commissions' rules that may conflict with retail rates set for any such cooperative by TVA.

Section 56-590 does not authorize the Commission to exempt any incumbent electric utility from the requirement to file a functional separation plan with the Commission by January 1, 2001. However, certain provisions of these rules may be inapplicable in certain circumstances. Consequently, we have established in 20 VAC 5-202-50 A a procedure for reviewing waiver requests, such as those raised by Kentucky Utilities and the Cooperatives, on a case-by-case basis. This procedure is consistent with the approach we have taken in other restructuring-related rulemakings, and offers, in our estimation, an orderly manner in which to take up concerns such as those described above.

Second, we address the definition of "generation company" in 20 VAC 5-202-20 as a person "owning, controlling, or operating a facility that produces electric energy for sale to *wholesale customers*." (emphasis supplied). Consumer Counsel suggests that the definition be expanded to include

generation companies that provide sales at retail. However, we believe that limiting the applicability of these regulations to generation companies making sales at wholesale will eliminate potentially confusing overlap between these rules and the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs ("pilot rules") adopted in Case No. PUE980812. Any company that makes retail sales must be licensed as a competitive service provider and is subject to the pilot rules. Moreover, if parties are concerned about potential gaps between these two sets of rules as to the treatment of incumbent electric utilities and their affiliates, we note that their provisions are virtually identical. In that vein, AEP and Allegheny question in their comments whether utilities that are registered holding companies should be subject to the asymmetrical pricing standard set forth in 20 VAC 5-202-30 B 5. We note that the pilot rules impose an identical requirement in 20 VAC 5-311-30 A 10. Additionally, Virginia Power, AEP and Kentucky Utilities question the necessity of the provisions of 20 VAC 5-202-30 B 6 and 7 that place reporting requirements on affiliated generation companies pertaining to tracking of employees; the companies' affiliate relationships with local distribution companies; and complaint investigations. We believe these requirements are appropriate and necessary. Moreover, they parallel similar requirements established in the pilot rules under 20 VAC 5-311-30 A 9 c, 20 VAC 5-311-20 B 6 c, and 20 VAC 5-311-60 G.

Both the Consumer Counsel and the Committees have expressed concern in their comments that provisions in 20 VAC 5-202-30 may have the effect of making permanent the provisions of the pilot rules concerning affiliate relationships. The Commission has, as much a possible, made the affiliate requirements in these rules mirror those in the pilot rules. At this point in time, we believe it would be inappropriate to apply any restrictions in these rules concerning affiliate relations that are tighter than those imposed in the pilot rules. We would note, however, that as the restructuring process advances along its statutory timeline, we would anticipate changes in the provisions of 20 VAC 5-202-30 corresponding to the competitive market's development and evolution.

Third, AEP, Virginia Power, and Allegheny opposed the requirements of proposed 20 VAC 5-202-40 B 6 requiring that incumbent electric utilities provide the fair market value of generation assets, even if they intend to transfer these assets at book value. These companies contend that to the extent that transfers to functionally separate units will be made at book value, a market valuation is unnecessary. Similarly, AEP, Virginia Power, and the Independent Power Producers opposed a related requirement in proposed 20 VAC 5-202-40 B 6 requiring that incumbent electric utilities provide a year-by-year fair market valuation of long-term power contracts. In our view, the fair market value of (i) generation assets at the time of their sale or transfer, and (ii) long-term power contracts on a year-to-year basis is information that is critical to the Legislative Transition Task Force's ("LTTF") assessment of stranded cost recovery pursuant to the provisions of § 56-595. However, while the Commission is required by this statute to assist the LTTF in monitoring stranded cost recovery, we will defer to the LTTF to determine as soon as possible, by resolution or some other specific directive to the Commission, whether it will want this information for its use in monitoring utilities' recovery of stranded costs. Thus, in final rule 20 VAC 5-202-40 B 6 c, the fair market valuation of generation assets and purchase power contracts will be required by the Commission if and when the LTTF directs the Commission to obtain that information for its use pursuant to the LTTF's obligations under § 56-595 of the Act.

Fourth, our final rules respond to AEP's concerns regarding proposed rule 20 VAC 5-202-40 B 10, and its treatment of potentially confidential, proprietary or competitively sensitive information. As proposed, the rule permitted an incumbent electric utility to request confidential treatment for any information submitted as part of a functional separation plan, and to furnish the reasons for such requested treatment. AEP believes that the rule should go further to require preliminary, confidential treatment of such information by the Commission pending its final determination of confidentiality. Moreover, AEP believes it should have the opportunity to withdraw any information it deems confidential if the Commission decides to permit its public disclosure, e.g., if the Commission determines that in its view the information is not confidential, proprietary, etc. We have responded to AEP's concerns in 20 VAC 5-202-50 B of the final rules by permitting any filing containing information declared confidential by the applicant to be filed under seal, while also making provision for public disclosure of redacted versions. Such information will be treated as confidential pending the Commission's ultimate determination of its appropriate treatment. However, unredacted versions must be made available by any such incumbent for immediate, internal use by the Commission's Staff.

Fifth, with respect to the functional separation plan filing requirements detailed in 20 VAC 5-202-40, we note that substantially less information is required to be filed under the rule we adopt today, as compared to the provisions of 20 VAC 5-202-40 when issued for comment under our April 18, 2000 order. For example, we have eliminated the filing of information concerning (i) the likely impact of proposed functional separation on the capital structure of incumbent utilities, (ii) anticipated long term capital structures of the functionally separate entities resulting from proposed functional separation plans, (iii) mediation steps taken to avoid violating any existing debt indentures, (iv) expected transaction costs or refinancing costs required to effect functional separation, (v) changes to existing credit support arrangements, (vi) intended use of cash proceeds in the event of divestiture, (vii) methods proposed for allocating any net gains or net losses between ratepayers and shareholders in the event of divestiture, (viii) any current or anticipated Securities and Exchange Commission authorizations for securities to be issued in connection with a functional separation plan, and (ix) proposed dividend policies concerning dividends from any proposed functionally separate entity to any parent entities following functional separation. We have eliminated from the final rules the filing requirements described above because, in our view, information falling into these categories can be requested by the Staff on a case-by-case basis under the Commission's discovery rules, if and when such information is required in the public interest.

Sixth, we have provided in 20 VAC 5-202-50 C that, except for good cause shown, incumbent electric utilities planning to transfer generation assets in connection with their functional separation shall submit Transfers Act applications concurrent with the filing of their functional separation plan. We believe this will help streamline the process for the incumbents and the Commission.

Seventh, 20 VAC 5-202-40 B 7 requires that each functional separation plan include a detailed cost of service study reflecting total company and total Virginia operations. The cost of service study must be based upon a test year beginning no earlier than January 1, 1999. This information is essential to the unbundling of utilities' rates for purposes of determining (i) unbundled generation rates to be utilized in calculating wires charges for shopping customers pursuant to § 56-583, and (ii) unbundled distribution and transmission rates to be utilized during the capped rate period under § 56-582. We note that we have eliminated from the adopted version of this rule, the requirement in the proposed version of rule that the seven-factor test set forth in Order 888 of the Federal Energy Regulatory Commission ("FERC") be utilized for the purpose of separating transmission and distribution in conjunction with this unbundling process. We are adopting this approach in the interest of reducing complexity in this part of the application.

Finally, we turn to the provisions of 20 VAC 5-202-40 B 6 g, h, and i in which incumbents are asked to provide assessments of how their functional separation plans advance or satisfy their obligations under the Act to (i) make electric service available at the capped rates established under § 56-582, and (ii) provide default service as a default supplier pursuant to § 56-585. In the case of default service, incumbents are also asked to include a "detailed description of pricing and capacity if the incumbent electric utility proposes to utilize equivalent generation in satisfaction of such obligation." Incumbents intending to utilize equivalent generation are further required to provide an analysis of the cost of retaining generation compared to the cost of obtaining equivalent generation, if the incumbents intend to divest all or part of their generation assets supporting Virginia load. Finally, these rules also

require the incumbents to explain how (i) equivalent generation will provide rates, reliability and capacity comparable to the generation assets currently held by the incumbents and, (ii) obtaining equivalent generation is in the public interest.

The requirements of 20 VAC 5-202-40 B 6 g, h, and i reflect the interaction among §§ 56-590 B 3, 56-582, 56-585 and 56-90. First, § 56-590 B 3 authorizes the Commission to impose conditions, consistent with the public interest, on an incumbent's functional separation plan,

> . . . including requirements that (i) the incumbent electric utility's generation assets or their equivalent remain available for electric service during the capped rate period as provided in § 56-582 [and] during any period the incumbent electric utility serves as a default provider as provided for in § 56-585. . ..

Put simply, § 56-590 B 3 authorizes the Commission to ensure that every incumbent's plan for functional separation supports the incumbent's statutory obligation to provide capped rate service and default service as required by the Act. To that end, this statute provides that the Commission may require that incumbents' generation assets remain available, or that equivalent assets remain available to support (i) regulated capped rate service, and (ii) regulated default service. This provision, therefore, places a specific limitation on the exercise of incumbents' discretion to dispose of their generation units in conjunction with the implementation of the Restructuring Act.[1] This requirement complements § 56-90 of the Transfers Act, a provision that prohibits this Commission from approving transfers of utility assets, unless such transfers will not impair or jeopardize adequate service to the public at just and reasonable rates.[2]

20 VAC 5-202-40 B 6 g, h, and i require the filing of information we believe necessary to discharge our duties under the Restructuring Act; specifically, our obligation to ensure that the generation component of incumbent utilities' capped and default rates can be supported, in fact. Therefore, to the extent that an incumbent's plan for functional separation calls for total or partial divestiture of generation assets supporting Virginia load, our rules require the incumbent to provide this Commission with the information it needs to determine how the incumbent can fulfill its obligations under the Act.

AEP and Virginia Power devoted considerable time to the meaning of the term "generation assets or their equivalent" in their comments opposing the provisions of 20 VAC 5-202-40 B 6 g, h, and i. Virginia Power, for example, asserts that in the context of default service, equivalency pertains only to an amount of capacity and not to the price of that capacity. Thus, under that construction, once capped rates are terminated or expire, any default service provided thereafter will simply be a "pass through" at market rates—whatever those rates may be. AEP takes a somewhat different tack, contending that it is up to each incumbent electric utility—and not this Commission—to decide whether capped and default rates will be supported with utilities' generation assets, or with equivalent assets. Under that view, even a nondivesting utility would be the ultimate arbiter of whether its own generation, or some equivalent, would back its capped rate and default service obligations. Under either view, however, the incumbent's sole obligation concerning default service is reduced simply to keeping energized the distribution lines to customers in their former service territories.

We find no basis for AEP's contention in the plain language of § 56-590 B 3; the statute clearly addresses the authority of the Commission to impose conditions upon functional separation plans in the public interest. The statute makes no reference to incumbent options in this context.

With respect to Virginia Power's default service "pass through" position, we note, preliminarily, that § 56-585 C provides that the rates for default service are regulated rates to be established by the Commission pursuant to Chapter 10 of Title 56—the source of our traditional ratemaking authority—and § 56-585 B 3. Section 56-585 B 3 declares that when incumbents are required to furnish default service, their rates must be fairly compensatory to the utility and "[r]eflect any cost of energy prudently procured, including energy procured from the competitive market . . .." Chapter 10 requires that rates be just and reasonable.

Virginia Power relies on § 56-585 B 3 as a primary basis for its argument that a utility may satisfy its potential default service obligation simply by procuring energy from the competitive market and passing the cost of that capacity through to default customers. Thus, according to the company, default service is merely an assurance of capacity availability, and not the price of that capacity. Consequently, it asserts, the Commission has no basis under § 56-590 B 3 to inquire into the price of any purchased power substituted for an incumbent utility's generation, i.e., purchased power that an incumbent utility might offer in its functional separation plan for purposes of supporting its default service obligation. Under Virginia Power's reading of the Act, if an incumbent electric utility, such as Virginia Power, decides to divest its generation assets, default service electric customers in that utility's service territory will have no regulated rate protections under the Act once capped rates are terminated (potentially between 2004 and 2007) or expire by operation of law on July 1, 2007. In our view, this interpretation does not square with the provisions of the Act, taken as a whole.

Default service, regardless of whether provided before or after the termination or expiration of capped rates, is, by the express terms of § 56-585, provided through rates regulated under the provisions of Chapter 10 and § 56-585 B 3. We do not read § 56-585 B 3 simply as a vehicle for passing through market rates to default service customers. Section 56-585 B 3 provides that the Commission may require an incumbent utility (or its affiliate) to provide default service at rates that "are fairly compensatory" and reflect prudently purchased power "including energy procured from the competitive market . . .." Virginia Power's argument focuses primarily on a single phrase in § 56-585 B 3 allowing the flow-through of prudently purchased power from the competitive market as the basis for concluding that the Commission may not consider the cost or price aspects of "equivalent" generation in applying § 56-590 B 3. Such an argument would have us ignore the remaining language of that section and the very specific provisions of § 56-585 C and D. This we cannot do; the Act must be considered as a whole.

First, as noted above, § 56-585 B 3 does not refer solely to the pass-through of purchased power from the competitive market. The section provides generally that rates must be "fairly compensatory" and allows the flow-through of purchased power. This is, essentially, a reaffirmation of the basics of regulated rates found in Chapter 10 of Title 56, and protects both the provider and the customer. The language "fairly compensatory" appears to refer to the requirements found in § 56-235.2 that public utilities recover their actual cost of service and a fair rate of return on their rate base used to service jurisdictional customers. Reference to the recovery of prudently incurred purchase power costs in § 56-585 B 3 restates part of § 56-249.6 that authorizes

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[1] This is consistent with the provisions of § 56-577 A 1 stating that on and after January 1, 2002, generation is no longer subject to regulation, *except as otherwise specified in the Restructuring Act.*

[2] We note that § 56-590 G, explicitly provides that nothing in the Act shall be deemed to abrogate or modify the Commission's authority under Chapter 5 (the Transfers Act). Consonant with that provision, 20 VAC 5-202-50 C requires each incumbent electric utility to file simultaneously with its functional separation plan any Transfers Act application such a utility must make for purposes of transferring assets.

utilities to recover prudently-incurred purchased power costs. There is no suggestion in § 56-585 B 3 or elsewhere that the Commission cannot or should not consider what those costs might be when determining under § 56-590 B 3 whether to require a utility in its functional separation plan to retain its generation assets or their equivalent during the rate cap period, or when the utility serves as a default provider under § 56-585.

The express provisions of § 56-585 C are also critical to our analysis. This section provides that the Commission shall "determine the rates, terms and conditions" of default service consistent with the provisions of § 56-585 B 3 and Chapter 10 of Title 56. The Commission is also authorized to "use any rate method that promotes the public interest . . .." Thus, the Commission is given both direction and discretion in establishing rates for default service. Section 56-585 C leaves no doubt that the Commission is obligated to establish rates for default service. Virginia Power's interpretation of the Act would appear to render the General Assembly's ratemaking directives in § 56-585 C meaningless and further require that we disregard them when applying § 56-590 B 3. We must, however, read the statute as a whole and consider our ratemaking obligations for default service when we examine functional separation plans. Indeed, considering such ratemaking obligations is in furtherance of the public interest standard expressly invoked in § 56-590 B 3. It is, after all, only in the examination of these plans that the Commission can determine whether incumbents will be able to support, in fact, their default service obligations.

Section 56-585 C also requires that the Commission shall "establish such requirements for providers and customers as it finds necessary to promote the reliable and *economic* provision of such services and to prevent the inefficient use of such services." (Emphasis supplied.) Thus, the Commission is required to set rates for default service and to promote "reliable and economic" service. The phrase "reliable and economic" must inform our construction of "generation assets or their equivalent" in § 56-590 B 3. Simply put, the Commission cannot fulfill its statutory obligation under § 56-585 to determine rates and promote "reliable and economic" default service unless it also requires incumbent electric utilities filing functional separation plans under § 56-590 to have in place generation assets, or their equivalent, sufficient to fulfill the incumbents' price and capacity obligations established under § 56-585.

We also note that under the Act, regulated rate protection for default service customers continues until the General Assembly decides to eliminate or alter its provision. Section 56-585 D requires the Commission to convene annual proceedings (commencing in 2004) to assist the General Assembly in its consideration of this important issue. Specifically, the Commission, after notice and an opportunity for hearing, will determine whether there is a sufficient degree of competition such that default service can be discontinued for particular customers, classes of customers, or geographic areas of the Commonwealth, and that any such discontinuance will not be contrary to the public interest. The Commission will report its findings to the General Assembly and the Legislative Transition Task Force, not later than December 1, 2004 and annually thereafter. The General Assembly has, in § 56-585 D, established an essential connection between the termination of default service and the development of sufficient competition within the Commonwealth. This connection is firmly grounded in the language of § 56-585. Subsections C and D of § 56-585 work together to provide regulated default service and rates to Virginians requiring or desiring it until the market can provide what default service must provide under this statute: reliable *and* economic service.

It bears emphasizing that the scope of § 56-585 encompasses service for those electric customers that (i) choose not to shop for a competitive supplier, (ii) are unable to shop, or (iii) sign up with a competitive supplier who at some point fails to perform. These customers are aggregated under the term "default service." As evident from the statute's express, ratemaking language, default service is intended to provide reliable and economic electric service to *all* nonshopping customers—but it is particularly critical for those unable to obtain service from competitive suppliers, i.e., the market.

It is also apparent to us that § 56-585 C establishes ratemaking provisions for the purpose of promoting the economic and reliable provision of default service, that are far more elaborate than the mere flow-through of market-priced power. Under long-settled canons of statutory construction, we cannot simply dismiss these rate-setting provisions as excess verbiage.

Thus, the language in § 56-585, taken as a whole, simply does not support the view that default service is little more than "supplier of last resort" service provided at market-based pricing. We, therefore, conclude that the plain language of §§ 56-590 B 3, 56-582, and 56-585, as written, compels us to ensure that incumbents provide reliable and economic generation, or generation equivalents, in support of their capped rate and default service obligations. In our view, these statutes obligate this Commission to require the information incumbents must provide under 20 VAC 5-202-40 B 6 g, h, and i.

In short, as the Restructuring Act is written, all Virginians have some form of regulated rate protection until competition is deemed to be effective. Section 56-582 provides capped rate protection until July, 2007. The capped rates may be terminated prior to July 2007, upon application of a utility if the Commission determines that there is "an effectively competitive market . . ." for generation service in the utility's service territory. Section 56-585 provides protections for default service that may extend beyond 2007. It is the General Assembly that determines when default service rate protection is to be terminated, presumably when there is effective competition. These rate protections do not perpetuate regulation, but rather protect the public until competition is deemed effective.

As amply evident from our discussion above, the issue of "equivalent generation"—an issue prompted by the provisions of § 56-590 B 3 together with §§ 56-582, and 56-585—has proven to be one of the most controversial issues before the Commission in the course of its rulemaking associated with the Restructuring Act. This is not surprising for three important reasons. First, resolving this issue is more than an academic exercise. Its outcome carries enormous economic implications and will likely determine how quickly incumbents' generation assets will be freed of any residual, public service obligations. Second, the Act itself was the product of three years of intense debate before the General Assembly joint subcommittee charged with determining whether and in what manner electric utility restructuring should come to Virginia. Consequently, virtually every provision in the Act ultimately adopted by the General Assembly as Senate Bill 1269 of 1999 was marked by vigorous contest or hard-fought compromise. Sweeping, complex legislation borne of such circumstances is seldom, when first enacted, the model of precision; the Restructuring Act is no exception. Indeed, it would be surprising if the parties contending over legislation enacted under such circumstances failed to disagree as to the precise meaning of the many new and undefined phrases and terms contained within it. Third, and closely related to the second point, is the Commission's obligation to read and implement this Act as a whole, and not just those of its parts advocated by various interests. Thus, in addressing this "equivalent generation" issue, the Commission has had the task of interconnecting and harmonizing the statutory provisions identified above, none of which state specifically that "generation or its equivalent" does or does not encompass price as well as capacity. The absence of express language has given rise to this controversy. But, the Commission cannot sidestep its responsibilities simply because the issue is controversial. The General Assembly has established in § 56-590 B 2, a functional separation plan filing deadline of January 1, 2001. Thus, the Commission must act now—even in the face of the controversy spawned by the language in § 56-590 B 3—to promulgate these rules and therefore ensure that Virginia's incumbent electric utilities can meet this critical deadline.

It is important to note that § 56-590 B 1 gives this Commission until January 1, 2002, to work with utilities in finalizing and implementing their functional separation plans. Consequently, while we have made a determination herein, based on the reasoning set forth in detail above, that price *and*

capacity are, as a matter of our construction of the *entire* Act, contained within the meaning of "generation or its equivalent," the General Assembly has the opportunity in the upcoming 2001 legislative session to undertake a direct and thorough review of this controversial issue. Any statutory amendments resulting from that review will, of course, be integrated into this Commission's review of incumbents' functional separation plans, and likely would not disturb the overall timeline established by the Act. In so doing, the General Assembly may determine that "generation or its equivalent" should have a meaning other than the one we ascribe to it today. Should it choose to do so, however, we would encourage the General Assembly, to address directly—in express, statutory language—whether, and to what extent, default service customers should have any explicit, generation price protection following the termination or expiration of capped rates under the Act. Such legislative action would put to rest this controversy and thus send a clear, unambiguous signal to Virginia's electricity customers, Virginia's incumbent electric utilities, and to competitive electric suppliers concerning the exact nature of Virginia's competitive electricity market following the conclusion of capped rates. In the meantime, however, this Commission has—as we must—provided structure and guidance on this issue through the issuance of these rules, subject to such future legislative clarification as the General Assembly may choose to provide.

Finally, we will, by this order, take a preliminary step in aid of any General Assembly consideration of the generation equivalency and default service issues discussed above. The rules we adopt here today provide that we may grant waivers or exemptions from particular provisions on a case-by-case basis (20 VAC 5-202-50 A). Given the controversy discussed above, we have concluded that it is appropriate to grant, on our own motion, a temporary waiver of those provisions in 20 VAC 5-202-40 B 6 g, h, and i, which would otherwise require incumbent utilities to file information regarding costs, pricing and rates related to incumbents' generation assets or their equivalent. We will not require the filing of this information until April 2, 2001. All other information, including reliability and capacity information relating to incumbents' generation assets or their equivalent, as required by 20 VAC 5-202-40 B 6 g, h, and i, shall, however, be filed on or before January 1, 2001.

Moreover, to the extent that any incumbent electric utility files an application under the Utility Transfers Act, Chapter 5 (§ 56-88 et seq.) of Title 56 of the Code of Virginia, pursuant to the provisions of 20 VAC 5-202-50 C, an additional waiver is hereby granted to the extent that information concerning the effects of any proposed transfer on existing or prospective rates is not required to be filed until April 2, 2001.[3] All other information required to be filed under the Utility Transfers Act shall, however, be filed with the Commission as prescribed by 20 VAC 5-202-50 C.

Should the General Assembly take action in its 2001 session that would (i) render unnecessary the filing of information concerning costs, pricing or rates under 20 VAC 5-202-40 B 6 g, h, or i, or (ii) affect the filing of rate-related information in conjunction with any Utility Transfers Act application filed pursuant to 20 VAC 5-202-50 C, this Order will be amended accordingly. If, however, no such actions are taken by the 2001 General Assembly, then delaying these filings until April 2, 2001 will simply provide additional time for the incumbent utilities to assemble that information. In either event, we will take no final action based on the costs, price and rate information scheduled to be filed on April 2, 2001, prior to July 2, 2001, in order that we may incorporate the effects of any amendments by the General Assembly to this or any related provision of the Act in our final orders concerning each incumbent's restructuring plan. Thus, as set forth above, interested parties and the public can be assured that we will refrain from taking final action concerning this issue until the General Assembly has had an opportunity to address it in its 2001 legislative session. This action by the Commission, therefore, provides all concerned ample time and opportunity to seek modifications or clarifications of the Act concerning this issue, should they so desire.

Accordingly, IT IS ORDERED THAT:

(1) We hereby adopt the Regulations Concerning the Functional Separation of Incumbent Electric Utilities under the Virginia Electric Utility Restructuring Act, appended hereto as Attachment A.

(2) Each incumbent electric utility required to file a functional separation plan under the Act and pursuant to the rules we issue herein, is hereby granted a temporary waiver of those provisions in 20 VAC 5-202-40 B 6 g, h, and i, which would otherwise require such utilities to file information regarding costs, pricing and rates related to incumbents' generation assets or their equivalent. Such information is not required to be filed until April 2, 2001. All other information, including reliability and capacity information relating to incumbents' generation assets or their equivalent, as required by 20 VAC 5-202-40 B 6 g, h, and i, shall, however, be filed on or before January 1, 2001.

(3) To the extent that any incumbent electric utility files an application under the Utility Transfers Act, Chapter 5 (§ 56-88 et seq.) of Title 56 of the Code of Virginia, pursuant to the provisions of 20 VAC 5-202-50 C, information concerning the effects of any proposed transfer on existing or prospective rates is not required to be filed until April 2, 2001. All other information required to be filed under the Utility Transfers Act shall, however, be filed with the Commission as prescribed by 20 VAC 5-202-50 C.

(4) A copy of this Order and the rules adopted herein shall be forwarded promptly for publication in the Virginia Register of Regulations.

Commissioner Miller, dissenting in part and concurring in part:

I write to express my disagreement with the conclusion of my colleagues that Virginia Code §§ 56-585 and 56-590 give us the authority to control the costs of incumbent utilities' generation assets used to support default service under the Restructuring Act. The majority use that conclusion as a basis for adoption of 20 VAC 5-202-40 B 6 g, h, and i. I dissent to the adoption of those rules.[1]

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[3] To the extent that the General Assembly decides to take legislative action concerning § 56-590 B 3, we would strongly recommend that such action be taken with due regard to ensuring that any amendments thereto do not create conflicts between the Restructuring Act and § 56-90 of the Utility Transfers Act, Chapter 5 (§ 56-88 et seq.) of Title 56 of the Code of Virginia.

[1] I also dissent to the adoption of a portion of 20 VAC 5-202-30 B 5 a. The second sentence of that rule provides:

> An affiliated generation company shall be compensated at the lower of fully distributed cost or market price for all nontariffed services, facilities and products provided to the local distribution company.

This rule would also suit the majority's purposes by allowing the Commission to ignore market prices if, for example, the local distribution company were to serve as default supplier, but depend on the affiliated generation company for its power supplies. If market prices were higher than "costs," however determined, in that situation, this rule would also produce results at odds with what I believe to be the intent of the Restructuring Act.

For me, there is no ambiguity in the Restructuring Act with respect to the pricing of electric energy beyond July 1, 2007. One of the central tenets of the Act is that the open marketplace is to be, in the future, the "regulator" of prices paid by consumers for electric energy.[2] While no one would regard this a novel proposition with respect to independent competitive service suppliers, my colleagues have not accepted the propriety of applying this principle to default service under the Act.

Section 56-585.B.3. states that the incumbent electric utility, the distribution utility, or an affiliate thereof, may be required by the Commission to furnish default service. The Act does not set a date by which default service is to end. Sections 56-585.B.3 and 56-585.C specify how the Commission is to regulate default service rates, as I will discuss below.

Section 56-590.B.3 requires that the Commission direct the functional separation of incumbent electric utilities, and states that:

> Consistent with this chapter, the Commission may impose conditions, as the public interest requires, upon its approval of the incumbent electric utility's plan for functional separation, including requirements that (i) the incumbent electric utility's generation assets or their equivalent remain available for electric service . . . during any period the incumbent electric utility serves as default provider as provided for in § 56-585 . . . .

The majority believe that the above provisions of §§ 56-585 and 56-590 authorize the Commission to impose limits on the costs at which generation resources must be devoted to meeting default service requirements, should the incumbent, the distribution company or an affiliate be designated as the default provider. Indeed, this position has found concrete expression, and quantification, in two stipulated cases this year.[3] In each case, the staff and parties negotiated, as a part of the stipulations, that generating assets must be made available during an indeterminate default period at cost levels that, in essence, would have prevailed under traditional cost of service regulation.

Before discussing this position in more detail, it will be helpful to examine other key provisions of the Act. This review will put the above Code sections into the competitive context I believe the legislature intended.

Section 56-577.A.3, provides that, effective January 1, 2002, "the generation of electric energy shall no longer be subject to regulation under this title, except as specified in this chapter." Also, § 56-581.A states that: "subject to the provisions of this chapter after the date of customer choice, the Commission shall no longer regulate rates and services for the generation component of retail electric energy sold to retail customers."

While these broad pronouncements favoring competition are admittedly made subject to other portions of the Act, they do set the tone for the overall principle described above, namely, that generation is to be deregulated in Virginia and that, as a necessary consequence, it is the market that is to set prices for electric energy after July 1, 2007.

The Act's provisions affecting capped rates reinforce this principle. Section 56-582.C states that, after January 1, 2004 (not coincidentally, the date by which all customers can "shop"), utilities may petition the Commission to terminate capped rates, and we may do so if we find "an effectively competitive market" for generation services within the service territory.

Importantly, this section contains no reference to the question of what price levels might be produced by such a market.[4] Thus, if we find the market effectively competitive, we may terminate capped rates, even if competitive prices are different than they would have been under regulation, or "should be" according to some other viewpoint. Again, the goal of the Act is the development of a competitive market, not prices that are constrained indefinitely in some artificial fashion.

The fact that the General Assembly allowed for the possibility that even the consumers' rate cap protection, one of the centerpieces of the Act, could be eliminated early under circumstances of effective competition should bear heavily on how we react to views concerning other portions of the Act. In particular, we should look with skepticism at the contention that functionally separated generation plant can still be cost regulated for the benefit of default customers, even after the end of the rate cap period in 2007.

It is not necessary to rely on other portions of the Act, however; the default service section itself embodies the same principle. Section 56-585.D states that, by July 1, 2004, and annually thereafter, the Commission must decide "whether there is a sufficient degree of competition such that the elimination of default service . . . will not be contrary to the public interest." Again, the important question is whether competition is sufficient. That is not the same inquiry as to whether prices are "just and reasonable," "affordable," or other terminology concerned with the actual level of prices produced by that competition.

This passage supports my belief that the General Assembly's principal concern in enacting the default service provision was to protect consumers against the possibility that sufficient competitors and resources would not be available in the open market. If no such scarcity exists, then consumers will have adequate choices available to them, and default service will no longer be needed as a "safe harbor." However, I cannot find that this statute evinces a concern with the prices consumers will face from those "sufficient" competitors.

By contrast, the purpose of the capped rate period, in my view, was to furnish price protection for a certain reasonable period after the advent of the competitive era to give competitors a chance to enter the Virginia market, and to allow consumers time to become comfortable with this new structure without exposure to fluctuating prices.

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[2] Two exceptions to this principle involve the capped rate period and default services. Each of these is discussed below.

[3] *Application of Delmarva Power and Light Co. for approval of a plan for functional separation of generation pursuant to the Virginia Electric Utility Restructuring Act* (Case No. PUE000086) and *Application of Delmarva Power & Light Co., Connectiv Delmarva Generation, Inc., Connectiv Energy Supply, Inc., for approval of transactions under Chapters 4 and 5 of Title 56 of the Code of Virginia* (Case No. PUA000032), Final Order, June 29, 2000; *Application of The Potomac Edison Co. d/b/a Allegheny Power*, (Case No. PUE000280), Order Approving Phase I Transfers, July 11, 2000.

[4] I do not deny that price levels might be relevant as to whether a market is "effectively competitive," but they would be considered with all other evidence on the point.

Thus, the rate cap and default service provisions serve two distinct functions, and they should not be confused. The rate cap provisions supply price protection; the default service provisions furnish resource protection. Attempts to regulate the costs of generation resources devoted to default service are an effort to perpetuate rate cap protection longer than the General Assembly decreed, that is, beyond July 1, 2007.

This conclusion is supported by § 56-582.D, which provides that, until capped rates expire or are terminated early, the incumbent electric utility must provide those rates to any customer in its territory. Thus, although customers enjoy the protection of capped rates while they are in effect, there is no guarantee that prices will remain at such "pre-deregulation" levels when those rates end.

With this background, I will now discuss the key provisions of § 56-590.B.3. As noted, that section states that the incumbent electric utility may be required, as a condition of its functional separation plan, to ensure that its "generation assets or their equivalent remain available" during any period it is providing default service. It first should be emphasized here that we are given the discretion whether to impose any such requirements. The statute says, "the Commission may impose conditions . . .." We are not required to implement any measures of this nature. We should, therefore, be cautious of mandating specific conditions unless they are supported by a reasonable interpretation of the Act.

One must now consider whether the language of § 56-590 justifies the imposition of cost controls on generation assets. If so, such language was truly a strange way to phrase that principle. "Generation assets" can obviously "remain available" to serve load, regardless of the cost of those assets. Would it have not been clearer to state, for example, that the Commission could require that the incumbent's "generation assets or their equivalent remain available for electric service during the default service period at costs that are found by the Commission to produce rates that are reasonably affordable," or some similar standard?

Given the clear dependence placed on the competitive market by the Act, a cost component cannot reasonably be grafted onto the "assets remain available" concept in the absence of some clear indication that the General Assembly intended this reading, of which I find none. I further note that § 56-590.B.3 begins by stating that any conditions imposed by the Commission on functional separation are to be "consistent with this chapter," a chapter replete with reliance on competitive markets. In addition, rules are only to be adopted under § 56-590.D "to the extent necessary to promote effective competition."

Section 56-590.B.3, when read in its proper perspective, merely expresses a complementary concept to similar provisions in §§ 56-579.D.3 and 56-587.B. In the latter passages, the Commission is given authority to ensure that even competitive suppliers have sufficient resources, "including necessary reserve requirements," and "adequate access to generation and generation reserves" to supply their customers. By the same token, under § 56-590 we can require incumbents to maintain the physical capacity to serve default load if they are assigned that responsibility. Importantly, none of these statutes grants the Commission cost controls as one of its tools.

Another section of the Act does give the Commission pricing authority in certain exceptional situations. However, even this section illustrates that competition is to be the guiding principle, and that as long as an adequately functioning market sets the price levels, they may not be modified by the Commission. Section 56-578.G declares that, if the Commission determines that a person has "market power" within a transmission constrained area, the Commission may, subject to certain carefully prescribed limitations, adjust rates for services within that area, "only to the extent necessary to protect retail customers from such market power." The Act defines "market power" as:

> The ability to impose on customers a significant and nontransitory price increase on a product or service in a market above the price level which would prevail in a competitive market.

(Emphasis supplied.)

Thus, even in these critical circumstances, the Commission may protect consumers by adjusting prices only to levels "which would prevail in a competitive market." Whether we believe those competitive prices are "reasonable," or whether they are higher than they would have been under traditional regulation, should be of no consequence under this Act, even when dealing with such anti-competitive forces as market power.

I now turn from § 56-590 to discuss § 56-585.B.3 and C. Here, as I acknowledged in footnote 1, supra, there are provisions giving the Commission authority to regulate the rates charged for default service. Those who would disagree with my position on this issue will thus ask, what more is necessary? If you can regulate the rates paid by default customers, what greater authority do you need?

In discussing § 56-590 above, my view of the Act rejects the contention that we can regulate the costs of crucial resources that make up part of the expense of serving those customers. In contrast, critical to understanding the provisions of § 56-585.B.3 & C is that they deal with regulating the retail rates paid by default customers. This is a very substantive difference.

An analogy to traditional cost of service regulation may help. Assume that a utility had a purchased power contract for a number of years that provided power at two cents per kWh. Retail rates in the past would obviously have included those costs. Now assume that, prior to the next rate case, the contract expired and had to be replaced by one that cost three cents per kWh. In the next case, the utility presumably would seek to recover those increased costs. Upon proper proof of these facts, the Commission would have two basic options. If adequate evidence were adduced that the new contract had been imprudently procured, its costs could be disallowed. However, in the absence of such evidence, the new rates would normally be set to recover the costs of this more expensive power.

That was the essence of traditional ratemaking. While rates paid by consumers were certainly regulated by the Commission, it had little power, in the absence of a finding of imprudence, to control the costs of the basic goods and services that were purchased for the public service. Most of such cost elements were allowed to be recovered through rates.

Here, however, the approach of the rules adopted by the majority is to attempt to reach deeper into the subject than a review of the relevant, legitimate expenses of the default supplier. The suggestion that the costs of generating assets devoted to default service should be controlled is an attempt to manage those expense levels directly. In my example above, this approach would cause the costs of the new power purchase agreement to be ignored in future cases, and the utility to be treated as if the expired contract for less expensive power were still in effect.

This treatment would be applied, not because of any finding of imprudence, but simply because the old contract was cheaper than the new one. In the present context, I believe this approach is simply an attempt to safeguard consumers against competitive market prices, because those prices might turn out to be higher than levels that would result from treating the utility as if the Act had changed nothing with regard to its generation assets. While perhaps an understandable motive, I find it inconsistent with the overall objective of the Act. After the period of rate cap protection, the costs of generation are to be set by the market, not by regulators.[5]

Relevant provisions of § 56-585 support this conclusion. It bears noting that § 56-585 expresses an initial preference that we select default service providers other than the incumbent electric utility or distribution company.

Subdivision B.1 of that section sets forth the criteria that we are to apply when selecting a provider. Among them are cost, experience, safety, reliability, corporate structure, and access to electric energy resources. These factors apply, of course, to consideration of other suppliers just as they do to the local utility. Next, subdivision B.2 states that the Commission may "designate one or more willing providers" of default service. In such a case, does the Act allow us to control the "cost" of generation in the stringent sense? Hardly, if we expect to find a "willing provider." Cost is obviously an important feature for comparison in choosing among possible volunteers for such duty, but we should not expect such cost to be amenable to our direct control. Why then should we expect it if we instead designate the utility as the provider?[6]

It is only after describing the process of seeking a "willing provider" that the Act states, in subsection B.3:

> In the absence of a finding under subdivision 2, [the Commission] may require an incumbent electric utility . . . to provide . . . such services, . . . at rates which are fairly compensatory to the utility and which reflect any cost of energy prudently procured, including energy procured from the competitive market.

(Emphasis supplied.)

Thus, the local utility does not have the option of refusing the call, as do competitive suppliers. It does not matter whether the utility is "willing." In return, however, the statute provides certain protections to the utility.

First, the rates must be "fairly compensatory." In my view of this Act, whether a rate is fairly compensatory to a utility directed to provide default service should be determined with reference to the concept of "foregone opportunities." Proponents of the notion of continued regulation of generation costs fear that market prices might be higher than the utility's embedded cost of service under traditional principles. If such is the case, then the utility is being forced to give up the opportunity of selling its power at higher prices in the competitive market in order to supply default service. I would therefore not deem it "fairly compensatory" to fix rates on old ratemaking principles under such a state of facts. Rather, the utility should be compensated at levels it could realize in the competitive market, were it free to do so.

Second, the above portion of the Act recognizes explicitly that such compensation is to cover the cost of energy prudently procured, including that obtained from the competitive market. The Act thereby again encourages reliance on the competitive market.

Subsection C of § 56-585 next provides that the Commission is to set

> the rates, terms and conditions for such services consistent with the provisions of subdivision B.3 and Chapter 10 . . . and shall establish such requirements for providers and customers as it finds necessary to promote the reliable and economic provision of such services and to prevent the inefficient use of such services. The Commission may use any rate method that promotes the public interest . . ..

This section, relied on by the majority, does not support their position. It first references subdivision B.3, which I discuss above. That section does not apply to suppliers of default service other than the local utility or its progeny. On the other hand, the reference to Chapter 10 in subsection C appears to apply to both types of entities.

The latter point helps put this mention of Chapter 10 in proper context. Rates charged by suppliers are to be determined "consistent with the provisions of . . . Chapter 10." What can that statement possibly mean in the context of selecting a "willing provider" for default services. Does it mean, in the words of § 56-235.2, a part of Chapter 10, that the rates of such a provider are

> to be considered to be just and reasonable only if: (1) the public utility has demonstrated that such rates, tolls, charges or schedules in the aggregate provide revenues not in excess of the aggregate actual costs incurred by the public utility in serving customers within the jurisdiction of the Commission, . . . and a fair return[?]

(Emphasis supplied.)

How many "willing providers" would we find if it became known that such standards would be applied to their voluntary participation in Virginia's default service program? Such interpretation would frustrate one of the major tenets of an attempt by the legislature to assure the provision of default service, with a reasonable opportunity for competitive suppliers to provide such service. If this treatment could not successfully be applied to such companies, why then should we attempt to subject the local utility to it? This point indicates that the brief reference to Chapter 10 in this statute is not as all encompassing as it might first appear.

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[5] I will explain below why the motive of price protection after the end of the rate cap period is also not a good one for public policy reasons.

[6] As discussed below, the policy implications of such an approach could be quite serious.

Subdivision C goes on to discuss the establishment of

> requirements for providers and customers . . . to promote the reliable and economic provision of such services and to prevent the inefficient use of such services.

This clause is not referenced to the standards of Chapter 10, or § 56-585.B.3. It thus is not necessarily related to the ratemaking aspects of default service. I believe it has greater relevance to the Commission's need for authority to prevent "gaming" of the system by customers and suppliers, or the improper and uneconomic use of default service in situations not intended by the Act.

In any event, the final sentence of § 56-585.C is perhaps the most important for the purposes of this discussion:

> The Commission may use any rate method that promotes the public interest . . ..

I believe that the public interest would be best promoted by basing default service retail rates on market-determined costs for the generation resources that will be required to support that service. In addition to the fact that the Act's relevant provisions sustain this result, as discussed above, sound public policy reasons underlie it.

As I noted earlier, the fundamental reason to seek to continue cost of service regulation of generation assets related to default service appears to be the fear that market determined costs might be higher in the future than the embedded costs associated with those resources. If one assumes that scenario to be accurate, then default customers' rates could increase beyond a level that some would consider "reasonable." But, consider the alternative:

- If it becomes clear to the market at large that the local utility's rates for default service are subject to restraints of the above nature, it is unlikely that any other suppliers will seek to win the default service business. The utility will thus be selected by "default."
- After that designation, there will also be no incentive for other players to enter Virginia, even as competitive providers. Why should they, if they know that their rates are effectively "capped" by lower-than-market default rates? Thus, consumers will have few options to default service, and they will remain there.
- Since the Act provides no ending date for default service, the dearth of competitive suppliers will self-perpetuate the need for the default option, long past the end of the capped rate period.
- The final result of this improper handling of default service, which the Act intended to be only a temporary measure until the development of "a sufficient degree of competition" (§ 56-585.D), could well be that no such market ever develops in Virginia. The overall competitive goal of the Act would thus be frustrated.

In conclusion, the Act sets up competition in generation as the ultimate goal of deregulation. Since capped rates have a finite existence under the Act, but default service does not, the position of the majority can result in the perpetuation of price cap regulation into the indeterminate future. The result of the order as now framed does not sufficiently recognize that deregulation of generation, competitive choice, and functional separation are key facets of the Act. The Act will not support such an interpretation.

While I dissent to the actions of the majority discussed above, I concur with the procedural provisions of this order that grant a temporary waiver of the effectiveness of the filing requirements of 20 VAC 5-202-40 B 6 g, h, and i until April 2, 2001, with the Commission delaying action thereon until July 2, 2001. These delays will give the General Assembly an opportunity, during the upcoming 2001 legislative session, to "undertake a direct and thorough review" of the very important substantive issues involved here. Should legislation result, it will be effective before the Commission acts under the delayed schedule announced here. Since, as I have explained, I do not agree with the majority's interpretation of §§ 56-585 and 56-590 in the first place, I am agreeable that the General Assembly be given a chance to consider these matters before there be any possible substantive application of the disputed rules.

Because of the serious controversy arising from the language of these sections, it is appropriate that the General Assembly address these important aspects of the Act, and to establish clearly the policy of the Commonwealth, rather than for the Commission to take steps that might be contrary to such policy.

NOTE: A copy of Attachment A entitled "Chapter 202. Regulations Governing the Functional Separation of Incumbent Electric Utilities Under the Virginia Electric Utility Restructuring Act" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. PUA000030
JUNE 15 2000

APPLICATION OF
SOUTHWESTERN VIRGINIA GAS COMPANY

For approval of affiliate transaction with Midway Bottled Gas Company, Inc.

ORDER GRANTING APPROVAL

On April 18, 2000, Southwestern Virginia Gas Company ("Southwestern," "Company," "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act to enter into a transaction with its affiliate, Midway Bottled Gas Company, Inc. ("Midway"). Company requests approval to sell the land and propane tanks with propane gas on hand at date of sale presently being used as part of the Peak Shaving Plant (" the Peak Shaving Plant") to Midway for the sum of $107,245.53.

In its application, Southwestern states that it is more economical to obtain peak shaving quantities of gas on the open market than it is to fill such requirements from a mixture of propane and air produced by the Peak Shaving Plant. Company also states that these supplies have been available for several years and are more cost effective than operating and maintaining a peak shaving plant that is used infrequently. Company further states that the infrequent use of the plant makes it unreliable. Company desires to dispose of the Peak Shaving Plant, and Midway needs the storage tanks and lots on which they are located.

As stated by Southwestern, the land is being offered at the cost on its books at the time of purchase as the present market value is less than cost. An appraisal conducted on the land provides a market value of $15,000 compared to the cost of $30,517.92. An unrelated party, Transpo, Inc., has appraised the tanks at $75,000. Company states that the propane gas in the tanks consists mainly of vapor and has no market value in its vapor form due to the inability to pump and measure vapor. Southwestern is pricing the propane at its cost of $.4819 per gallon for an estimated 3,585 vapor gallons. In the event the market price of propane goes above $.4819 per gallon at the time of sale, Southwestern represents that it will use the market price instead of cost. The sales price of $107,245.53 will be allocated $30,517.92 to land, $75,000 to the equipment, and $1,727.61 to propane.

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 is in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Southwestern Virginia Gas Company is hereby granted approval to sell to Midway Bottled Gas Company, Inc., the land and propane tanks (including propane) known as the Peak Shaving Plant under the terms and conditions and at the total price of $107,245.53, as described herein, provided that the propane, land, and equipment are sold at the higher of cost or market.

2) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

3) The approval granted herein shall have no ratemaking implications.

4) The Commission reserves the right to examine the books and records of any affiliate of Southwestern Virginia Gas Company in connection with the approval granted herein whether or not the Commission regulates such affiliate.

5) Company shall include the transaction approved herein in its Annual Report of Affiliate Transactions filed with the Director of Public Utility Accounting of the Commission.

6) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA000031
JUNE 21, 2000

APPLICATION OF
DALE SERVICE CORPORATION
and
INTERSTATE MANAGEMENT, INC., FOR AND ON BEHALF OF THE TRUSTEES OF THE MARITAL TRUST 'B' (SHARE 2), FOR THE BENEFIT OF IRENE V. HYLTON UNDER WILL OF CECIL D. HYLTON

For approval of a Lease Agreement under the Affiliates Act

ORDER GRANTING AUTHORITY

Dale Service Corporation ("Dale Service," the "Company") and its affiliate, Interstate Management, Inc. ("Interstate"), for and on behalf of the trustees of the Marital Trust 'B' (Share 2) for the Benefit of Irene V. Hylton under will of ("u/w/o") Cecil D. Hylton, filed an application with the Commission under the Public Utilities Affiliates Act requesting authority to enter into a Lease Agreement.

Dale Service is a Virginia public service company, which provides sewer service in Dale City and Prince William County, Virginia. All of Dale Service's stock was originally owned by Cecil D. Hylton ("Hylton"). Upon his death, the stock was transferred to the Marital Trust for the Benefit of Irene V. Hylton, u/w/o Cecil D. Hylton ("Hylton Trust"). Subsequently, the stock was again transferred to the Second Children's Charitable Trust ("Children's Trust"), which was created for the benefit of Hylton's children. That transfer was approved by the Commission in Case No. PUA970055. The Children's Trust currently owns 100% of the stock of Dale Service and is managed and administered by the named trustees, Conrad C. Hylton, George A. Halfpap, and Malcom W. Cook. Interstate, a Virginia corporation, acts as an agent for the Hylton Trust. Both Interstate and the Hylton Trust are affiliates of Dale Service.

Dale Service and Interstate (on behalf of Hylton Trust) request approval to enter into a Lease Agreement under which Dale Service will lease 1,000 square feet of office space at 5565 Mapledale Plaza from Interstate. The Lease Agreement has an effective date of August 1, 2000, and an initial term of five (5) years. The Company represents that the terms and conditions of the proposed Lease Agreement are the same as those approved by the Commission in Case No. PUA950019, which will expire on July 31, 2000.

As stated in the application, the base rent under the proposed Lease Agreement is $15.00 per square foot in the first year with a 3% increase per annum for the remainder of the lease term. Dale Service represents that the selected multi-year, fixed rate lease allows for a lower square foot rate than would a short-term, one-year lease. The monthly rate for the first year will be $1,250.00. By the fifth year the monthly rental rate will be $1,406.67. Dale

Service will pay its pro rata share of taxes, gas service, insurance, and common area maintenance as additional rent. The Company further represents that the rates in the Lease Agreement are consistent with market rates in the surrounding area.

As stated by the Company, although alternatives outside the Mapledale Plaza Shopping Center offer lower rates, the locations have offsetting disadvantages. The locations are either not as centrally located in the Dale City area as the Mapledale Plaza Shopping Center or are not as readily accessible. Furthermore, customers would incur transitional costs if Dale Service were to move from the current location. The Lease Agreement will allow Dale Service to continue to serve customers through a centrally located and a readily accessible location, 5565 Mapledale Plaza.

THE COMMISSION, upon consideration of the application, representations of the Company, and having been advised by its Staff, is of the opinion and finds that the above-described Lease Agreement will continue to be in the public interest and, therefore, should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Dale Service Corporation is hereby granted authority to enter into the Lease Agreement with Interstate Management, Inc., under the terms and conditions described herein.

2) The authority granted herein shall expire on July 31, 2005.

3) Commission approval shall be required to extend the Lease Agreement beyond July 31, 2005.

4) The authority granted herein shall not be deemed to include the recovery of any costs or charges in connection with the Lease Agreement for ratemaking purposes.

5) Any changes in the terms and conditions of the Lease Agreement from those contained in this application shall require Commission approval.

6) The authority granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

7) The Commission reserves the authority to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by the Commission.

8) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUA000033
JULY 28, 2000

PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For an exemption of wholesale sales of power at market-based rates to affiliated marketers from the requirements of § 56-77 A of the Code of Virginia or, in the alternative, for prior approval of such sales under Chapter 4, Title 56 of the Code of Virginia, and for expedited consideration

ORDER GRANTING APPROVAL

On May 2, 2000, Virginia Electric and Power Company ("Virginia Power," "Company," "Petitioner") filed a petition with the Commission requesting an exemption pursuant to § 56-77 B of the Code of Virginia ("Code") from the requirements of § 56-77 A of the Code or, in the alternative, for prior approval of Virginia Power's wholesale power sales at market-based rates to affiliated marketers under Chapter 4, Title 56 of the Code. As indicated in the petition, under Company's currently effective market-based wholesale tariff approved by the Federal Energy Regulatory Commission ("FERC") ("Market-Based Sales Tariff"), Virginia Power is authorized to sell power at wholesale to non-affiliated entities outside its service territory.

On February 29, 2000, Virginia Power filed with FERC in Docket No. ER00-1737 an application to modify its Market-Based Sales Tariff to allow it to sell wholesale power at market-based rates (1) to affiliated marketers for resale outside Virginia Power's service area and (2) to affiliated and non-affiliated power suppliers for resale to retail customers inside Virginia Power's service area for the limited purpose of participating in Virginia Power's retail pilot program ("Retail Pilot"). Beginning June 1, 2000, and upon FERC's acceptance of Virginia Power's proposed modifications to its Market-Based Sales Tariff and Open Access Transmission Tariff ("OATT"), Company proposes to make wholesale sales at market-based rates to affiliated and non-affiliated marketers outside its service area. The Company also proposes to make wholesale sales at market-based rates to affiliated and non-affiliated power suppliers for resale to retail customers inside Virginia Power's service area for the limited purpose of such power suppliers' participation as competitive service providers ("CSPs") in Virginia Power's Retail Pilot (the "Proposed Sales").

The Proposed Sales will be made in response to prevailing conditions in competitive markets and will be pursuant to Virginia Power's Market-Based Sales Tariff. The Market-Based Sales Tariff contains provisions addressing availability, character of service, rates, terms and conditions of service, billing, financial assurances, default and early termination, and force majeure, among others. Within thirty (30) days after service begins, Virginia Power and the customer are required to execute a Service Agreement to engage in transactions under the tariff.

The Market-Based Sales Tariff also contains form Service Agreements for short-term transactions of one year or less and long-term transactions of more than one year. For short-term transactions, the Service Agreement provides for the parties to engage in multiple transactions with the rates and any additional terms and conditions established at the time the transactions are arranged. The Service Agreement provides further that either party may terminate the Service Agreement upon providing thirty (30) days' notice and completion of any individual transaction previously agreed. Under this "umbrella agreement" format, each individual short-term transaction covered by the Service Agreement is typically arranged by telephone or e-mail, followed by a

confirmation sheet. Within thirty days after the end of each quarter, Virginia Power is required to file a report with FERC of all short-term energy or capacity sales, including unbundled pricing, made in the prior quarter.

For long-term transactions, Virginia Power is required to file a specific Service Agreement that will set forth the rates and any additional terms and conditions for each such transaction. As stated in the application, Virginia Power anticipates that it will use for long-term transactions an umbrella/confirmation sheet mode similar to that used for short-term transactions. The Market-Based Sales Tariff provides that Virginia Power is under no obligation to provide service unless the Company and the customer mutually agree to the rates and terms and conditions.

As stated in the petition, FERC's policy applicable to wholesale sales of power by public utilities to affiliates at market-based rates is as follows: (1) when Virginia Power offers to sell power to an affiliate, it will make the same offer at the same time to any other marketer by posting the offer on its electronic bulletin board; (2) any sale to an affiliate will be made at a rate no lower than the rate Virginia Power charges for sales to other marketers; (3) when Virginia Power makes a sale to an affiliate, it will simultaneously post the price charged to the affiliate on its electronic bulletin board; and (4) Virginia Power will report all sales to its affiliates under its Market-Based Sales Tariff in its quarterly market-based reports to FERC.

On May 31, 2000, FERC issued an Order Accepting for Filing Revisions to Open-Access Tariff as Modified, Accepting for Filing Market-Based Rates as Modified, and Directing Compliance Filing accepting Virginia Power's amendment to its market-based power sales tariff for filing as modified to become effective as of June 1, 2000, subject to Virginia Power making the compliance filing as ordered by FERC.

THE COMMISSION, upon consideration of the petition and representations of Petitioner and having been advised by its Staff, is of the opinion and finds that Virginia Power should not be granted an exemption from the requirements of § 56-77 A of the Code for wholesale sales of power at market-based rates to affiliated marketers. Review of such arrangements are necessary to assure protection of the public interest and to assure that non-affiliates are not disadvantaged in favor of Virginia Power's affiliated marketers as to prices and opportunity to make purchases from Company. However, the Commission finds that the above-described arrangement for wholesale sales of power at market-based rates to affiliated marketers as described herein and as approved by FERC is in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Virginia Electric and Power Company's request for an exemption from the requirements of § 56-77 A of the Code for its proposed wholesale sales of power at market-based rates to affiliated marketers is hereby denied.

2) Pursuant to § 56-77 of the Code, Virginia Electric and Power Company hereby is granted approval to make wholesale sales of power to affiliated marketers at market-based rates, as described herein and as approved by the Federal Energy Regulatory Commission in its May 31, 2000, Order.

3) Should there be any changes in the terms and conditions of the arrangement for the provision of wholesale sales of power to affiliated marketers from those described herein and as approved by the Federal Energy Regulatory Commission in its May 31, 2000, Order, Commission approval shall be required 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 hereafter.

5) The approval granted herein shall not have any ratemaking implications.

6) The Commission reserves the right to examine the books and records of any affiliates of Virginia Electric and Power Company in connection with the approval granted herein whether or not the Commission regulates such affiliate.

7) Virginia Electric and Power Company shall include the wholesale sales of power to affiliated marketers as approved herein in its Annual Report of Affiliate Transactions submitted to the Director of Public Utility Accounting of the Commission.

8) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA000034
MAY 26, 2000

JOINT PETITION OF
CAROLINA POWER AND LIGHT COMPANY,
INTERPATH COMMUNICATIONS, INC.,
and
CP&L ENERGY, INC.

For authority pursuant to the Utility Transfers Act

ORDER GRANTING AUTHORITY

On May 4, 2000, Carolina Power and Light Company ("CP&L"), CP&L Energy, Inc. ("CP&L Energy"), and Interpath Communications, Inc. ("Interpath"), (collectively referred to as "Joint Petitioners") filed a joint petition with the Commission under the Utility Transfers Act. In the joint petition, Joint Petitioners request authority for the indirect transfer of Interpath stock in connection with the reorganization of CP&L's corporate structure through the formation of a holding company.

As stated in the joint petition, CP&L is a North Carolina public service company engaged in the provision of wholesale and retail electric service in North and South Carolina. CP&L Energy is currently a wholly owned subsidiary of CP&L. Interpath is a public service company dually incorporated

under the laws of the Commonwealth of Virginia and the State of North Carolina and is a wholly owned subsidiary of CP&L. Interpath holds certificates of public convenience and necessity to furnish inter-exchange and intrastate local exchange telecommunications services throughout North Carolina and Virginia. Interpath has no customers in Virginia and has no accepted tariff on file with the Commission.

As stated by Joint Petitioners, to implement the reorganization, current holders of CP&L common stock will exchange their shares for a like number of shares of CP&L Energy common stock, and CP&L Energy will become the sole owner of the CP&L common stock. As a result of the exchange, CP&L will become a wholly owned subsidiary of CP&L Energy. Interpath will remain a wholly owned subsidiary of CP&L. Therefore, the resulting direct control of Interpath will remain the same as under the current corporate structure. An additional layer above CP&L will be added to the corporate structure so there will be a change in ultimate control of Interpath. It is represented in the joint petition that the management and operation of Interpath will not change as a result of this holding company reorganization.

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 transfer of Interpath's stock through the above-described transaction 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 hereby granted authority for the indirect transfer of Interpath's stock through the transaction described herein.

2) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA000035
OCTOBER 10, 2000

JOINT PETITION OF
ATX TELECOMMUNICATIONS SERVICES, INC.,
and
CORECOMM LIMITED

For approval of transfer of control of ATX Telecommunications Services, Inc., to CoreComm Limited

ORDER GRANTING APPROVAL

On August 16, 2000, ATX Telecommunications Services, Inc. ("ATX"), and CoreComm Limited ("CoreComm") (collectively referred to as "Joint Petitioners") filed a complete joint petition with the Commission under the Utility Transfers Act requesting approval to transfer ownership and control of ATX from its current shareholders to the present shareholders of CoreComm pursuant to a Recapitalization Agreement and Plan of Merger dated March 9, 2000, (the "Agreement"). Joint Petitioners also requested approval of the pro forma restructuring of the ownership of CoreComm and all other relief as necessary or appropriate to complete the transaction.

As described in the joint petition, ATX is a privately held Delaware corporation. ATX Telecommunications Services of Virginia, LLC ("ATXVA"), is wholly owned by ATX and currently has a certificate application pending to provide local exchange telecommunications services. ATXVA was granted interim authority on September 8, 2000, to provide local telephone services in Virginia to customers of ATX Telecommunications Services, Ltd. ("ATX, Ltd."), and the hearing in this matter is scheduled for December 12, 2000.[1]

CoreComm wholly owns CoreComm Virginia, Inc., ("CoreComm VA"). CoreComm is a telecommunications service provider operating on an intrastate, interstate, and international basis and provides integrated telephone, Internet, and data services to residential and business customers. Through various subsidiaries, CoreComm is authorized to provide local and/or interexchange services in over twenty states, including Virginia. CoreComm VA is authorized to provide local and interexchange telecommunications services in Virginia.

ATX and CoreComm request approval of a merger whereby, through a series of transactions, the shareholders of CoreComm would obtain a majority interest in ATX, a regional local exchange carrier with long distance service across the country. CoreComm would, therefore, indirectly own ATXVA.

ATX would be the surviving entity in the merger and would subsequently change its name to CoreComm Limited. As a result of the merger transaction, ATXVA would ultimately be owned by the shareholders of CoreComm instead of ATX. CoreComm VA would be directly owned by CoreComm Merger Sub and ultimately owned by CoreComm.

As represented in the joint petition, the transfer of control will be made in a seamless fashion that will not adversely affect the provision of telecommunications services in Virginia. Petitioners further represent that the day-to-day operations of ATXVA or CoreComm VA will not be affected adversely by the merger.

After completion of the transaction, ATX Licensing, Inc. ("ALI"), will directly own ATXVA. CoreComm will directly own ALI. Both entities are authorized to provide services in Virginia and will continue to operate under their existing names. Their parent companies will change their names.

[1] ATX, Ltd., a limited partnership was authorized to provide local exchange telecommunications services in Virginia in Case No. PUC970044. ATX, Ltd., subsequently became a corporation and, thus, no longer has a certificate to provide local exchange services in Virginia. ATXVA is authorized to provide service in place of the limited partnership.

ATX will be renamed CoreComm Limited upon relinquishment of that name by CoreComm as part of the merger process, and ALI will adopt the name ATX Telecommunications Services, Inc., upon relinquishment of that name by ATX.

Petitioners represent that services of CoreComm VA and ATXVA will be provided in Virginia under the rates, terms, and conditions currently on file with the Commission. ATXVA's existing tariff will be changed only to reflect its new name. Petitioners state that they have not decided how the two companies would mesh their management teams, but CoreComm's management is expected to direct the overall operations of the combined companies.

In the proposed merger, direct ownership of ATXVA will not change but its ultimate ownership will change. CoreComm VA will be directly owned by CoreComm Merger Sub, and the ultimate owner will be CoreComm. The Commission will have the same jurisdiction over ATXVA and CoreComm after the merger. The rates of ATXVA and CoreComm will continue to be set pursuant to the rules governing CLECs.

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, therefore, should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, ATX Telecommunications Services, Inc., and CoreComm Limited are hereby granted approval for the transfer of control of ATX, the ultimate parent of ATXVA, from ATX to the shareholders of CoreComm and transfer of control of CoreComm VA from CoreComm to CoreComm, formerly ATX.

2) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA000036
JULY 5, 2000

JOINT APPLICATION OF
GTE SOUTH INCORPORATED
and
GTE CONSOLIDATED SERVICES INCORPORATED

For approval of affiliated transactions pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On May 8, 2000, GTE South Incorporated ("GTE South," the "Company") and GTE Consolidated Services Incorporated ("CSI") (collectively, "Applicants") filed an application under Chapter 4 of Title 56 of the Code of Virginia for approval of a third amendment ("Amendment 3") to an existing Billing Services Agreement (the "Agreement"). Applicants specifically request approval to add Multiple Carrier Identification Codes ("CICs") to the Agreement.

Pursuant to the Agreement approved in Case No. PUA990082 and as amended in Case No. PUA000017, GTE South inputs CSI data in GTE South's end user bills and prepares, mails, and collects bills for CSI. Billing services also include the establishment, maintenance, and treatment of end user accounts. CSI in turn provides certain operational services on a national basis to other affiliated GTE companies. These services include billing, telemarketing, and providing manual solutions to problems related to customer communications network and equipment.

As represented by Applicants, CICs will allow CSI to list the billing charges for each entity on a separate bill page in the GTE end-user bill. Such separate billing charges cannot be provided on a separate bill page in the end-user bill under the Agreement as approved by the Commission in Case No. PUA990082. Applicants further represent that Amendment 3 will enhance the billing information provided to GTE end users in that it will provide greater billing detail to existing customers. GTE South states that it will continue to receive market price from CSI as compensation for the billing services. The market price includes the cost of providing the services plus a reasonable profit. GTE South further states that the market price is appropriate as 77.3% of the revenues from the billing and collection services comes from non-affiliates. The Agreement will continue through March 30, 2002, as approved in Case No. PUA990082.

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 the above-described Amendment 3 to be in the public interest and should, therefore, be approved, subject to pricing at the higher of cost or market. GTE South should compare the market price with its cost of providing similar services and charge CSI the higher of GTE South's cost or the cost of obtaining services from an outside party (the market). In future rate proceedings, GTE South should bear the burden of proving that CSI received the higher 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 approval of Amendment 3 under the terms and conditions described herein, subject to the condition that services shall be provided to CSI at the higher of cost or market.

2) In future rate case proceedings, GTE South shall bear the burden of proving for any services it provided to CSI for which a market exists that it received the higher of cost or market.

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.

5) Should there be any changes in the terms and conditions of Agreement or any previous or current amendments between GTE South and CSI from those contained herein, Commission approval shall be required for such changes.

6) The Commission reserves the authority to examine the books and records of any affiliate in connection with the approval granted herein whether or not such affiliate is regulated by the Commission.

7) GTE South shall include Amendment 3 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 is hereby dismissed.

CASE NO. PUA000037
JULY 5, 2000

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY,
VPS COMMUNICATIONS, INC.,
and
DOMINION RESOURCES, INC.

For approval of affiliate transaction pursuant to Chapter 4, Title 56 of the Code of Virginia and for approval of change in control pursuant to Chapter 5, Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On May 11, 2000, Virginia Electric and Power Company ("Virginia Power"), VPS Communications, Inc. ("VPSC"), and Dominion Resources, Inc. ("DRI"), (collectively, referred to as "Applicants"), filed an application with the Commission under the Public Utilities Affiliates Law and the Utility Transfers Act requesting approval to transfer Virginia Power's ownership of common stock in VPSC to DRI. VPSC is currently wholly owned by Virginia Power.

As stated in the application, VPSC is actively engaged in the provision of telecommunications services. As further stated, in order to compete effectively, VPSC must invest in additional facilities. Applicants represent that VPSC is embarking on the development of facilities-based state-of-the-art high-bandwidth capacity telecommunications networks throughout Virginia and within several of its major cities. VPSC is also planning to expand more regionally to allow customers in Virginia and adjoining states access to this expanding system. It is further represented that in order for VPSC to undertake this growth, its expansion plans require the expenditure of funds that will exceed the $40 million limitation prescribed by the Commission and exceed the amount Virginia Power desires to invest in VPSC.

In order to allow the investments necessary to enable VPSC to continue to make the investments necessary to deploy a facilities-based network and to compete effectively in the telecommunications market, Virginia Power proposes to transfer ownership of VPSC to DRI. Virginia Power and VPSC will remain subject to the Affiliates Act, and all existing affiliate arrangements between Virginia Power and VPSC will remain as they currently exist and will not be affected by this transaction.

DRI represents that, after the transaction is approved, it will infuse additional equity capital into VPSC in 2000 and beyond. Applicants state that the investment will foster and promote the development of additional telecommunications facilities and complementary resources to support the expansion of VPSC's core business.

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 common stock of VPSC from Virginia Power to DRI will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and is in the public interest and, therefore, should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-77, 56-88.1, and 56-90 of the Code of Virginia, Virginia Power is hereby granted approval to transfer its common stock of VPSC to DRI as 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 hereafter.

3) The approval granted herein shall have no ratemaking implications.

4) The Commission reserves the authority to examine the books and records of any affiliate of Virginia Power in connection with the approval granted herein whether or not the Commission regulates such affiliate.

5) Virginia Power shall include the transfer approved herein in its Annual Report of Affiliate Transactions filed with the Commission's Director of Public Utility Accounting.

6) Virginia Power shall file a report of the action taken pursuant to the approval granted herein with the Commission's Director of Public Utility Accounting within sixty (60) days of closing of the transaction, such report to include the date such transfer took place.

7) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA000038
JUNE 23, 2000

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY
and
AMERICAN WATER CAPITAL CORP.

For authority to enter into a financial services agreement

ORDER GRANTING AUTHORITY

On May 12, 2000, Virginia-American Water Company ("Virginia-American") and American Water Capital Corp. ("Capital Corp."), (collectively, "Applicants") jointly filed an application under Chapter 4 of Title 56 of the Code of Virginia requesting authority to enter into a financial services agreement ("the Agreement").

Virginia-American is a wholly owned subsidiary of American Water Works Company, Inc. ("American"). Capital Corp. is also a wholly owned subsidiary of American. Capital Corp. has been established for the purposes of providing financial services to American, its water utility subsidiaries, and possibly entities solely controlled by a utility subsidiary (collectively, "the Participants"). The services to be provided by Capital Corp. will consist of lending funds on both a short-term and long-term basis and providing cash management through nightly "cash sweeps" and investment of excess cash.

For short-term funds, Capital Corp. will arrange for a bank line of credit. The proceeds of those loans will be passed through to the Participants, as needed, on the same terms that Capital Corp. is required to meet on its borrowings. For long-term funds, Capital Corp. will register its own debt securities for sale in the public market by filing a shelf registration with the Securities and Exchange Commission. Capital Corp. will issue long-term debt in the public market as required then pass those borrowings through dollar-for-dollar to Virginia-American and/or the other Participants. Capital Corp. will also provide for the short-term cash needs of Virginia-American and the other Participants through its cash management program. Under this program, operating cash surpluses of the Participants will be "swept" nightly. If a Participant has excess cash, it will "lend" that cash to Capital Corp. and will receive interest on the loan at the same rate that Capital Corp. is required to pay for its own short-term borrowings. A Participant that needs short-term funding would pay the same rate.

All of Capital Corp.'s borrowings will be unsecured. American will issue a "support letter" for the benefit of the purchasers of Capital Corp.'s debt. The support letter requires American to continue to own all of the issued and outstanding stock of Capital Corp., to cause Capital Corp. to maintain a positive tangible net worth and, if Capital Corp. is ever unable to satisfy its obligations when due, provide funds to assure such payment. However, third parties will not have recourse to the Virginia-American common stock owned by American.

Staff has advised us that many of the details of the financings under the Agreement were still under consideration or negotiation at the time of its review. As such, Staff recommends that approval of this application be granted for a limited two-year period with reporting requirements to include an analysis of financing by Capital Corp. versus Virginia-American's stand-alone financing opportunities.

THE COMMISSION, upon consideration of the application and the advice of its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. However, the Commission is of the further opinion and finds that such authority should be granted for a two-year period. Accordingly,

IT IS ORDERED THAT:

1) Applicants are hereby authorized to enter into a financial services agreement for a two-year period ended June 30, 2002, under the terms and conditions and for the purposes set forth in the application.

2) Applicants shall file a copy of the support letter issued by American directly with the Commission's Division of Economics and Finance.

3) Applicants shall file within 60 days of the end of each calendar quarter commencing on November 30, 2000, a report detailing the transactions that Virginia-American undertakes pursuant to the authority granted herein. Such report shall include the daily cash management activities and other short-term borrowings with applicable interest rates, detailed costs allocated to Virginia American, and the use of any loan proceeds.

4) On or before August 31, 2002, Applicants shall file a final report action to include the information required in Ordering Paragraph (3) as well as a cost/benefit analysis of Virginia American's transactions under the Agreement versus interest rates that Virginia-American would have paid for stand-alone financing. Such report shall also include a monthly comparison of Virginia-American's projected maximum needs used to calculate its pro rata share of Capital Corp.'s costs versus its actual maximum borrowings.

5) 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.

6) 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.

7) The authority granted herein shall have no implications for ratemaking purposes.

8) This matter shall remain under the continued review, audit, and appropriate directive of the Commission.

CASE NO. PUA000039
NOVEMBER 30, 2000

APPLICATION OF
APPALACHIAN POWER COMPANY

Annual Financial and Operating Report

ORDER TERMINATING INTERIM PROTECTION AND DISMISSING PROCEEDING

By Order entered on June 5, 2000, the Commission granted the motion of Appalachian Power Company d/b/a American Electric Power ("Apco" or "Company") for protection of certain portions of its Annual Financial and Operating Report ("Report") for the year 1999 on an interim basis. In that Order, the Commission also directed Apco to file with the Commission any rulings of the Federal Energy Regulatory Commission ("FERC") concerning the confidential treatment of similar information submitted to that agency.

On September 22, 2000, Apco submitted the response from the FERC Office of General Counsel regarding Apco's request for confidential treatment of certain information contained in its 1999 Form-1 filing. Pursuant to that correspondence, FERC will treat such information as public information.

In the letter attached to FERC's response, counsel for Apco notes that, in light of the above-referenced response, it will not pursue its request that the Commission make permanent the interim ruling in this docket.

NOW THE COMMISSION, having considered the above-referenced matter, is of the opinion that the protection granted by our June 3, 2000, Order is no longer needed.

Accordingly, IT IS ORDERED THAT:

(1) The interim protection granted pursuant to our June 5, 2000, Order for certain portions of Apco's 1999 Report is hereby terminated.

(2) This matter shall be dismissed from the Commission's docket of active cases.

CASE NO. PUA000040
NOVEMBER 30, 2000

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

Annual Financial and Operating Report

ORDER TERMINATING PROTECTIVE TREATMENT AND DISMISSING PROCEEDING

On May 12, 2000, Virginia Electric and Power Company ("Virginia Power" or "Company") filed a motion requesting that certain information contained in, or to be provided to the Staff in connection with, the Company's Annual Financial and Operating Report ("Report") for the year ended December 31, 1999 and any information that may be provided to Staff in connection with the Report, be protected from public disclosure until such time as the Federal Energy Regulatory Commission ("FERC") determines whether similar information contained in the Company's Form No. 1 ("Form 1") may be withheld from public disclosure.

By order dated June 5, 2000 ("June 5 Order"), the Commission granted Virginia Power's motion on an interim basis. The Commission directed the Company to submit a proprietary version to the Commission's Division of Public Utility Accounting, and determined that the information at issue may be protected from disclosure until such time that the Commission determines such protection is not needed. The June 5 Order also directed Virginia Power to submit to the Commission any determination that may be issued by FERC regarding the confidentiality of the information contained in Form 1.

On November 9, 2000, Virginia Power filed a request to withdraw its motion for a protective order in this proceeding. Virginia Power stated that, on September 14, 2000, FERC's Office of General Counsel issued a letter informing the Company that FERC intended to make public the Company's 1999 Form 1 information, including the information for which privileged treatment was sought. The Company stated that it will not seek rehearing of the FERC decision and, accordingly, will now withdraw its motion for a protective order seeking confidential treatment of information contained in its Report.

UPON CONSIDERATION of the foregoing, the Commission is of the opinion that the information contained in the Company's Report or any information that the Company may provide in the future to Staff in connection with the Report shall no longer be afforded confidential treatment.

Accordingly, IT IS ORDERED THAT:

(1) The interim protection granted, pursuant to the Commission's Order of June 5, 2000, to certain information contained in Virginia Power's Annual Financial and Operating Report for the year ended December 31, 1999, and that may be provided in connection with the Report, is hereby terminated.

(2) This matter shall be dismissed from the Commission's docket of active cases.

CASE NO. PUA000041
OCTOBER 24, 2000

PETITION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of the sale of an undivided ownership interest in a natural gas pipeline

ORDER GRANTING APPROVAL

On May 19, 2000, Virginia Electric and Power Company ("Virginia Power," the "Petitioner") filed a petition with the Commission requesting approval, pursuant to § 56-89 of the Code of Virginia, of a proposed transaction whereby Virginia Power will sell to the City of Richmond, Virginia ("the City"), and the City will purchase from Virginia Power an undivided ownership interest in a certain eighteen-inch diameter natural gas pipeline ("Lateral Pipeline"). As described in the petition, the Lateral Pipeline runs from the interconnection with Virginia Natural Gas, Inc.'s joint use pipeline in Mechanicsville, Virginia, southward to a connection with Columbia Gas of Virginia, Inc. ("Columbia"). Virginia Power states that the proposed sale will enable the City to transport natural gas to the City's customers.

As stated in the petition, Virginia Power and the City entered into an Asset Purchase Agreement (the "Agreement") on January 3, 2000. Pursuant to the Agreement, the City and Virginia Power agreed on a sales price for the ownership interest of $2,100,000 as a result of arm's length bargaining. The calculated original cost of the City's proposed ownership interest is $967,096, which was determined using a cumulative average cost of the facility. The City's undivided ownership interest in the Lateral Pipeline will equate to 12,000 mmbtu/day. The Petitioner represents that the sale will not impair Virginia Power's ability to satisfy its public service obligations within the Commonwealth of Virginia. Specifically, Virginia Power states that the sale will not impair its ability to transport gas necessary for generating electricity at its Chesterfield power station and its Darbytown combustion turbine units.

Furthermore, pursuant to the Gas Pipeline Operating Agreement (the "Operating Agreement") between Virginia Power and the City, Virginia Power will operate the pipeline on behalf of both Virginia Power and the City. The Operating Agreement was entered into on January 3, 2000, and provides for Virginia Power to be responsible for the operation and maintenance of the Lateral Pipeline, including the City's undivided ownership interest.

An Order for Notice and Comment was issued June 13, 2000. The City Manager of the City of Richmond filed a letter in support of the transaction. Columbia filed comments requesting that certain conditions be placed on approval of the transaction.

In its comments, Columbia requested that the Commission place the following conditions on any approval of the proposed sale: (1) that Columbia be provided sufficient access to the Lateral Pipeline to enable it to fulfill its certificate obligations to customers on the outlet side of the Lateral Pipeline; and (2) that the City not use the Lateral Pipeline to serve customers located in areas in which Columbia holds certificates of public convenience and necessity unless Columbia is not providing adequate service and fails to remedy such inadequacy in accordance with the standards set forth in § 56-265.4 of the Code of Virginia.[1]

Staff filed its report in this case on August 11, 2000. In its Report, Staff recommended approval of the purchase and sale of the undivided ownership interest in the Lateral Pipeline from Virginia Power to the City, subject to the following conditions:

1) that fifty per cent (50%) of the gross gain on the sale of the undivided ownership interest in the Lateral Pipeline to the City flow back through Virginia Power's fuel factor;

2) that Columbia be provided sufficient access to the Lateral Pipeline to enable it to fulfill its certificate obligations to customers on the outlet side of the Lateral Pipeline; and

3) that the City not use the Lateral Pipeline to serve customers located in areas in which Columbia holds certificates of public convenience and necessity unless Columbia is not providing adequate service and fails to remedy such inadequacy in accordance with the standards set forth in § 56-265.4 of the Code of Virginia.

On August 18, 2000, counsel for the City filed the City's response to Staff's Report opposing the conditions proposed by Columbia. On that same date, in connection with Virginia Power's response to Staff's Report, counsel for Virginia Power advised the Commission and Columbia of Virginia Power's intent to disclose the Service Agreement between Commonwealth Gas Services, Inc. (predecessor of Columbia Gas of Virginia, Inc.), and Virginia Power under Rate Schedule LVTS (the "LVTS Agreement"). Virginia Power also filed its comments on Staff's Report under seal.

Also, on August 18, 2000, counsel for Columbia filed its response to Staff's Report supporting the conditions placed on the approval of the purchase and sale of the undivided interest in the Lateral Pipeline.

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[1] Columbia states in its comments that the City already represented to Columbia that it does not intend to use the Lateral Pipeline to serve Columbia's customers in Chesterfield County.

In response to an August 21, 2000, motion filed by counsel for Virginia Power, the Commission issued its Protective Order on August 23, 2000.

On September 5, 2000, counsel for Columbia filed a Motion to File Reply Comments to Pleadings filed by Virginia Power and attached its Reply Comments. In its comments, Columbia again argued for imposition of its requested conditions. Columbia also stated that it was requesting a condition protecting whatever rights to access to the Lateral Pipeline that it may already have.

On September 18, 2000, Virginia Power and the City responded to the September 5, 2000, Motion of Columbia. Virginia Power and the City opposed the "Motion of Columbia to File Reply Comments to the Pleadings filed by Virginia Power and the City of Richmond." Both parties maintained that Columbia had ample opportunity to provide support for its position when it filed initial comments on July 14, 2000.

Both Virginia Power and the City requested that, if the Commission grants Columbia's Motion, it permits them to respond to the Reply. In its "Response to Columbia's Reply Comments," Virginia Power and the City renewed their request for the Commission to approve the above-referenced petition without certain conditions.

NOW THE COMMISSION, having considered the pleadings of the parties, will grant the Motion of Columbia to File Reply Comments to Pleadings filed by Virginia Power. We will accept such Reply Comments, and we will permit Virginia Power and the City to respond to Columbia's Reply Comments and accept Virginia Power's and the City's attached responses.

Upon consideration of the petition, representations of Petitioner, Staff's recommendations, and the comments and pleadings filed herein, we are of the opinion and find that the proposed purchase and sale of the undivided ownership interest in the Lateral Pipeline will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates. We decline to impose the requested conditions regarding Columbia's access to the Lateral Pipeline and protection of its service territory. Following the sale, Columbia will continue to possess the rights it now has pursuant to its contract with Virginia Power and the various statutes of the Code of Virginia.

We also decline to condition our approval on Virginia Power flowing fifty per cent (50%) of the gross gain on the sale back to its customers. We will, however, direct Virginia Power to defer any gain recorded on its balance sheet, and we will consider the matter in Virginia Power's next fuel factor proceeding. Accordingly,

IT IS ORDERED THAT:

1) Columbia's Motion to File Reply Comments to Pleadings filed by Virginia Power shall be granted.

2) Reply Comments filed Columbia on September 5, 2000, and the responses to that Reply filed by Virginia Power and the City on September 18, 2000, are hereby accepted.

3) Pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Virginia Electric and Power Company is hereby granted approval for the purchase and sale of the undivided ownership interest in the Lateral Pipeline under the terms and conditions as described herein.

4) Virginia Power shall defer any gain recorded on its balance sheet that is associated with the sale of the Lateral Pipeline.

5) The approval granted herein shall have no other ratemaking implications other than that referenced in ordering paragraph (4) above.

6) There appearing nothing further to be done, it hereby is dismissed.

CASE NO. PUA000042
JULY 7, 2000

APPLICATION OF
THE POTOMAC EDISON COMPANY, d/b/a ALLEGHENY POWER

For authority to dispose of utility assets

ORDER GRANTING AUTHORITY

On May 24, 2000, The Potomac Edison Company, d/b/a Allegheny Power ("Allegheny Power," the "Company"), filed an application with the Commission under the Utility Transfers Act requesting authority to dispose of utility assets. Allegheny Power requests authority to sell pad-mounted transformers and associated equipment (the "Facilities") to the Winchester Medical Center (the "Medical Center").

Allegheny Power currently provides retail electric service to the Medical Center. As stated by the Company, in order to upgrade service to the Medical Center, Allegheny Power has agreed to sell the Facilities. The Facilities will continue to be used to provide electric service to the Medical Center, but following the sale, the Facilities will be owned by the customer not the Company. Allegheny Power represents that service to other customers will not be affected by the sale since no other customers are served by the Facilities. The Company further represents that the purchase will allow the Company to bill on a single account instead of multiple accounts, saving both the Company and the customer overhead and administrative costs.

The sales price, developed through negotiations between the Company and the Medical Center, is the present day cost of the Facilities less depreciation, resulting in a total sales price of $490,069.10. As stated by the Company, the net book value as of February 2000 is $400,079.26, which is less than the proposed sales price of $490,069.10.

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 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, The Potomac Edison Company is hereby granted authority to sell the Facilities to the Winchester Medical Center pursuant to the agreement described herein.

2) The authority granted herein shall have no ratemaking implications.

3) The Company shall file a Report of Action with the Commission's Director of Public Utility Accounting by no later than September 7, 2000, subject to extension by the 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, it is hereby dismissed.

CASE NO. PUA000043
SEPTEMBER 5, 2000

PETITION OF
LIGHTYEAR COMMUNICATIONS OF VIRGINIA, INC., f/k/a UNIDIAL COMMUNICATIONS OF VIRGINIA, INC.,
LIGHTYEAR COMMUNICATIONS, INC., f/k/a UNIDIAL COMMUNICATIONS, INC.,
and
LIGHTYEAR TELECOMMUNICATIONS, LLC, f/k/a UNIDIAL TELECOMMUNICATIONS, LLC

For approval of an indirect minority transfer of control

ORDER GRANTING APPROVAL

On May 25, 2000, UniDial Communications of Virginia, Inc. ("Uni-VA"), UniDial Communications, Inc. ("Uni-Comm"), and UniDial Telecommunications, LLC ("Uni-Tel") (collectively, the "Petitioners," the "Companies"), filed a petition under the Utility Transfers Act requesting approval of an indirect minority transfer of control.

Uni-VA, a Virginia corporation, is a wholly owned subsidiary of UniDial Holdings, Inc. ("UniDial Holdings"), a Delaware holding company whose principal business is telecommunications. Uni-VA holds a certificate of public convenience and necessity to provide local exchange telecommunications services in Virginia. Uni-VA currently does not have accepted tariffs on file with the Commission.

Uni-Comm, a Kentucky corporation, is a wholly owned subsidiary of UniDial Holdings. Uni-Comm currently provides resold interexchange services in Virginia.

Uni-Tel, a Delaware corporation, is a wholly owned subsidiary of UniDial Holdings. Uni-Tel currently provides resold interexchange services in Virginia.

VarTec Telecom, Inc. ("VarTec"), has a certificate to transact business in Virginia and provides resold interexchange services in Virginia. VarTec is a Texas corporation authorized to provide intrastate local exchange and/or interexchange services in numerous other states.

On July 7, 2000, Uni-Comm amended its petition to reflect the proper names of Petitioners. On July 25, 2000, Petitioners also filed a second amendment whereby they incorporated the changed names of two of the Petitioners. Specifically, Petitioners' amendment changed the names of UniDial Communications, Inc., to Lightyear Communications, Inc., UniDail Telecommunications, LLC, to Lightyear Telecommunications, LLC.[1]

Petitioners represent that in order to finance their provision of additional products and services, the UniDial companies determined that they should enter into a series of transactions whereby VarTec will purchase shares of UniDial Holdings' stock. Pursuant to that agreement, a private shareholder will sell 2,975,000 shares of common stock of UniDial Holdings to VarTec. This constitutes approximately 15.6% of the outstanding shares of common stock of UniDial Holdings on a non-diluted basis.

As stated in the petition, in another transaction UniDial Holdings and VarTec entered into a Note Purchase Agreement ("Agreement") whereby VarTec purchased a $25 million subordinated convertible note ("Note") issued by UniDial Holdings. Pursuant to the Agreement, VarTec may purchase an additional subordinated convertible note ("Second Note") for $15 million issued by UniDial Holdings. The Companies state that the proceeds of the sale will be used to fund capital expenditures associated with the development and deployment of the Companies' network, to provide working capital, and for other general corporate purposes.

As a result of the above-described transactions, VarTec will hold approximately 27% of the common stock of UniDial Holdings. However, the Companies represent that the proposed transactions will not result in a change in the management of the Petitioners. Additionally, the Companies state that there will be no change in the manner in which the Companies provide service to existing Virginia customers. The Companies will continue to provide service to existing Virginia customers pursuant to their authorizations with no change in the rates or terms and conditions of service. Moreover, the

[1] Neither entity is certificated in Virginia.

Petitioners will continue to be led by the same team of officers and telecommunications managers. The Petitioners represent that the transactions will, therefore, be virtually transparent to the Companies' Virginia customers in terms of the quality and the types of services that they receive.

Petitioners represent that at no time will VarTec hold 50% or more of the shares of UniDial Holdings should the Notes be converted.

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 transactions 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, VarTec and the Companies are hereby granted approval for VarTec to acquire shares of common stock of UniDial Holdings under the terms and conditions described herein.

2) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUA000045
AUGUST 8, 2000

APPLICATION OF
VIRGINIA GAS STORAGE COMPANY,
VIRGINIA GAS PIPELINE COMPANY,
and
VIRGINIA GAS DISTRIBUTION COMPANY

For authority to enter into agreements with affiliates under Chapter 4 and 5

ORDER GRANTING AUTHORITY

On May 26, 2000, Virginia Gas Storage Company ("VGSC"), Virginia Gas Pipeline Company ("VGPC"), and Virginia Gas Distribution Company ("VGDC") (collectively, the "Applicants") filed an application under the Public Utilities Affiliates Act and the Utility Transfers Act requesting approval for VGDC to sell certain items of office furniture and equipment to Virginia Gas Propane Company ("the Propane Company"). Applicants also request approval, under the Public Utilities Affiliates Act, for VGSC to enter into a Gas Storage Agreement with VGPC.

Pursuant to the Gas Storage Agreement, VGPC will provide gas storage services to VGSC from VGPC's Saltville Storage Field in Smyth and Washington Counties, Virginia. As stated in the application, VGSC requests approval to contract for 140,000 MMBtus of 90-day firm storage and an additional 260,000 MMBtus of interruptible storage service from VGPC. VGSC represents that the storage of gas is necessary in order to meet the needs of high priority (residential, small commercial, and small industrial) customers during the cold winter months. Utilizing VGPC's storage services will enable VGSC to meet its peak demand in a cost-effective manner. The Gas Storage Agreement will terminate on April 30, 2001. Rates shown on the Gas Storage Agreement are in accordance with the Commission's gas tariff for VGPC.

VGPC and VGSC were granted authority in Case No. PUA960067 to provide gas storage services to each other. Each company is authorized to provide up to 350,000 MMBtus of gas storage under 60 or 90-day firm storage service tariffs. This application is for storage service in addition to the authorization granted under Case No. PUA960067.

VGSC represents that presently there are no other storage facilities operating in Virginia besides VGSC's Early Grove Storage facility and the VGPC's Saltville facility. Alternatives to these two facilities include the purchase of natural gas storage from Tennessee Gas Pipeline ("TGP"). Although storage space may be currently available, the storage rates along with the forward-haul firm transportation costs on the pipelines are not cost effective. VGSC represents that another alternative, the East Tennessee Natural Gas ("ETNG") is not a viable alternative as the storage facility is fully subscribed. VGSC further represents that when compared with the above alternatives, VGSC anticipates its peak demands, which will increase as the residential and small commercial and industrial load increases, can be met efficiently and economically by utilizing the services of its affiliate VGPC from VGPC's Saltville Storage Facility.

VGDC requests Commission approval to sell the office furniture and equipment to the Propane Company for $11,084.91, a cost equal to the January 31, 1999, net book value of the equipment. In January 1999, VGDC closed two local distribution offices located in Lebanon and Grundy, Virginia. The office furniture and the equipment, consisting primarily of personal computers, copiers, desks, tables, and chairs, were transferred to two offices of the Propane Company. VGDC represents that the net book values of these assets were either greater than or comparable to their respective market values at January 31, 1999. Accordingly, VGDC believes that the net book values of each asset to be purchased by the Propane Company are equal to or greater than their respective market values.

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 sale of the assets will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and is in the public interest and should, therefore, be approved. The Commission is also of the opinion that the approval of the Gas Storage Agreement will be in the public interest and should, therefore, be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-77, 56-89 and 56-90 of the Code of Virginia, Virginia Gas Distribution Company is hereby granted authority to sell to Virginia Gas Propane Company certain items of office furniture and equipment at a price of $11,084.91, as described in the application.

2) Pursuant to § 56-77 of the Code of Virginia, Virginia Gas Storage Company is hereby granted authority to enter into a Gas Storage Agreement with Virginia Gas Pipeline Company under the terms and conditions described herein.

3) The authority granted herein shall have no ratemaking implications.

4) Should there be any changes in the terms and conditions of the Gas Storage Agreement between VGSC and VGPC 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) VGSC shall include the Gas Storage Agreement in its Annual Report of Affiliate Transactions to be submitted to the Director of Public Utility Accounting of the Commission by no later than April 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 VGSC 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.

CASE NO. PUA000047
JULY 27, 2000

JOINT PETITION OF
VF COMMUNICATIONS, INC., f/k/a PINNACLE TELECOMMUNICATIONS OF VIRGINIA, INC.,
PINNACLE ONLINE, INC.,
MICHAEL S. RYAN,
and
JOHN W. HARRIS

For approval of the acquisition of VF Communications, Inc., by Pinnacle Online, Inc.

ORDER GRANTING APPROVAL

On June 1, 2000, VF Communications, Inc. ("VF"), (formerly known as Pinnacle Telecommunications of Virginia, Inc.), Pinnacle Online, Inc. ("Pinnacle Online"), Michael S. Ryan, and John W. Harris (collectively, the "Joint Petitioners") filed a joint petition requesting approval under the Utility Transfers Act (§ 56-88 *et seq.* of the Code of Virginia). Joint Petitioners specifically request approval for the acquisition of VF by Pinnacle Online. The proposed reorganization will ultimately result in VF being a direct wholly owned subsidiary of Pinnacle Online. Joint Petitioners request that approval be effective, *nunc pro tunc*, December 21, 1998, for the following:

1. a name change (completed October 21, 1998) from Pinnacle Telecommunications of Virginia, Inc. ("PTVA"), to VF Communications, Inc.[1];

2. the issuance of VF Communications, Inc.'s stock to John W. Harris (completed December 21, 1998) in an amount which resulted in John W. Harris' 36.25% ownership interest in VF Communications, Inc; and

3. a Stock Purchase Agreement between Pinnacle Online, Inc., and the stockholders of VF Communications, Inc. (consummated April 15, 2000).

VF provides resold and facilities-based local telecommunications services to business customers in southeastern Virginia. VF is also authorized to provide intrastate interexchange services in Virginia. Pinnacle Online is a Virginia-based broadband Internet service provider, serving business consumers throughout Virginia, North Carolina, and the Northeast United States. VF and Pinnacle Online are headquartered in Norfolk, Virginia. Michael S. Ryan is the President of VF and Pinnacle Online. John W. Harris is one of the principal owners of Commercial Radio Service Corporation, which sells and services two-way radios, pagers, and specialized mobile radio equipment.

As stated in the joint petition, Michael S. Ryan originally owned more than 80% of the outstanding shares of Pinnacle Online and 100% of the outstanding shares of stock of PTVA. The management team at Pinnacle Online determined that PTVA should seek a market providing wireless Internet and other telecommunications services. Hence, on October 21, 1998, PTVA changed its name to VF Communications, Inc. The "VF" meaning Virtual Fiber signifies wireless connections to customers. VF issued shares to John W. Harris in an amount that gave Mr. Harris a 36.25% ownership share of the company on December 21, 1998.

After commencement of the company's provision of wireless Internet and telecommunication services, VF now serves nine (9) customers in the Dominion Tower building in downtown Norfolk. Joint Petitioners state that VF needed additional capital in order to expand the services provided to those Dominion Tower customers and to provide similar wireless Internet connections to other locations in southeastern Virginia. Such additional capital was acquired by obtaining subscriptions for $50,000.00 in common stock from John W. Harris and 18 additional investors, who together acquired 20% of the

[1] By action of the Commission on October 8, 1998, a certificate of amendment was issued pertaining to amended Articles of Incorporation filed with the Commission changing the name Pinnacle Telecommunications of Virginia, Inc. to VF Communications, Inc. In a separate action, our Order in Case No. PUC000205 cancels Pinnacle Telecommunications of Virginia, Inc.'s certificates of public convenience and necessity to provide interexchange and local exchange telecommunications services (Certificates TT-36A and T-381) and reissues them in the name of VF Communications, Inc. (Certificates TT-36B and T-381a).

stock in VF. Upon completion of the capital transaction, VF stockholders include Michael S. Ryan owning 51%, John W. Harris owning 31%, and 18 individual stockholders, all Virginia residents, each owning 1%.

As stated in the petition, the management of Pinnacle Online and the investors in VF agreed that the exchange of stock in which VF became a wholly owned subsidiary of Pinnacle Online would provide the best avenue for the capital formation necessary to increase the services offered to the public by VF. As further stated, Pinnacle Online's growth in revenues and large customer base provide a much sturdier platform for debt or equity financing. Accordingly, Pinnacle Online and the stockholders of VF executed a Stock Purchase Agreement. Pursuant to the Stock Purchase Agreement, all the current stockholders in VF obtained voting capital stock of Pinnacle Online in exchange for their capital stock in VF. The purchase price for VF's shares was $12.50 per share and $929.41 per share for Pinnacle Online's shares. At closing, each VF share was converted into the right to receive 0.01345 (12.50/929.41) Pinnacle Online shares.

Joint Petitioners state that this transaction resulted in transfer of direct control of VF from a group of shareholders to Pinnacle Online, as well as the transfer of indirect control of VF to that group of shareholders. After consummation of the transaction on April 15, 2000, Pinnacle Online became the parent company of VF. The management team and individuals responsible for running the daily operations of VF have remained the same. Joint Petitioners represent that the customers of VF will continue to be served by VF pursuant to VF's tariffs and operating authority. Joint Petitioners further represent that the transfer of VF's stock to Pinnacle Online will result in a direct benefit to customers, because VF's access to Pinnacle Online's capital and larger customer base and economies of scale will enable VF to improve its wireless Internet and telecommunications services to both existing and new customers. Additionally, the restructuring of VF will enhance the ability of VF to compete in the market for telecommunications services in Virginia and will allow it better access to capital and financial markets.

Joint Petitioners represent that the transactions will not result in any changes to the rates, terms, and conditions offered by VF to its customers in Virginia. Accordingly, VF will continue to provide telecommunications services in Virginia pursuant to its existing tariff.

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 transactions 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, VF Communications, Inc., Pinnacle Online, Inc., Michael S. Ryan, and John W. Harris hereby are granted authority, *nunc pro tunc,* to acquire and to dispose of control of VF Communications, Inc., and the issuance of VF Communications, Inc. stock to John W. Harris and the Stock Purchase Agreement as described herein are approved.

2) The name change of Pinnacle Telecommunications of Virginia, Inc. to VF Communications, Inc. has been approved by separate action of the Commission.

3) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUA000048
JULY 14, 2000

JOINT PETITION OF
CFW COMMUNICATIONS COMPANY
and
WELSH, CARSON, ANDERSON & STOWE VIII, L. P.

For authority pursuant to the Utility Transfers Act

ORDER GRANTING AUTHORITY

On June 6, 2000, CFW Communications Company ("CFW") and Welsh, Carson, Anderson & Stowe VIII, L. P. (together with its affiliates "WCAS"), (CFW and WCAS collectively referred to as "Joint Petitioners") filed a joint petition with the Commission under the Utility Transfers Act. Joint Petitioners request authority for the transfer of ownership of 200,000 shares of voting preferred stock of CFW to WCAS.

As stated in the joint petition, CFW is a Virginia business corporation headquartered in Waynesboro, Virginia. CFW provides telecommunications services in six states and provides, through its wholly owned subsidiary CFW Telephone Inc., incumbent local exchange telecommunications ("ILEC") services to approximately 38,000 access lines in the cities of Clifton Forge, Covington, and Waynesboro, Virginia. CFW owns CFW Network, Inc. ("Network"), which has a certificate to provide competitive local exchange telecommunications ("ILEC") services in Virginia.

WCAS is a Delaware limited partnership headquartered in New York, New York. WCAS is a private equity investment firm founded in 1979. Welsh, Carson, Anderson & Stowe VIII, L. P., has total capital of $8 billion. WCAS focuses its investments on the telecommunications, health care, and information services industries.

In this petition, CFW and WCAS request approval for the ownership by WCAS of 200,000 Voting Preferred Shares of CFW. As stated in the joint petition, CFW and WCAS will enter into a Securities Purchase Agreement ("the Series B Agreement") through which CFW will agree to sell and WCAS will agree to purchase 100,000 shares of CFW's Series B Cumulative Convertible Preferred Stock ("Series B Shares"). CFW and WCAS will also enter into a Securities Purchase Agreement ("the Series C and D Agreement") pursuant to which CFW will agree to sell and WCAS will agree to purchase 42,222 shares of CFW's Series C Cumulative Convertible Preferred Stock ("the Series C Shares") and 57,778 shares of Series D Cumulative Convertible Preferred Stock ("the Series D Shares"), subject to CFW's acquisition of Richmond 20 MHz, LLC. Richmond 20 MHz, LLC, owns the wireless licenses and

assets of PrimeCo Personal Communications, L. P., comprising the Richmond-Petersburg and Norfolk-Virginia Beach Basic Trading areas ("Richmond PCS"). The aggregate consideration to be paid for the Voting Preferred Shares by WCAS is $200,000,000.

As holder of the majority of the Series B shares, WCAS will be entitled to elect two of CFW's eleven directors and will otherwise be entitled to vote with the holders of the CFW common stock on an as-converted basis. CFW has agreed to seek shareholder approval to eliminate the limitations on the voting rights of WCAS. Upon shareholder approval, the Voting Preferred Shares will constitute approximately twenty-five per cent (25%) of CFW's issued and outstanding voting shares.

CFW represents in its petition and in response to Staff interrogatories that there will be no rate impact on current customers of CFW (either ILEC or CLEC customers) as a result of the proposed ownership of the Voting Preferred Shares. The current rates on file with the Commission will continue to be in effect after the transfer takes place. Service will be maintained at existing levels and all service employees will be retained. Joint Petitioners represent that, with WCAS' investment in CFW, CFW will be able to expand its telecommunications facilities and services regionally and in Virginia.

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 ownership of the Voting Preferred Shares by WCAS as set forth herein 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, CFW Communications Company is hereby granted authority to transfer 200,000 Voting Preferred Shares to Welsh, Carson, Anderson & Stowe VIII, L. P., for an aggregate consideration of $200,000,000, as described herein.

2) The authority granted herein shall have no ratemaking implications.

3) Joint Petitioners shall submit to the Division of Public Utility Accounting a report of the action taken pursuant to the authority granted herein within sixty (60) days of closing the transaction authorized herein. Such report shall include the date of closing, the sales price, executed copies of the Series B Agreement and the Series C and D Agreement, and the actual accounting entries to reflect the transaction.

4) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA000050
AUGUST 10, 2000

JOINT PETITION OF
KENTUCKY UTILITIES COMPANY,
LOUISVILLE GAS AND ELECTRIC COMPANY
and
LG&E ENERGY SERVICES, INC.

For approval of a services agreement

ORDER GRANTING APPROVAL

On June 12, 2000, Kentucky Utilities Company ("KU"), Louisville Gas and Electric Company ("LG&E"), and a newly created services company, LG&E Energy Services, Inc. ("LG&E Energy Services"), (collectively, the "Petitioners"), filed a joint petition pursuant to Chapter 4 of Title 56 of the Code of Virginia ("Code") for approval of a Service Agreement between KU, LG&E, and LG&E Energy Services, following consummation of the proposed merger of LG&E Energy Corp. ("LG&E Energy") and PowerGen plc ("PowerGen").

KU is a public service corporation organized pursuant to the laws of the Commonwealth of Kentucky and the Commonwealth of Virginia. In Kentucky, KU provides retail electric service to approximately 487,000 customers in 77 counties and wholesale service to several municipalities. In Virginia, KU conducts business under the name "Old Dominion Power" and provides retail electric service to approximately 29,000 customers in five southwestern counties. KU does not have any wholesale customers in Virginia[1].

LG&E is a corporation organized under the laws of the Commonwealth of Kentucky. LG&E is a combination gas and electric utility providing service in Kentucky. LG&E is also a wholly owned subsidiary of LG&E Energy.

LG&E Energy Services is a corporation organized under the laws of the Commonwealth of Kentucky and also a wholly owned subsidiary of LG&E Energy.

LG&E Energy is a corporation organized under the laws of the Commonwealth of Kentucky. LG&E Energy is an exempt holding company under the Public Utility Holding Company Act of 1935 ("the 1935 Act") engaged in co-generation, independent power projects, exempt wholesale generation, and the ownership and operation of two retail electric and gas distribution utilities known as LG&E and KU.

[1] By Order dated January 20, 1998, in Case No. PUA970041, the Commission approved the merger of KU's then parent company, KU Energy Corporation, with and into LG&E Energy with LG&E Energy being the surviving company.

PowerGen is a public limited holding company formed under the laws of England and Wales and is engaged in regulated and unregulated power activities around the world. PowerGen, through its subsidiaries, is a leading integrated electric and gas company in the United Kingdom with significant investments in utility operations outside the United Kingdom and United States.

On February 25, 2000, the Boards of Directors of PowerGen and LG&E Energy approved the Merger Agreement and executed the agreement on February 27, 2000. Under the terms of the Merger Agreement, LG&E Energy will merge with PowerGen Acquisition, a corporation to be formed and indirectly owned by PowerGen for purpose of facilitating the merger. LG&E Energy will survive the merger; PowerGen Acquisition will cease to exist, resulting in LG&E Energy becoming a wholly owned subsidiary of PowerGen.

Following the merger, KU, LG&E, and LG&E Energy Services will be wholly owned, direct operating subsidiaries of LG&E Energy and wholly owned, indirect subsidiaries of PowerGen. PowerGen will own 100 percent of the issued and outstanding stock of LG&E Energy, and LG&E Energy will continue to own 100 percent of the common stock of KU and LG&E.

The Petitioners state that KU will continue to function as a public utility subject to the regulatory jurisdiction of the Virginia Commission, the Kentucky Public Service Commission, and, to the extent required by applicable law, the Tennessee Regulatory Authority. In addition, the Federal Energy Regulatory Commission ("FERC") will continue to regulate KU's transmission services and wholesale rates.

The shareholders of PowerGen and LG&E approved the Merger Agreement on June 5 and June 7, 2000. The merger was also approved by the Public Service Commission of Kentucky on May 15, 2000, and by the FERC on June 28, 2000. By Order dated July 21, 2000, in Case No. PUA000020, the Virginia State Corporation Commission also approved the merger. The Petitioners are awaiting approval from the Securities and Exchange Commission ("SEC"), the Department of Justice's Antitrust Division, the Federal Trade Commission, and the Tennessee Regulatory Authority[2].

Pursuant to the proposed merger, PowerGen and the intermediate companies are expected to register with the SEC as holding companies under the 1935 Act. (15 U.S.C. §79m). Among other things, Section 13 of the 1935 Act prohibits registered holding companies from providing goods and services at a fee to operating utility subsidiaries, and it greatly restricts operating companies from providing goods and services directly to each other. However, the 1935 Act does permit registered holding companies to establish a service company subsidiary to provide centralized services to it and its subsidiaries.

Because of the provisions of the 1935 Act, LG&E Energy Services, a new service company subsidiary of LG&E Energy, was formed to provide services to KU and the other affiliates and subsidiaries of LG&E Energy and, to a lesser extent, affiliates and subsidiaries of PowerGen. It is anticipated that LG&E Energy Services will be staffed primarily by the transfer of personnel from LG&E Energy, LG&E, KU, and their subsidiaries.

The SEC will have regulatory authority regarding the governance of LG&E Energy Services and the allocation of costs. Such regulations are designed to ensure that the activities performed by the service company are "necessary or appropriate in the public interest or for the protection of investors or consumers and to insure that such [services] are performed economically and efficiently for the benefit of such associate companies at cost, fairly and equitably allocated among such companies." 15 U.S.C. §79m(b). Accounting for service company costs will comply with the SEC's Uniform System of Accounts for Mutual Service Companies and Subsidiary Companies under the 1935 Act. Costs will either be directly assigned to the benefiting subsidiary or allocated using allocations methods approved by the SEC. In addition, costs will be allocated between regulated and unregulated subsidiaries and between utility operating companies, in an appropriate manner, with no adverse consequences to KU utility customers. Furthermore, the Petitioners state that the Commission Staff will have access to the books and records of LG&E Energy, LG&E, LG&E Energy Services, and PowerGen and the intermediate companies consistent with the exercise of the Commission's ratemaking jurisdiction and authority.

The Petitioners state that, after approval and consummation of the proposed merger, KU will continue to be a public utility under and subject to the Commission's jurisdiction. The Commission will have the same ratemaking and regulatory authority to regulate the rates and services of KU as it did before the merger. Furthermore, KU committed in ¶17 of its Application in *Joint Petition of PowerGen plc, LG&E Energy Corp. and Kentucky Utilities Company d/b/a Old Dominion Power Company for Approval of a Merger*, Case No. PUA000020 that it would not assert that the SEC's jurisdiction legally preempts the Virginia Commission from disallowing recovery in retail rates of the cost of goods and services that it obtains from LG&E and/or LG&E Services, and it reaffirms such commitment in this proceeding. KU otherwise retains the right to assert that the charges are reasonable and appropriate.

The Petitioners are aware that questions concerning the FERC's policy in this area are likely to arise with respect to affiliate transactions involving KU. In connection with the merger application filed with FERC, the parties represent that, with respect to any transactions between KU and PowerGen and any of its subsidiary or affiliated companies, KU will abide by FERC policy regarding intra-affiliate transactions. The FERC intra-corporate transactions policy, with respect to non-power goods and services, generally requires affiliates or associates of a public utility not to sell non-power goods and services to a public utility at a price above cost, and sales of non-power goods and services by a public utility to its affiliates or associates are required to be at the public utility's cost for such goods and services or market value, whichever is higher.

Unless exempt, the Petitioners state that all services provided by PowerGen System companies to other companies within the system will be in accordance with the requirements of Section 13 of the 1935 Act and the rules promulgated by the SEC thereunder. Section 13(b) of the 1935 Act generally requires that affiliate transactions involving system utilities be "at cost, fairly or equitably allocated among such companies." Nonetheless, KU believes that, as a practical matter, there should not be any irreconcilable inconsistency between the application of the SEC's "at cost" standard and the Virginia Commission's policies with respect to intra-system transactions as applied to PowerGen.

The proposed Service Agreement between KU, LG&E, and LG&E Energy Services will allow LG&E Energy Services to provide certain administrative, management, or other services to KU, at its request, and to determine cost incurred by the parties in receiving or providing such services.

The proposed Service Agreement will also allow: (1) for the provision and/or receipt of such services, construction, or goods to or from KU and/or LG&E as are reasonably required to meet a breakdown or other emergency when the parties believe in good faith that, under the conditions then existing, such transactions will be to their advantage and their customers' advantage; and (2) for KU and/or LG&E to provide or receive from each other any goods, at no more than cost less depreciation, that were purchased by each for their own use. The two types of affiliate transactions are permissible

[2] By letter dated August 9, 2000, the Petitioners notified Staff that the only regulatory approval required for the merger is that of the SEC.

exceptions to the general SEC prohibition that one company cannot provide services to an associate company unless it is through an approved services company (C.F.R. § 250.87).

The Petitioners state that, after consummation of the merger, LG&E Energy Services proposes to provide a variety of administrative, management, and support services to KU pursuant to a service contract. Although the full scope of services is not known at this time, the services may include: information system services; customer services; marketing and sales; employee services; corporate compliance; purchasing; financial services; risk management; public affairs and regulatory; legal services; investor services; telecommunications; gas supply and capacity management; transmission, substation construction, maintenance and operations; meter reading, repair and maintenance; design engineering; substation engineering and support; resource acquisition and analysis; purchased power and electric trading; strategic planning; executive; environmental affairs; energy supply; transportation; and media relations. LG&E Energy Services may also provide special services as may be requested by KU. In supplying such special services, LG&E Energy Services may arrange, where it deems appropriate, for the services of such experts, consultants, advisors, and other persons with necessary qualifications as are required for or pertinent to the provision of services.

The Petitioners also state that LG&E Energy Services will maintain and fully document distinct and separate accounting and financial records for services provided to KU. The proposed Service Agreement describes the accounting, cost accumulation and allocation methodology, and billing procedures. All services will be priced at cost and directly assigned, distributed, or allocated by activity, project, program, work order, or other appropriate basis in accordance with SEC standards. 17CFR §§ 256.01-7 and 256.01-2. Allocated costs will include: (1) total payroll and associated costs; (2) materials and consumable costs; (3) building and facilities costs; (4) IS infrastructure costs; and (5) other departmental costs.

KU and LG&E Energy services will prepare a service request each year listing services to be provided to KU and any special arrangements related to the provision of such services. The service request may be modified and/or supplemented by KU during the year. Also, any party may terminate the Service Agreement by providing sixty (60) days written notice of such termination to the remaining parties. In addition, the proposed Service Agreement is subject to termination or modification at any time to the extent its performance may conflict with the provisions of the 1935 Act or with any rule, regulation, or order of the SEC.

In addition to the monthly charges from LG&E Energy Services, KU also will be charged with a portion of the group member costs associated with being a member of the PowerGen System. Allocation of group member costs follow the methodology adopted by the U.K. regulator, the Office of Gas and Electricity Markets ("OFGEM"). The OFGEM approach uses four measures (revenues, operating profit, employee numbers, and net assets) to allocate group member costs.

On August 7, 2000, Staff filed a Report detailing its findings and recommendations. In its Report, Staff recommends approval of the Joint Petition, subject to the provisions of § 56-80 and certain conditions detailed therein.

By letter dated August 9, 2000, the Petitioners agreed with Staff's conclusions and recommendations with the exception of the conditions referenced as nos. 9, 10, and 11[3]. By subsequent letters dated that same day, the Petitioners provided additional information and stated that the complaint procedures currently in place for KU customers are not expected to change and that customers currently have notice of the call number for customer complaints. The Petitioners also stated that each billing statement will contain the then current call number for inquiries and complaints.

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 the above described transactions are in the public interest and should be approved, subject to the conditions detailed herein. Further, we find that the pricing of non-tariffed services provided by KU to LG&E should be at cost instead of the higher of cost or market as recommended in the Staff Report. One cost standard should be in effect for affiliate transactions between regulated utilities. If both regulated entities use the higher of cost or market standard neither could provide services to one another. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to Code § 56-77, the Service Agreement is approved as filed subject to representations made by the Petitioners and is effective upon the closing of the PowerGen and LG&E Energy merger;

2) No changes in the terms, conditions, or types of services described in the Service Agreement approved herein shall be made without prior Commission approval; such changes shall include, but are not limited to, services provided to any other affiliate;

3) The approval granted herein for the Service Agreement between KU, LG&E, and LG&E Energy Services 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;

4) All services provided by LG&E Energy Services to KU shall be at the lower of cost or market. Appropriate documentation of such transactions shall be made available for Staff review upon request;

5) All non-tariffed services provided by KU to LG&E shall be at cost. Any tariffed services provided by KU to LG&E shall be billed at the tariff rate. Appropriate documentation of such transactions shall be made available for Staff review upon request;

6) KU shall have the burden of proving that all goods and services procured from LG&E Energy Services 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 KU could not have provided the services or goods to itself at a lower cost;

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[3] Condition no. 9 concerns customer dispute resolution procedures, condition no. 10 relates to customer notification of such procedures, and condition no. 11 concerns KU's continuing responsibility for quality customer service even though actual performance of customer services will be transferred to LG&E Energy Services.

7) 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. KU shall include in all general rate proceedings and Annual Informational Filings evidence that the pricing policies stated herein have been followed;

8) Petitioners shall not to assert, in any forum, that the SEC jurisdiction legally preempts the Commission from disallowing recovery in retail rates for the costs of goods and services that KU obtains from or transfers to an associate, affiliate, or subsidiary in the same holding company system. However, KU should retain the right to assert that the charges are reasonable and appropriate. Further, the Petitioners commit to oppose any challenge or defense raised by any party that seeks to abrogate the Commission's authority on the grounds of federal preemption under the 1935 Act;

9) The Petitioners shall bear the full risk of any preemptive effects of the 1935 Act and shall take all such action as the Commission finds is necessary and appropriate as a result of possible 1935 Act preemptive effect to hold Virginia ratepayers harmless from rate increases or foregone opportunities for rate decreases. Such actions may include, but not limited to, filing with and seeking to obtain approval from the SEC for such commitments as deemed necessary to prevent such preemptive effects;

10) 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;

11) Petitioners shall provide the Commission with notice thirty (30) days prior to any SEC filing that proposes new allocation factors. The notice should include a description of the proposed factors and the reasons supporting such factors. The Petitioners should make a good faith attempt to resolve differences, if any, with the Commission before filing with the SEC;

12) KU shall submit to the Commission's Division of Public Utility Accounting a copy of all documents or reports filed with the SEC under the 1935 Act by LG&E Energy and LG&E Energy Services as well as copies of all orders issued by the SEC directly affecting KU's accounting practices;

13) The Commission's Division of Energy Regulation shall be notified in writing of any proposed change in the customer dispute resolution procedures at least thirty (30) days prior to the effective date of the proposed change. Customers shall be notified of any change prior to the effective date of the change;

14) KU shall ultimately be held responsible for reliable/quality customer service even though the actual performance of customer services and meter functions will be transferred to LG&E Energy Services;

15) KU shall include all transactions with LG&E Energy Services and LG&E in The Annual Report of Affiliated Transactions to be submitted to the Director of Public Utility Accounting of the Commission by no later than May 1 of each year. Such report shall include all agreements with affiliates regardless of the amount involved and shall supersede all other affiliate reporting requirements previously ordered;

16) The Petitioners shall not create joint lines of credit or implement guarantees, collateralization, or support agreements between KU and LG&E Energy or its subsidiaries without prior Commission approval. Further, prior Commission approval shall be required for any proposed money pool arrangement; and

17) This matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA000050
NOVEMBER 9, 2000

MOTION OF
KENTUCKY UTILITIES COMPANY

For order regarding allocation factors

ORDER GRANTING APPROVAL

On November 6, 2000, Kentucky Utilities Company, d/b/a Old Dominion Power (KU/ODP) filed a motion requesting that the Commission enter an order accepting certain revised allocation factors for the Services Agreement approved by Commission Order dated August 10, 2000, in the above captioned proceeding.

In ordering paragraph (11) of that Order, the Commission required KU/ODP to provide the Commission with thirty (30) days notice prior to making any Securities and Exchange Commission ("SEC") filing that proposed new allocation factors. Such notice was to include a description of the proposed factors, and the reasons supporting such factors. In addition, KU/ODP was directed to make a good faith attempt to resolve any differences with the Commission before filing with the SEC.

In the November 6, 2000, Motion KU/ODP represents that it provided the Commission Staff with the above referenced information and that it believes that, as a result of its discussions with the Staff, there are no areas of disagreement regarding such allocation factors. KU/ODP states that it and affiliates, Louisville Gas and Electric Company and LG&E Services, Inc., wish to implement the proposed factors as soon as possible after the closing of the merger between LG&E Energy Corp. and PowerGen plc. That merger is presently expected to occur before year end.

NOW THE COMMISSION, upon consideration of the application and representations of KU/ODP and having been advised by its Staff, is of the opinion and finds that the above described transactions are in the public interest and should be approved, subject to the conditions detailed herein. Accordingly,

IT IS ORDERED THAT:

1) The proposed changes to the allocation factors are hereby approved as filed subject to representations made by the Petitioners and are effective upon the closing of the PowerGen plc and LG&E Energy merger.

2) No changes in the terms, conditions, or types of services described in the Services Agreement approved herein shall be made without prior Commission approval.

3) The approval granted herein 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.

4) This matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA000051
JULY 17, 2000

APPLICATION OF
APPALACHIAN POWER COMPANY

For consent to and approval of a modification to an existing inter-company agreement with affiliates

ORDER GRANTING APPROVAL

On June 14, 2000, Appalachian Power Company ("Appalachian," the "Applicant"), filed an application with the Commission under the Public Utilities Affiliates Act for consent to and approval of a modification of an existing Inter-Company Power Agreement (the "Agreement") with Ohio Valley Electric Corporation ("OVEC") and other affiliated companies.

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 Appalachian, 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. The Applicant 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 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. 12, was approved by Order dated February 14, 2000, in Case No. PUA990079. The Inter-Company Power Agreement expires on March 12, 2006, or the date of sale or disposition of OVEC's generating stations.

The parties request approval of Modification No. 13, which is intended to:

1- make additional electricity available to OVEC's Sponsoring Companies during the summer of 2000;

2- permit OVEC to recover from its Sponsoring Companies the amounts which OVEC will pay to DOE for DOE's release of a portion of its entitlement to electricity; and

3- amend section 5.05 of the Agreement.

Pursuant to the DOE Power Agreement, DOE will reduce its contract demand from 1,899 MW to 1,299 MW for the months of June through September 2000. In return, DOE will be released from associated demand and energy costs, as well as released from its proportionate share of the costs

[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."

during the period of additional facilities and replacement. The parties also agreed to further reduction of the DOE's contract demand from 1,299 MW to 599 MW during June through August 2000 and from 1,299 MW to 799 MW during September 2000 ("DOE Additional Power Release"). In return, DOE will receive payments based on the anticipated value of such power and energy during those months.

The Applicant represents that Modification No. 13 merely permits OVEC to obtain reimbursement from its Sponsoring Companies for the amounts, which OVEC will pay to DOE as consideration for DOE's optional release of energy for such Sponsoring Companies. The Applicant further represents that OVEC will make no profit on the transaction, as the amounts OVEC will receive from the Sponsoring Companies will simply cover the payments to DOE. The amounts recovered by OVEC are allocated among the Sponsoring Companies according to each Sponsoring Company's purchases of such released energy. As represented by the Applicant, the energy is available from a non-affiliate, and the cost is determined by arm's length negotiations.

The mechanism negotiated by the parties in determining payment was based on estimated electricity futures prices discounted to reflect the fact that surplus power and energy to be made available to the Sponsoring Companies may be interrupted by transmission loading relief ("TLR") or by curtailments or outages of OVEC's generating plants or transmission facilities.

As represented in the application, there are no provisions in the existing Agreement that permit OVEC to obtain reimbursement from the Sponsoring Companies for value-based payments to DOE. Modification No. 13 permits such reimbursement and, in so doing, permits the Sponsoring Companies to receive additional electricity released by DOE during the summer of 2000.

Modification No. 13 also amends Section 5.05 of the Agreement to provide that upon DOE's release of capacity those Sponsoring Companies which reserve the capacity and pay the associated charges will have first priority to surplus energy up to the amounts of their reservations. Any remaining surplus energy will be allocated to all Sponsoring Companies based on their respective Power Participation Ratios. Appalachian represents that this amendment to Section 5.05 would not only apply to the summer 2000 capacity release but also to future releases.

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 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. 13 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.

6) Applicant shall include this modification 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 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.

CASE NO. PUA000052
AUGUST 8, 2000

JOINT PETITION OF
FAIRPOINT COMMUNICATIONS, INC.,
and
THOMAS H. LEE EQUITY FUND IV, L.P.

For authority pursuant to the Utility Transfers Act

ORDER GRANTING AUTHORITY

On June 20, 2000, FairPoint Communications, Inc. ("FairPoint"), and Thomas H. Lee IV, L.P. ("THL Fund IV"), (collectively, "Petitioners") filed a joint petition under the Utility Transfers Act requesting authority for THL Fund IV's acquisition of control of FairPoint, or, in the alternative, find that such approval is not required given the facts and timing of the transaction.

As described in the joint petition, FairPoint is a Delaware business corporation with its headquarters in Charlotte, North Carolina. FairPoint is the parent company of MJD Ventures, Inc. ("MJD Ventures"), that owns all of the common equity of Peoples Mutual Telephone Company ("Peoples Mutual").

MJD Ventures obtained Commission approval to purchase all of the common equity of Peoples Mutual in Case No. PUA990081 by Order Granting Authority dated February 15, 2000.

THL Fund IV is a limited partnership formed under the laws of Delaware. THL Fund IV is one of the four funds managed by Thomas H. Lee Company, a Boston-based investment firm focused on acquiring investment and growth companies. As indicated in the joint petition, Thomas H. Lee Company was founded in 1974 and manages approximately $6 billion in committed capital.

Pursuant to a Stock Purchase Agreement dated January 4, 2000, THL Fund IV purchased FairPoint equity securities in an amount that represents approximately 46% voting power of FairPoint. As described in the joint petition, THL Fund IV purchased a portion of the securities from FairPoint and the remaining securities from existing stockholders of FairPoint after those holders exchanged voting securities for convertible non-voting preferred stock. The joint petition explains that the Stock Purchase Agreement does not contemplate the merger of any telephone companies or any holding companies or affiliates thereof. Instead, the transaction involves only THL Fund IV's acquisition of an interest in FairPoint.

Because MJD Ventures is a direct subsidiary of FairPoint and Peoples Mutual is an indirect subsidiary of FairPoint, THL Fund IV acquired indirect control of Peoples Mutual as a result of the transaction. Petitioners represent that the only change taking place is that an equity investor, THL Fund IV, currently owns a controlling voting interest in FairPoint.

THE COMMISSION, upon consideration of the joint petition and representations made in the joint petition and having been advised by its Staff, is of the opinion and finds that the transaction described herein represents a change in control as defined in Chapter 5, Title 56, of the Code of Virginia and, therefore, requires Commission approval. The Commission further finds that such transaction 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, Thomas H. Lee Equity Fund IV, L.P., is hereby granted authority to acquire control of FairPoint Communications, Inc., and, therefore, indirect control of Peoples Mutual Telephone Company as described herein.

2) The authority granted herein shall have no ratemaking implications.

3) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA000053
SEPTEMBER 13, 2000

APPLICATION OF
VIRGINIA PILOT ASSOCIATION

To revise rates of pilotage and other charges

FINAL ORDER PRESCRIBING INCREASED RATES OF PILOTAGE AND OTHER CHARGES

Before the Commission is the application of J. William Cofer and other licensed pilots, all members of the Virginia Pilot Association ("Association"), to revise their rates of pilotage and other charges. According to its application, the Association proposes to revise the rates and charges prescribed by the Commission on July 24, 1995, in Virginia Pilot Association, Case No. PUA950010, 1995 Ann. Rep. 204, to increase annual revenues by approximately $2.4 million or 19.46%. By our Order for Notice and Hearing of June 23, 2000, the Commission docketed this application and established procedures for a hearing on September 12, 2000.

As provided by § 54.1-918 of the Code of Virginia, the Commission may fix or prescribe pilotage rates and charges after notice has been published in newspapers of general circulation in the cities of Norfolk, Portsmouth, and in Newport News. The Association filed with the Clerk of the Commission proof of the required publication on July 25, 2000. The Commission finds that required notice of the application was given.

The hearing was held on the application on September 12, 2000, in Richmond, Virginia. The Association presented the testimony and exhibit of its president, Captain J. William Cofer. The testimony of Mark R. DeBruhl, Principal Public Utility Accountant of the Commission's Division of Public Utility Accounting was also presented. No interveners or protestants appeared.

Upon consideration of the record developed at the hearing, the Commission will grant the application. The prefiled testimony and exhibits of Captain Cofer and Mr. DeBruhl demonstrate that the Association has experienced increased operating and personnel costs. The expenses associated with benefits and pensions for retirees have also increased. The Association also identified increased expenses in training apprentices.

The Association also plans three major capital projects in the near future. Portable differential global positioning satellite system units will be acquired for pilots to aid in navigating vessels. The Association has also determined that it must replace one of its launches. The Association also proposes to replace the generator at its Lynhaven facility and to remodel portions of the building. These expenditures will require additional revenues.

As required by § 54.1-918 of the Code of Virginia the Commission must consider, in addition to operating expenses, maintenance, and depreciation, the rates and charges of pilotage at comparable and competing ports. The testimony of Captain Cofer reviewed the rates at the ports of New York, Philadelphia, Baltimore, Charleston, and Savannah, and he offered comparisons with the rates proposed in this application. According to the Association, the proposed rates would be significantly lower than the current rates in New York, Philadelphia, and Baltimore. The proposed rates would generally match the rates for Savannah. With regard to Charleston, the proposed rates would be higher in some instances and lower in others. Captain Cofer's prefiled testimony stated that anticipated revisions in Savannah and Charleston would result in rate levels higher than those in Virginia within a

relatively short period. Based on this evidence, the Commission concludes that the proposed rate increase would leave Virginia ports in a favorable competitive position.

The Association does not propose any revisions in the design and structure of its rates. The Association would continue to employ a formula based on a vessels dimensions to calculate "Ship Units" the additional revenue would be generated by increasing the rates associated with ship units. The Association also proposed certain editorial changes. The Commission will approve the proposed schedules of rates of pilotage attached to the application.

Accordingly, IT IS ORDERED THAT:

(1) As provided by § 54.1-918 of the Code of Virginia, this application is granted and revised rates and charges are prescribed.

(2) The revised rates and charges prescribed herein shall become effective at 12:01 a.m. on September 13, 2000.

(3) The Association shall promptly file with the Clerk of the Commission a schedule of rates of pilotage and other charges as approved and prescribed by this Order. The schedule shall bear at the foot of each page the following caption:

> Prescribed by the State Corporation Commission in Case No. PUA000053 and effective on and after 12:01 a.m., September 13, 2000.

(4) This case be dismissed from the Commission's docket.

CASE NO. PUA000054
JULY 28, 2000

JOINT PETITION OF
DOMINION RESOURCES, INC.,
CONSOLIDATED NATURAL GAS COMPANY,
and
AGL RESOURCES INC.

For approval of a stock purchase agreement under Chapter 5 of Title 56 of the Code of Virginia

FINAL ORDER

On June 22, 2000, Dominion Resources, Inc. (DRI"), Consolidated Natural Gas Company ("CNG"), and AGL Resources Inc. ("AGLR") (collectively, "Petitioners") filed their Joint Petition seeking approval under Chapter 5 of Title 56 of the Code of Virginia of a stock purchase agreement whereby Virginia Natural Gas, Inc., ("VNG") would become a wholly owned subsidiary of AGLR.

Petitioners have also requested that the Commission issue a letter certifying to the Securities and Exchange Commission ("SEC") that the Commission has the resources to, and does currently exercise, regulatory jurisdiction over the rates, services, and operation of VNG and that it will continue to exercise that jurisdiction following the acquisition.

AGLR is a Georgia corporation operating as a holding company for Atlanta Gas Light Company and its wholly owned subsidiary, Chattanooga Gas Company, as well as a number of non-utility subsidiaries and joint ventures. Under the terms of Petitioners' agreement, CNG will sell, convey, transfer, assign and deliver to AGLR all of the issued and outstanding shares of capital stock of VNG for $550 million, payable in cash at closing, subject to certain modifications described in the Joint Petition. As a result of the transaction, VNG's common stock will not be changed, but it will be owned directly or indirectly by AGLR. AGLR will remained headquartered in Atlanta, Georgia, while VNG's headquarters will remain in Norfolk.

The transaction, with its financing activities and intrasystem service arrangements, will also require the approval of the SEC under the terms of the Public Utility Holding Company Act of 1935 ("1935 Act"). Upon consummation of the transaction, AGLR will register with the SEC as a holding company under § 5 of the 1935 Act. Approval of the transaction must also come from the Federal Trade Commission ("FTC"). Our order of January 28, 2000, in Case No. PUA990020, approving the merger of CNG and DRI, conditioned that approval upon the subsequent divestiture or spin-off of VNG. The FTC imposed a similar condition in its Decision and Order in approving that merger. The instant application is in satisfaction of these conditions.

On June 27, 2000, the Commission entered its Order for Notice and Comment in this matter, directing parties interested in commenting on the proposed transaction to file such comments or requests for hearing on or before July 19, 2000. None were received. On July 19, 2000, Petitioners filed the affidavits of VNG's Manager of Communications and General Manager of Operations and Customer Service attesting that the notice and service directed in the Order for Notice and Comment had been timely accomplished.

On July 20, 2000, the Staff of the State Corporation Commission ("Staff"), the Petitioners, and VNG entered into a Joint Agreement to resolve the issues raised by the Joint Petition and filed a Motion for Consideration of Joint Agreement. The Staff and the parties represented that, if adopted by the Commission, the Joint Agreement would result in a fair, reasonable and efficient resolution of the proceeding, assure that the statutory standard set out in § 56-90 of the Code of Virginia is met, and otherwise protect the public interest.

The principal components of the Joint Agreement include:

1. VNG has forecasted that it intends to make plant and capital expenditures of $143.6 million during the period 2000-2004 to extend its facilities to new customers and to maintain and improve the level of service to existing customers. AGLR and VNG represent that service quality will not deteriorate in VNG's service territory as a result of the acquisition. VNG will report annually on its capital expenditures for the preceding year and explain any deviation from planned investment, demonstrating that service quality has not been adversely affected thereby.

2. AGLR and VNG's representation that quality of service will not deteriorate due to any material reduction in the number of employees providing services.

3. AGLR and VNG's representation that the acquisition will not materially impact the cost of capitalization used for ratemaking for VNG. AGLR and VNG agree that if such adverse impact occurs, they shall not seek to recover any resulting cost of capital increases from VNG customers.

4. AGLR and VNG's representation that the acquisition will not affect the Commission's regulatory authority with regard to VNG, and their pledge to continue to maintain a high degree of cooperation with the Staff and to take all actions necessary to ensure VNG's timely response to Staff inquiries with regard to their provision of service in Virginia.

The Staff filed the Report of its investigation of the application on July 24, 2000. The Report recommended approval of the proposed acquisition subject to the terms of the Joint Agreement. Further, Staff recommended that any order authorizing the acquisition make clear that such authorization does not extend to any subsequent affiliate financing or service arrangements that will require separate applications under Chapters 3 or 4 of Title 56 of the Code of Virginia. In short, Staff concluded that with the conditions set out in the Joint Agreement and as supplemented in the Report, adequate service to the public at just and reasonable rates would not be jeopardized by our approval of the Joint Petition.

NOW THE COMMISSION, having considered the Joint Petition, the Staff Report, and the proposed Joint Agreement, is of the opinion and finds that the Joint Agreement should be approved without modification. We find, consistent with the requirements of § 56-90 of the Code of Virginia, that the provisions of Joint Agreement will ensure that adequate service to the public at just and reasonable rates will not be impaired or jeopardized. We further find, based on the record in this proceeding, that following the acquisition we will continue to have, and will exercise, regulatory jurisdiction over the rates, services, and operation of VNG. With respect to the Petitioners' request that we provide a certification letter to the SEC, we direct the Staff to prepare and file an appropriate response with the proper officials at the SEC upon their request for the same.

Accordingly, IT IS ORDERED THAT:

(1) The Motion for Consideration of Joint Agreement is granted.

(2) The Joint Petition is hereby approved subject to the terms and conditions of the Joint Agreement.

(3) The Joint Agreement is adopted in full herein and the Petitioners and VNG are ORDERED to comply with its terms and with the conditions established therein.

(4) Except to the extent set out in the Joint Agreement adopted above, this Order shall have no ratemaking implications.

(5) The authorizations approved herein do not extend to any subsequent affiliate financing or service arrangements that will require separate applications under Chapters 3 or 4 of Title 56 of the Code of Virginia.

(6) There being nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUA000055
JULY 17, 2000

APPLICATION OF
THE POTOMAC EDISON COMPANY, d/b/a ALLEGHENY POWER

For consent to and approval of a modification to an existing inter-company agreement with affiliates

ORDER GRANTING APPROVAL

On June 28, 2000, The Potomac Edison Company, d/b/a Allegheny Power ("Potomac Edison," the "Applicant"), filed an application with the Commission under the Public Utilities Affiliates Act for consent to and approval of a modification of an existing Inter-Company Power Agreement (the "Agreement") with Ohio Valley Electric Corporation ("OVEC") and other affiliated companies.

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

[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."

and the rights of the Sponsoring Companies to purchase surplus power from OVEC. The Applicant 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 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. 12, was approved by Order dated February 3, 2000, in Case No. PUA990080. The Inter-Company Power Agreement expires on March 12, 2006, or the date of sale or disposition of OVEC's generating stations.

The parties request approval of Modification No. 13, which is intended to:

1- make additional electricity available to OVEC's Sponsoring Companies during the summer of 2000;

2- permit OVEC to recover from its Sponsoring Companies the amounts which OVEC will pay to DOE for DOE's release of a portion of its entitlement to electricity; and

3- amend section 5.05 of the Agreement.

Pursuant to the DOE Power Agreement, DOE will reduce its contract demand from 1,899 MW to 1,299 MW for the months of June through September 2000. In return, DOE will be released from associated demand and energy costs, as well as released from its proportionate share of the costs during the period of additional facilities and replacement. The parties also agreed to further reduction of the DOE's contract demand from 1,299 MW to 599 MW during June through August 2000 and from 1,299 MW to 799 MW during September 2000 ("DOE Additional Power Release"). In return, DOE will receive payments based on the anticipated value of such power and energy during those months.

The Applicant represents that Modification No. 13 merely permits OVEC to obtain reimbursement from its Sponsoring Companies for the amounts, which OVEC will pay to DOE as consideration for DOE's optional release of energy for such Sponsoring Companies. The Applicant further represents that OVEC will make no profit on the transaction, as the amounts OVEC will receive from the Sponsoring Companies will simply cover the payments to DOE. The amounts recovered by OVEC are allocated among the Sponsoring Companies according to each Sponsoring Company's purchases of such released energy. As represented by the Applicant, the energy is available from a non-affiliate, and the cost is determined by arm's length negotiations.

The mechanism negotiated by the parties in determining payment was based on estimated electricity futures prices discounted to reflect the fact that surplus power and energy to be made available to the Sponsoring Companies may be interrupted by transmission loading relief ("TLR") or by curtailments or outages of OVEC's generating plants or transmission facilities.

As represented in the application, there are no provisions in the existing Agreement that permit OVEC to obtain reimbursement from the Sponsoring Companies for value-based payments to DOE. Modification No. 13 permits such reimbursement and, in so doing, permits the Sponsoring Companies to receive additional electricity released by DOE during the summer of 2000.

Modification No. 13 also amends Section 5.05 of the Agreement to provide that upon DOE's release of capacity those Sponsoring Companies which reserve the capacity and pay the associated charges will have first priority to surplus energy up to the amounts of their reservations. Any remaining surplus energy will be allocated to all Sponsoring Companies based on their respective Power Participation Ratios. Potomac Edison represents that this amendment to Section 5.05 would not only apply to the summer 2000 capacity release but also to future releases.

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 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, The Potomac Edison Company is hereby granted approval of Modification No. 13 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.

6) Applicant shall include this modification 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 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 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, it hereby is dismissed.

CASE NO. PUA000056
AUGUST 24, 2000

JOINT PETITION OF
R&B COMMUNICATIONS, INC.
and
CFW COMMUNICATIONS COMPANY

For authority pursuant to the Utility Transfers Act, §§ 56-88 et. seq. of the Code of Virginia

ORDER GRANTING AUTHORITY

On June 29, 2000, R&B Communications, Inc. ("R&B"), and CFW Communications Company ("CFW") (collectively referenced as "Petitioners" or "the Companies") filed a joint petition pursuant to Chapter 5 of Title 56 of the Code of Virginia. R&B and CFW have entered into an Agreement and Plan of Merger ("Agreement") whereby R&B will become a wholly owned subsidiary of CFW.

R&B is a Virginia corporation headquartered in Daleville, Virginia. R&B has a wholly owned subsidiary which provides incumbent local exchange service (ILEC) in and around Daleville, Virginia, and another subsidiary that provides competitive local exchange (CLEC) and interexchange service in the Roanoke Valley of Virginia.[1]

CFW is a Virginia corporation headquartered in Waynesboro, Virginia. CFW's wholly owned subsidiary, CFW Telephone Inc. ("CFWT") provides incumbent local exchange service to approximately 39,000 access lines in the cities of Waynesboro, Clifton Forge, and Covington, Virginia, and surrounding counties. CFW also provides CLEC service through three subsidiaries in Virginia and West Virginia.[2]

Pursuant to the Agreement, CFW will issue an aggregate of approximately 3.7 million shares of its common stock for all of the issued and outstanding shares of R&B common stock. When the merger is complete, R&B will become a wholly owned subsidiary of CFW. The transaction is valued at approximately $140 million based on the $37.875 per share closing price of CFW's stock as of the execution date of the Agreement. The exchange ratio is 60.27 shares of CFW common stock for each outstanding share of R&B common stock.

Petitioners state that the proposed merger will not impair the provision of adequate service to the customers at just and reasonable rates. Also, there will be no impact on the customers of Roanoke & Botetourt Telephone Company ("RBTC"), the ILEC subsidiary of R&B, since the current rates on file with the State Corporation Commission ("Commission") will remain in effect after the merger. All service employees will be retained after merger completion, and the existing levels of service will be maintained.

On July 12, 2000, the Commission issued its Order for Notice and Comment. In that Order, the Commission directed Petitioners to give notice to its customers and provide interested persons with an opportunity to comment and/or request a hearing on or before August 4, 2000. The Commission also directed its Staff to file a report detailing its findings and recommendations on or before August 14, 2000.

Proofs of service and newspaper notice were filed. No comments or requests for hearing were received.

Staff filed its Report on August 14, 2000. Based on its analysis, Staff found that the proposed acquisition would not impair or jeopardize the provision of adequate service to the public at just and reasonable rates. Staff recommended approval of the merger, subject to the following conditions. Specifically, Staff recommended that the Commission: (1) have access to the books, records, and appropriate personnel of CFW, its subsidiaries, and affiliates; (2) require the Companies to track and report merger costs and savings for two years following consummation of the merger; (3) require RBTC and CFWT to file for additional approval pursuant to § 56-77 for any transfers or assignments of real or personal property not included in the Agreement; and (4) continue the current requirements for filing annual reports.

Further, Staff noted that two Virginia certificated subsidiaries, R&B Network, Inc. (wholly owned by R&B), and NA Communications, Inc. (wholly owned by CFW), consistently have been deficient in providing certain monitoring information required pursuant to § B 5 of the Rules Governing the Offering of Competitive Local Exchange Telephone Services ("Local Rules"). Staff noted that, in response to Staff interrogatories, the Companies stated that "if required," each entity is prepared "to continue to provide the types of monitoring data" required by the Local Rules.

On August 21, 2000, the Companies filed their response to Staff's report. In this response the Companies agreed with the recommendations in Staff's Report with the exception of the tracking and reporting requirement. The Companies stated that such requirement will impose a new administrative cost on the Companies without any corresponding benefit. Petitioners request that such costs and savings be tracked and reported only if either R&B or CFW asks for a rate increase during the two-year period following consummation of the merger.

NOW THE COMMISSION, upon consideration of the joint petition, the Staff Report, and Petitioners' Response thereto, is of the opinion and finds that the joint petition and Agreement should be approved subject to the conditions as stated in the Staff Report. We find, consistent with the requirements of § 56-90 of the Code of Virginia, that the conditions will ensure that adequate service to the public at just and reasonable rates will not be impaired or jeopardized.

Accordingly, IT IS ORDERED THAT:

(1) The Agreement and Plan of Merger is hereby approved, as modified and subject to the conditions established herein.

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[1] Roanoke & Botetourt Telephone Company operates as an ILEC; R&B Network, Inc., has both a CLEC and IXC certificate.

[2] CFW Network Inc. is a CLEC and IXC in Virginia; NA Communications, Inc., is a CLEC and IXC in Virginia; and CFW Wireless Inc. operates in West Virginia.

(2) The Commission shall continue to have open access to the books, records, and appropriate personnel of CFW and its wholly owned subsidiaries, including that of affiliates and subsidiaries as they relate to transactions between CFW's regulated subsidiaries and other affiliates.

(3) The Companies shall track and report to the Commission's Division of Public Utility Accounting, on or before May 1 of each successive year, the merger costs and savings for the two years following the consummation of the merger.

(4) The Companies shall, pursuant to § 56-77, file for additional approval for any transfer or assignment by RBTC and CFWT to any affiliate of any real or personal property not included in the Agreement.

(5) The Companies shall continue to file annual affiliate reports currently required by the Commission.

(6) CFW and its certificated wholly owned subsidiaries shall abide by all the rules and regulations of the Commission.

(7) The authority granted herein shall have no ratemaking implications.

(8) Petitioners shall file a report of the action taken pursuant to the authority granted herein within thirty (30) days of merger consummation. The report shall provide the date of closing of merger and the total value of the transaction.

(9) There being nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUA000057
AUGUST 25, 2000

PETITION OF
CAVALIER TELEPHONE, LLC

For declaratory judgment regarding applicability of the Utility Transfers Act

DISMISSAL ORDER

On July 7, 2000, Cavalier Telephone, LLC ("Cavalier" or "Petitioner"), filed a Petition for Declaratory Judgment Regarding Applicability of the Utility Transfers Act ("Petition"). In its Petition, Cavalier requested that the Commission determine that the merger transaction between Cavalier Telephone Corporation (Petitioner's parent corporation), Conversent Communications, LLC, and Florida Digital Network, Inc., did not require Commission approval pursuant to the Utility Transfers Act, §§ 56-88 et seq. of the Code of Virginia.

Pursuant to a Commission Order dated July 12, 2000, Staff filed Comments on Cavalier's Petition on July 24, 2000, and Cavalier filed Reply Comments on July 28, 2000.

Subsequently, by letter dated August 21, 2000, counsel for Cavalier requested that the Commission dismiss the above-captioned proceeding since the merger, which is the subject of the Petition, will not occur.

NOW THE COMMISSION, having considered the matter, is of the opinion that Cavalier's request is reasonable and should be granted.

Accordingly, IT IS ORDERED THAT this matter is hereby dismissed from the Commission's docket of active cases and the papers placed in the file for ended causes.

CASE NO. PUA000059
SEPTEMBER 13, 2000

PETITION OF
VIRGINIA GAS PIPELINE COMPANY

For approval of the release of certain utility assets

ORDER GRANTING APPROVAL

On July 26, 2000, Virginia Gas Pipeline Company ("VGPC," "Petitioner") filed a petition under the Utility Transfers Act requesting approval to release certain utility assets. More specifically, VGPC proposes to release certain rights acquired under the terms of an Oil and Gas Lease dated December 8, 1993 (the "Lease"), and a Deed dated September 21, 1994 (the "Deed"), from the Saltville Industrial Development Authority ("SIDA") on approximately 10,000 acres. VGPC will release its rights to all acreage under the Lease and Deed except all rights in and to approximately 1,350 acres as described in a Contract of Sale dated June 13, 2000 (the "Contract").

VGPC represents that the release of Rights will not have a negative impact on any of its qualifications or otherwise impair its ability to satisfy VGPC's public service obligations in the Commonwealth of Virginia. VGPC specifically states that the release of rights will not impair its ability to operate its Saltville storage facility.

In its petition, VGPC represents that it has not historically utilized the acreage. The property was originally leased to Virginia Gas Exploration Company ("Exploration") for the purpose of potential development of natural gas wells. A well drilled on the property retained by Virginia Gas Company ("VGC") proved dry to the extent that the possibility of natural gas reserves on the property to be released was extremely remote. The lease rights were subsequently transferred to VGPC for the purpose of utilizing the property for saltwater disposal in connection with developing salt caverns for underground storage of natural gas. Storage ponds and an evaporator plant built on the property retained by VGC are able to handle VGPC's saltwater disposal requirements. VGPC represents that, since the property to be released to the Town of Saltville and SIDA does not have natural gas reserves and since the property is not needed in connection with VGPC's saltwater disposal requirements, the property rights are not beneficial to the current and future needs of VGC and VGPC. The Town of Saltville has been pursuing the Rights to the property that has been leased by VGPC. VGPC does not need the property on which the Rights are being transferred, and the transfer will eliminate lease payments to the Town of Saltville from the operating expense of VGPC at the annual lease rate of $2 per acre.

THE COMMISSION, upon consideration of the petition and representations of Petitioner and having been advised by its Staff, is of the opinion and finds that the above-described release of Rights will neither impair nor jeopardize the provisions 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, Virginia Gas Pipeline Company is hereby granted approval to release the Rights acquired under the terms of an Oil and Gas Lease to the Town of Saltville and SIDA as described herein.

2) The approval granted herein shall have no ratemaking implications.

3) VGPC shall submit to the Commission's Director of Public Utility Accounting notice of such release of Rights within sixty (60) days of the transaction.

4) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA000060
SEPTEMBER 25, 2000

APPLICATION OF
VIRGINIA NATURAL GAS, INC.,
and
AGL SERVICES COMPANY

For approval of a Services Agreement

ORDER GRANTING APPROVAL

On July 27, 2000, Virginia Natural Gas, Inc. ("VNG"), and AGL Services Company ("Services Company") (collectively referred to as "Applicants") filed an application with the Commission under Chapter 4 of Title 56 of the Code of Virginia. In the Application, Applicants request approval of an agreement under which AGL Services Company will provide centralized services to VNG upon consummation of the proposed acquisition of VNG by AGL Resources, Inc. ("AGLR"), ("AGL Services Agreement"). In addition, Applicants request approval for certain temporary, transitional arrangements under which VNG may be called on to provide services to Services Company. Applicants request approval of these affiliate arrangements to be effective upon consummation of AGLR's proposed acquisition of VNG.

Applicants state that VNG is not staffed to operate as a stand-alone company. Prior to the merger between Dominion Resources, Inc. ("DRI"), and Consolidated Natural Gas Company ("CNG"), VNG received centralized services from Consolidated Natural Gas Service Company, Inc. ("CNG Service Company"), a subsidiary of CNG, pursuant to an agreement authorized by the Commission in Case No. PUA970050. Following the merger of DRI and CNG, VNG received Commission authority in Case No. PUA990068 to receive general corporate services from both Dominion Resources Services, Inc., a subsidiary of DRI, and CNG Service Company under a new service agreement modeled after the CNG Service Company agreement. Applicants note that in light of the impending sale of VNG to AGLR VNG needs a replacement provider for such centralized services.

In accordance with the AGL Services Agreement, services provided by Services Company will be directly assigned if possible or allocated as necessary by activity, project, program, work order, or other appropriate basis. To accomplish this, employees of Services Company will record transactions using data capture and accounting systems in place at AGLR. Costs of Services Company will be accumulated in accounts and directly assigned if possible or allocated as necessary to the appropriate system company in accordance with the guidelines set forth in the AGL Services Agreement.

Applicants state that it may take up to 90 days after the merger transaction is consummated for Services Company to become fully staffed. During this temporary period of transition, it may be necessary for Services Company to utilize the services of certain employees of other companies in the AGL System, including VNG, to carry out its obligations under the AGL Services Agreement. These arrangements will be conducted so that the entities whose employees are being utilized, including VNG, will be compensated at their cost, and the associated costs will be accounted for and recovered by Services Company as provided under the AGL Services Agreement.

Applicants represent that the AGL Services Agreement is in the public interest. By obtaining corporate services from a consolidated and centralized source that can achieve economies of scale and other business efficiencies by, among other things, eliminating duplicative personnel and facilities across AGLR's system, VNG's costs should be minimized. However, if VNG determines that the circumstances are otherwise, it will, with certain

exceptions, such as Corporate Secretary and Investor Relations services,[1] have the option of obtaining needed services from unaffiliated suppliers and may modify its selection of services or terminate the AGL Services Agreement on 60 days' notice. Applicants further represent that, in addition, certain corporate services are already outsourced by AGLR, and such services will be delivered through those vendors, which were previously selected by a competitive process. The proposed AGL Services Agreement is modeled after the existing service agreement with Dominion Resources Services, Inc. Certain services and allocators not needed for the AGL Services Agreement have not, however, been retained.

Applicants further represent that the arrangement for temporary, transitional services is also in the public interest because it will enable Services Company to provide efficient and cost-effective centralized services to AGL and its subsidiaries, including VNG, during the brief transitional period before Services Company is fully staffed. Such arrangements will cease no later than December 31, 2000.

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 affiliate arrangements are in the public interest and should, therefore, be approved. Although some of the services provided under the AGL Services Agreement are appropriately priced at cost, the Commission finds that some services may be more appropriately priced at the higher of cost or market for services provided by VNG to Services Company and the lower of cost market for services provided by Services Company to VNG. Some services could conceivably be obtained from outside parties and, therefore, a market and market price exists. VNG will bear the burden, in any rate proceeding, of proving that it paid the lower of cost or market for services received from Services Company and that it received the higher of cost or market for services that it provided to Services Company.

Accordingly, IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Virginia Natural Gas, Inc., is hereby granted approval to enter into the AGL Services Agreement with AGL Services Company and to provide certain temporary services to AGL Services Company as described in their application, subject to certain modifications detailed herein.

2) For services provided to VNG, VNG shall ascertain whether there is a market for such services. If a market exists, VNG shall compare the market prices with Services Company's cost of providing services to VNG, and VNG shall pay the lower of Services Company's cost or the cost of obtaining services from an outside party.

3) For services provided by VNG to Services Company, VNG shall ascertain whether there is a market for such services. If a market exists, VNG shall compare such market prices with its cost of providing services to Services Company and shall charge Services Company the higher of cost or market for such services.

4) In future rate proceedings, VNG shall bear the burden of proving that for any services it provided to Services Company for which a market exists, it received the higher of cost or market. VNG shall also bear the burden of proving that it paid the lower of cost or market for services obtained from Services Company for which a market exists.

5) Should there be any changes in the terms and conditions of the AGL Services Agreement or the arrangement for the provision of temporary services to AGL Services Company from those described herein, Commission approval shall be required for such changes.

6) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

7) The approval granted herein shall have no ratemaking implications.

8) The Commission reserves the authority to examine the books and records of any affiliate of Virginia Natural Gas, Inc., in connection with the approval granted herein whether or not the Commission regulates such affiliate.

9) Allocation factors shall be reviewed every three years with the results of such review submitted to the Division of Public Utility Accounting of the Commission.

10) Any allocation of marketing costs to Virginia Natural Gas, Inc., under the AGL Services Agreement shall be reported to the Commission's Division of Public Utility Accounting on an annual basis.

11) The AGL Services Agreement, including temporary services provided by VNG to AGL Services Company, shall be included in the Annual Report of Affiliate Transactions currently filed by Virginia Natural Gas, Inc. Such report shall include the requirements detailed in paragraphs (9) and (10) herein.

12) There appearing nothing further to be done in this matter, it hereby is dismissed.

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[1] Applicants anticipate that such services will need to be provided to AGLR and all of its subsidiaries. Applicants assert that these services represent necessary activities of the publicly-held parent company, AGLR, that would be borne by VNG if it were a stand-alone company and that are properly allocable to VNG, as well as the other subsidiaries of AGLR.

CASE NO. PUA000061
OCTOBER 24, 2000

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY

For approval of a lease agreement with its affiliate, American Water Resources, Inc., d/b/a American Carbon Services

ORDER GRANTING APPROVAL

Virginia-American Water Company ("Virginia-American", "Company", "VAWC") has filed an application with the Commission under the Public Utilities Affiliates Act requesting Commission approval of a Carbon Lease Agreement (the "Agreement", "GAC Agreement") between Virginia-American and its affiliate, American Water Resources, Inc., d/b/a American Carbon Services ("ACS", "Affiliate"). Company states in its application that ACS is a Virginia corporation which owns a customized potable water carbon reactivation facility in Columbus, Ohio. Both Virginia-American and ACS are wholly owned subsidiaries of American Water Works Company, Inc., and, as such, are "affiliated interests" as defined in § 56-76 of the Code of Virginia.

Virginia-American states that in its Hopewell District, Granular Activated Carbon ("GAC") provides taste and odor removal in the water treatment process. Taste and odor removal occurs as water passes through contactors filled with carbon, which absorbs odor-bearing compounds from the water. Eventually, the carbon becomes "spent" for odor removal and must be replaced. In the past, spent carbon was discarded and replaced with virgin carbon. Company further explains, that more recently, a technology known as carbon reactivation has been developed. Carbon reactivation permits the reuse of spent carbon by subjecting the material to high temperatures in a rotary kiln furnace. The high temperature destroys absorbed compounds and reactivates the carbon's absorption properties. Recycling the carbon reduces not only waste, but also cost. Company further states, that reactivation also eliminates tracking, manifesting, and the liability associated with spent carbon disposal.

Virginia-American proposes to enter into the Agreement with ACS to be effective in the first quarter of 2001.

Company represents that reactivated carbon is leased by several firms including ACS. However, only ACS operates a facility which is dedicated to processing only potable water grade carbon and selected food grade carbons. Company states that its GAC is handled in a segregated manner and not mixed with other carbons. After each customer's carbon is reactivated, ACS cleans the storage vessels, and the furnace is heated to destroy any remaining impurities.

Company states that bids were solicited from non-affiliated and affiliated companies for purchasing virgin GAC and disposing of the spent GAC. Examples of costs obtained from Company's solicitations are $0.878/lb., $0.96/lb., $0.84/lb., and $1.08/lb. Affiliate will lease reactivated carbon to Company for $0.713/lb. in 2001, $0.75/lb. in 2002, and $0.79/lb. in 2003. Virginia-American analyzed the cost of purchasing versus leasing GAC from ACS. The results show that the revenue requirement related to leasing ($198,626 present value) versus purchasing ($235,782 present value) the carbon for contact filters over the life of the Agreement is $37,156 (present value).

The Agreement provides for the collection of spent carbon from contact filters 1A through 1D and 2A through 2D, reactivation of carbon and additional virgin carbon to provide 1380 cubic feet of material for each contact filter, installation of reactivated carbon, and testing of carbon every six months. The term of the Agreement is for 60 months from the initial date of GAC post-contact filters and will extend on a month-for-month basis thereafter until a 30-day notice of termination is given by VAWC. The annual basic rental will be $835.67/month per contactor for contactors 1D, 2A, and 2B; $879/month per contactor for contactors 2C and 2D; and $940/month per contactor for contactors 1A, 1B, and 1C. The proposed lease is substantially the same as the lease for reactivated carbon between Company and American Commonwealth Management Services Co., Inc., approved in Case No. PUA970047 on November 4, 1997.

THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described GAC Lease Agreement will be in the public interest and should be approved. The Commission is of the further opinion, however, that to ensure that the Agreement continues to be in the public interest, any extensions or renewals of the Agreement beyond the initial five (5) year period should require Commission approval. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Virginia-American Water Company is hereby granted approval to enter into the GAC Lease Agreement with American Carbon Services under the terms and conditions and for the purposes as described herein.

2) Such approval shall be effective for five (5) years from the date of this order.

3) Any renewals or extensions of the Agreement beyond the five (5) year period shall require Commission approval.

4) The approval granted herein shall in no way be deemed to include the recovery of any costs or charges in connection with the approval granted herein for ratemaking purposes.

5) 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.

6) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

7) The Commission reserves the authority to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by the Commission.

8) The Applicant shall include the agreement approved herein in its Annual Report of Affiliate Transactions submitted to the Director of Public Utility Accounting of the Commission.

9) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUA000062
NOVEMBER 2, 2000

APPLICATION OF
ADELPHIA BUSINESS SOLUTIONS, INC.,
ADELPHIA BUSINESS SOLUTIONS OPERATIONS, INC.,
and
ADLEPHIA BUSINESS SOLUTIONS OF VIRGINIA, L.L.C.

For authority to transfer control as part of a pro forma corporate restructuring

ORDER GRANTING APPROVAL

On August 3, 2000, Adelphia Business Solutions, Inc. ("ABSI"), Adelphia Business Solutions Operations, Inc. ("Adelphia Operations"), and Adelphia Business Solutions of Virginia, L.L.C. ("Adelphia of Virginia"), (collectively referred to as "Applicants") filed an application with the Commission under the Utility Transfers Act requesting authority to transfer direct control of Adelphia of Virginia from ABSI to Adelphia Operations as part of a pro forma corporate restructuring.

As described in the application, both Adelphia of Virginia and Adelphia Operations are wholly owned subsidiaries of ABSI, formerly Hyperion Telecommunications, Inc., a publicly-traded Delaware corporation. Adelphia of Virginia is a Virginia limited liability company. Adelphia of Virginia is authorized to provide local exchange and interexchange services in the Commonwealth of Virginia ("Commonwealth"). Adelphia Operations is a Delaware corporation and an affiliate of Adelphia of Virginia. Adelphia Operations is currently authorized to provide resold and facilities-based telecommunications services in nearly twenty states.

ABSI, Adelphia Operations, and Adelphia of Virginia request authority to transfer direct control of Adelphia of Virginia from ABSI to Adelphia Operations as part of a pro forma corporate restructuring. The proposed restructuring will take place as a transfer of ABSI's 100% ownership interest in Adelphia of Virginia to Adelphia Operations. Adelphia of Virginia will continue to operate and to provide its authorized services to consumers in the Commonwealth. ABSI will remain the ultimate corporate parent of both Adelphia Operations and Adelphia of Virginia.

Adelphia of Virginia will continue to operate in the Commonwealth, and its customers will continue to be served at the same rates, terms, and conditions by the same team of consumer representatives pursuant to contracts and tariffs that offer all of the services currently offered by Adelphia of Virginia. There will be no change in the ultimate ownership or control of Adelphia of Virginia or in the management of day-to-day operations in Virginia. Service will continue to be provided using the same network, billing systems, and customer service operations as are used by Adelphia of Virginia.

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 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, Adelphia Business Solutions, Inc., Adelphia Business Solutions Operations, Inc., and Adelphia Business Solutions of Virginia, L.L.C. are hereby granted approval for the transfer of control of Adelphia of Virginia from ABSI to Adelphia Operations.

2) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA000063
OCTOBER 31, 2000

APPLICATION OF
VERIZON VIRGINIA INC.
and
VERIZON SOUTH INC.

For approval of eleven affiliate agreements

ORDER GRANTING APPROVAL

On August 8, 2000, Verizon Virginia Inc., formerly Bell Atlantic-Virginia, Inc. ("Verizon Virginia"), and Verizon South Inc., formerly GTE South Incorporated, ("Verizon South") (collectively referred to as "Applicants") filed an application with the Commission under the Public Utilities Affiliates Act requesting approval of eleven affiliate agreements among Applicants. On October 3, 2000, the Commission issued its Order Extending Time for Review in which it extended its review period through November 6, 2000. The agreements were entered into prior to the merger of Bell Atlantic

Corporation and GTE Corporation, and, therefore, prior to Verizon South and Verizon Virginia becoming affiliates. Applicants represent that the agreements were entered into at arm's length and that there are no current plans to renegotiate any of the agreements.

The agreements for which approval is being requested consist of the following:

1) Telecommunications Services and Facilities Agreement - This agreement provides for the provision of services and facilities associated with (1) intraLATA Telecommunications Services, including Message Service, 800 Service, Private Line Service, and Foreign Exchange Service; (2) Exchange Access Services; and (3) Local Exchange Services. Prices either are set by contractual reference to tariff prices or are the same prices available to non-affiliate LECs participating in the agreement. In either case, prices are the same as those available to non-affiliates;

2) Memorandum of Understanding Agreement to Extend Feature Group B Interim Compensation - This agreement provides for services and compensation for the exchange of Feature Group B compensation. Prices either are set by contractual reference to tariff prices or are the same prices available to non-affiliated local exchange carriers ("LECs") participating in the agreement. In either case, prices are the same as those available to non-affiliates;

3) Enhanced 911 Service Agreement - This agreement governs the joint provision of the E911 services furnished by both companies within local government jurisdictions where both companies provide telephone service. Prices either are set by contractual reference to tariff prices or are the same prices available to non-affiliated LECs participating in the agreement. In either case, prices are the same as those available to non-affiliates;

4) 1977 and 1986 Extended Area Service Agreements - The 1977 agreement was cancelled effective July 25, 1996. However, compensation continues to be exchanged pursuant to the terms and conditions of the agreement. The agreement provides for the compensation from one entity to the other for the termination of extended area service traffic originated by the other entity. Prices either are set by cost studies or on a minute-of-use basis. In either case, prices are the same as those available to non-affiliates;

The 1986 agreement was cancelled July 25, 1996. However, compensation continues to be exchanged pursuant to the terms and conditions of the agreement. The agreement provides for the compensation from one entity to the other for the termination of extended area service traffic originated by the other entity. Prices either are set by cost studies or on a minute-of-use basis. In either case, prices are the same as those available to non-affiliates.

5) Extended Area Calling Compensation Interim Agreement - The agreement specifies the inter-company compensation that applies to jointly provided two-way extended area calling between the exchanges of Applicants. Prices either are set by contractual reference to tariff prices or are the same prices available to non-affiliated LECs participating in the agreement. In either case, prices are the same as those available to non-affiliates;

6) Transmission Facilities Lease Agreement - The agreement provides for the terms, conditions, and compensation by Applicants. The facilities are pass-through circuits that allow Verizon South to connect two of its non-contiguous intraLATA offices without adding physical plant. Prices either are set by contractual reference to tariff prices or are the same prices available to non-affiliated LECs participating in the agreement. In either case, prices are the same as those available to non-affiliates. Applicants represent that the rates charged by reference to Verizon Virginia's tariff are much lower than the cost to Verizon South of adding physical plant;

7) Directory Assistance Services Agreement - The agreement sets forth the terms and conditions that will govern the use of and payment for directory assistance service and optional services. The agreement is needed for 411 directory assistance areas where Verizon South does not have its own tandem or the local calling area is large. Applicants represent that Verizon South could not handle the large database required for large metropolitan areas. Therefore, Verizon Virginia provides this service for Verizon South. Prices either are set by contractual reference to tariff prices or are the same prices available to non-affiliated LECs participating in the agreement. In either case, prices are the same as those available to non-affiliates;

8) License Agreement for Pole Attachments and/or Conduit Occupancy (previous Contel/C&P of Virginia companies) - The agreement allows each entity to use the other's poles, anchors, and conduit thereby avoiding the expense of adding physical plant. Prices are the same as those offered to non-affiliates;

9) Telecommunications Services and Facilities Agreement - This umbrella agreement provides for the provision of services and facilities associated with (1) intraLATA Telecommunications Services, including Message Telecommunications Service, Wide Area Telecommunications Service, 800 Service, and Private Line Service; (2) Exchange Access Services; and (3) Local Exchange Services. Prices either are set by contractual reference to tariff prices or are the same prices available to non-affiliated LECs participating in the agreement. In either case, prices are the same as those available to non-affiliates;

10) Billing Verification Service Reciprocal Agreement - This agreement provides for each entity to furnish the Billing Verification Service ("BVS") to the other. BVS provides the receiving entity with details of residential/business/government listings that include the name, address, and telephone number of customers in Numbering Plan Areas ("NPAs") and exchanges within the providing entity's operating territory. The information obtained pursuant to the agreement is used by the receiving entity solely to facilitate billing and collection of telecommunications services, including collecting payments, handling customer inquiries, and investigating billing evasion activities. There is no compensation for this service; and

11) License Agreement for Pole Attachments and/or Conduit Occupancy (previous General Telephone of the Southeast/C&P of Virginia companies) - The agreement allows each entity to use the other's poles, anchors, and conduit thereby avoiding the expense of adding physical plant. Prices are the same as those offered to non-affiliates.

As represented by the Applicants, either the agreements are necessary for the companies to serve their customers adequately, to improve efficiency, or to save costs. Prices charged for services either are set by reference to a tariff rate or are the same prices as offered to non-affiliates.

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 agreements will be in the public interest as long as the services are priced at the tariff rate if the services are tariffed, or at cost since both affiliates are regulated utilities, or at no cost as is the case in one of the agreements as described herein. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Verizon Virginia and Verizon South are hereby granted approval of the eleven agreements under the terms and conditions as described herein subject to the modification set forth herein. Services provided pursuant to a tariff must be provided at the tariffed rate. Otherwise, services must be provided at cost, except for one agreement in which services are to be provided at no cost as described herein.

2) Any changes in the terms and conditions of the agreements approved herein 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 hereafter.

4) The approval granted herein shall have no ratemaking implications.

5) Applicants shall include the agreements approved herein in its Annual Report of Affiliate Transactions submitted to the Director of Public Utility Accounting of the Commission.

6) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA000064
DECEMBER 14, 2000

APPLICATION OF
THE POTOMAC EDISON COMPANY d/b/a ALLEGHENY POWER

For approval of transactions under Chapters 4 and 5 of Title 56 of the Code of Virginia, related to the transfer of utility assets and utility securities to an affiliate

ORDER GRANTING APPROVAL

The Potomac Edison Company d/b/a Allegheny Power ("AP") has filed an application with the State Corporation Commission for approval of the transfer of utility assets and utility securities pursuant to §§ 56-77, 56-88.1, 56-89, 56-90, and 56-590 B of the Code of Virginia.

The AP proposal is to transfer its Virginia hydro electric assets, consisting of four small hydro-power facilities, to Green Valley Hydro, LLC, a special purpose Virginia limited liability company ("Green Valley"), which will become a subsidiary of Allegheny Energy Supply Company, LLC ("Genco").

The proposed transfers are a part of AP's functional separation plan devised to separate the Company's generation facilities from its transmission and distribution facilities. In AP's application for Phase I approval of its functional separation plan, AP stated that its Virginia hydro electric stations would be functionally separated from regulated service and would not at any time be included in transmission or distribution plant allocated to Virginia. This transfer of AP's Virginia hydroelectric facilities to Green Valley and the eventual transfer of Green Valley to become a subsidiary of Genco carry out this functional separation.

Phase I of AP's functional separation plan was approved by Commission orders entered in Case No. PUE000280. Under Phase I, AP transferred to Genco all but the Virginia hydro electric stations and certain real property associated with the once operational, now dismantled, Riverton power station located in Warren County, Virginia. The Commission approved the asset transfers involved in Phase I by order dated July 11, 2000, and approved the rate changes by order dated July 26, 2000, which was part of a negotiated agreement among AP, the Staff, and the Division of Consumer Counsel, Office of the Attorney General.

The proposed asset transfer of the Virginia hydroelectric stations is comprised of three parts. Part one is the asset transfer, or deeding, of AP's Virginia hydroelectric facilities to Green Valley in exchange for the equity voting shares of Green Valley. Part two is AP's transfer by dividend to Allegheny Energy Systems, Inc. ("AE"), the holding company parent of the shares of Green Valley. Part three is the contribution by AE of the ownership shares of Green Valley to Genco. At the conclusion of the transfer, Green Valley will be a subsidiary of Genco.

According to the AP proposal, the costs involved with this transaction will be directly assigned. The real estate transactions, consisting of AP's Virginia hydroelectric facilities, and the securities transactions, consisting of the equity shares of Green Valley, will occur at book value. AE will contribute the ownership of the equity shares to Genco at book value. In other words, all transactions will be at book value. AP represents that such intra-system transfers at book value generate no profit or loss to participating entities and are fair to all entities concerned.

The rate reductions and pricing assurances approved by the Commission as part of Phase I of AP's functional separation plan are unaffected by the transfer of these Virginia hydroelectric stations. In addition, AP's assurances of available generating capacity set forth in the Memorandum of Understanding ("MOU") approved by the Commission as part of Phase I are not affected by the transfer of these Virginia hydroelectric facilities. Further, AP's commitments to operate and maintain its Virginia distribution system at or above historical average reliability or service levels as set forth in the MOU approved by the Commission in Phase I are also unaffected by the transfer of these facilities.

The end result will be an entity owning the same assets at the same book value as before the transfer but with all electric generating facilities functionally separated from transmission and distribution facilities. These actions of functional separation are being taken to comply with Virginia's Electric Utility Restructuring Act, specifically § 56-590 B of the Act. Functional separation of generation into a non-regulated entity may or may not increase business risk for the utility. Such legislation assumes that the potential benefits of a deregulated generation services market outweigh any risks inherent in such an approach for delivering public utility services.

The proposed transfers will functionally separate AP's Virginia hydroelectric facilities from AP's distribution and transmission facilities. This functional separation is being carried out consistent with the requirements of the Virginia Electric Utility Restructuring Act. AP represents that the transfer should help facilitate a competitive electric generation services market and should have no affect on rates or services provided to the citizens of Virginia.

THE COMMISSION, upon consideration of the application and representations of AP and having been advised by Staff, is of the opinion and finds that the above described transfer of utility assets and utility securities would neither impair nor jeopardize adequate service to the public at just and reasonable rates. It would also be in the public interest for the transfers to be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to §§ 56-77, 56-89 and 56-90 of the Code of Virginia, AP is hereby authorized to transfer to, and Green Valley is hereby authorized to acquire from AP, the Virginia hydroelectric facilities at book value as of the closing date of the transfer in exchange for the equity voting shares of Green Valley.

2) Pursuant to §§ 56-77, 56-88.1, 56-89, and 56-90 of the Code of Virginia, AP is hereby authorized to transfer by dividend to Allegheny Energy Systems, Inc. ("AE"), the equity voting shares of Green Valley.

3) Pursuant to §§ 56-88.1, 56-89 and 56-90 of the Code of Virginia, AE is hereby authorized to contribute the equity voting shares of Green Valley to Genco, a subsidiary of AE.

4) The above described transfer of assets and securities is subject to the terms, conditions, and assurances set forth in the Memorandum of Understanding ("MOU"), as supplemented, negotiated between AP and the Commission Staff, and approved by Commission Order, as part of Phase I of AP's functional separation plan, Case No. PUE000280.

5) Within sixty (60) days of the authorized transfer, AP shall submit a report of action taken to the Commission's Director of Public Utility Accounting; such report to include the date of transfer, description of assets, and the accounting entries reflecting the transactions.

6) The Commission reserves the right to examine the books and records of any affiliate in connection with the transaction approved herein whether or not such affiliate is regulated by this Commission.

7) AP shall include the affiliate transactions approved herein in its Annual Report of Affiliated Transactions to be submitted to the Director of Public Utility Accounting of the Commission.

8) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA000068
NOVEMBER 7, 2000

APPLICATION OF
NORTHERN VIRGINIA ELECTRIC COOPERATIVE

For authorization under Chapter 4 of Title 56 of the Code of Virginia for affiliate transactions

ORDER GRANTING AUTHORITY

On September 1, 2000, Northern Virginia Electric Cooperative ("NOVEC," "Applicant") filed an application with the Commission under the Public Utilities Affiliates Act. In the application, NOVEC requested authority to enter into a promissory note with its subsidiary, NOVASTAR, Inc. ("NOVASTAR"), to broaden the approved range of services that can be provided through NOVASTAR so that it can provide any lawful business permitted of corporations doing business in Virginia. It also requested authority to receive services from NOVASTAR and to broaden the language in the Cost Allocation and Service Agreement ("the Agreement") approved by the Commission in Case No. PUA970012.

On September 19, 2000, NOVEC filed an amendment to the application filed on September 1, 2000. In the amendment, Applicant requested additional authority to include authority to transfer certain computer software, namely, Enermetrix, to its affiliate, America's Energy Alliance, Inc. ("AEA"), and to transfer all remaining natural gas customers/accounts from NOVEC's America's Energy Division to AEA.

By order dated October 27, 2000, the Commission extending the time for review of the above-referenced application from October 31, 2000, through November 30, 2000.

In Case No. PUA970012, NOVEC was granted authority to provide goods and services to NOVASTAR at the higher of cost or the market price. In that order, the Commission limited the types of businesses that NOVASTAR could enter to obtain goods and services from NOVEC pursuant to the Cost Allocation and Service Agreement ("the Agreement").[1] NOVEC requests authority in this application to broaden the approved range of services that can be provided through NOVASTAR so that it can provide any lawful business permitted for corporations doing business in Virginia without the limitations contained in the Commission's December 16, 1997, Order.

[1] The Commission's Order dated December 16, 1997, in Case No. PUA970012 stated that "The authority granted herein for services to be provided to NOVASTAR are for the support of NOVASTAR's provision of satellite television services and appliance warranty services only. Any other services to be provided by NOVASTAR are excluded."

In the application, NOVEC also requests authority to enter into a promissory note with NOVASTAR. The promissory note will be made with excess cash on hand so NOVEC will not be incurring any obligations in order to obtain the proceeds.

The authority granted in the Commission's December 16, 1997, Order granted authority for NOVEC to provide services to NOVASTAR subject to certain restrictions. The authority only included NOVEC's provision of goods and services to NOVASTAR without any authority for NOVEC to obtain goods and services from NOVASTAR. No other affiliates were included. NOVEC requests authority to obtain certain goods and services as needed from NOVASTAR and requests authority to include "other Affiliates" in the Agreement. The request to include "other Affiliates" contemplates inclusion of a subsidiary of NOVASTAR, AEA, and the possiblity of NOVEC obtaining services from AEA. AEA has an application pending before the Commission to become a competitive energy supplier.

NOVEC represents that goods and services obtained from NOVASTAR and the other Affiliates will be priced in accordance with either market prices driven by the formal vendor documentation required by NOVEC's solicitation for goods or services or at charges that are less than the cost the parent has determined that it could provide the goods or services for itself. No other changes in the Agreement are requested.

In the amendment to the application, NOVEC requests authority to transfer to AEA the license to the Enermetrix software and a Dell server on which the Enermetrix software is hosted. As stated by Applicant, the Enermetrix software license provides technology for creation of an online energy auction. AEA will use this online energy auction for purposes of fostering a competitive energy marketplace in Virginia. NOVEC states that it purchased the software in the spring of 2000. It has never been installed on NOVEC's system or used by NOVEC, and there are no plans to use it in the future.

Finally, NOVEC requests authority to transfer to AEA the natural gas accounts accumulated by America's Energy, a division of NOVEC. NOVEC states that it has begun shutting down the internal division and has created a new affiliate, AEA. The existing natural gas accounts were valued, and AEA is to pay NOVEC the current value for the transfer. NOVEC states that the valuation of the accounts was done in accordance with traditional valuation practices used in the industry and represents that the valuation will have no impact upon the just and reasonable rates in place and approved by the Commission.

THE COMMISSION, upon consideration of the application and amendments filed thereto and representations of Applicant and having been advised by its Staff, is of the opinion and finds that the above-described changes to the Cost Allocation and Service Agreement from that approved by the Commission in Case No. PUA970012 and the proposed transfers by lease of Enermetrix software and Dell server as well as the transfer of NOVEC's natural gas customers/accounts are in the public interest. The agreement to enter into the promissory note with NOVASTAR is also in the public interest. All such agreements should be approved provided that goods and services received by NOVEC from NOVASTAR and other Affiliates be priced at the lower of cost or market and services provided by NOVEC to NOVASTAR and other Affiliates should be priced at the higher of cost or market. NOVEC should bear the burden of proving, in connection with any rate proceeding, that the above-described pricing was followed. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, NOVEC is hereby granted authority to enter into a promissory note with NOVASTAR as described herein.

2) Pursuant to § 56-77 of the Code of Virginia, NOVEC is hereby granted authority to broaden the approved range of services that can be provided through NOVASTAR pursuant to the Cost Allocation and Service Agreement so that it can provide any lawful business permitted corporations doing business in the Commonwealth of Virginia.

3) Pursuant to § 56-77 of the Code of Virginia, NOVEC is hereby granted authority to receive services from NOVASTAR and to broaden the language in the Agreement to include NOVASTAR and its Affiliates so that NOVEC could provide to and receive from AEA goods and services as needed. However, goods and services provided by NOVEC to NOVASTAR and other Affiliates shall be priced at the higher of cost or market, and goods and services received by NOVEC from NOVASTAR and other Affiliates shall be priced at the lower of cost or market.

4) Pursuant to § 56-77 of the Code of Virginia, NOVEC is hereby granted authority to transfer certain computer software, namely, Enermetrix, to its affiliate, AEA, under the terms and conditions and for the purposes described herein as long as such transfer is made at the higher of cost or market.

5) Pursuant to § 56-77 of the Code of Virginia, NOVEC is hereby granted authority to transfer all remaining natural gas customers/accounts from NOVEC's America's Energy Division to AEA under the terms and conditions and for the purposes described herein provided that such transfer is priced at the higher of cost or market.

6) Should there be any changes in the terms and conditions of the Cost Allocation and Service Agreement from those contained herein, Commission approval shall be required for such changes.

7) NOVEC shall bear the burden of proving in any rate proceeding that it paid the lower of cost or market for goods or services received from affiliates and that it received the higher of cost or market for goods or services provided to Affiliates pursuant to the Agreement.

8) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

9) The Commission reserves the authority to examine the books and records of any affiliate of NOVEC in connection with the authority granted herein whether or not the Commission regulates such affiliate.

10) NOVEC shall continue to include the Agreement and shall include the additional affiliate transactions authorized herein in its Annual Report of Affiliate Transactions submitted to the Commission's Director of Public Utility Accounting.

11) There appearing nothing further to be done in this matter, it hereby is, dismissed.

CASE NO. PUA000069
NOVEMBER 22, 2000

APPLICATION OF
VERIZON SOUTH INC.

For authority to enter into agreements relating to the sale of Advanced Services assets and provision of related services pursuant to the Affiliates Act

ORDER GRANTING AUTHORITY

On September 1, 2000, Verizon South Inc., f/k/a GTE South Incorporated ("Verizon South") filed an application with the Commission under the Public Utilities Affiliates Law. On October 25, 2000, the Commission issued its Order Extending Time for Review in which it extended its review period through November 30, 2000. On November 6, 2000, Verizon South filed an amendment to the application to include Service Schedule 017.1: Database Outsourcing. In the application, Verizon South and Verizon Advanced Data – Virginia, Inc., f/k/a Bell Atlantic Network Data-Virginia, Inc. ("Verizon Data"), request approval of an Asset Purchase Agreement and a Master Services Agreement under which Verizon South will (1) transfer certain of its intrastate assets associated with advanced data services to Verizon Data and (2) process orders for and provide other services to Verizon Data in order to allow the continued provision of advanced services in Virginia. Verizon Data will provide certain database outsourcing services to Verizon South for a limited time period until Verizon Data obtains its competitive local exchange certificate from the Commission.

As stated in the application, the assets to be transferred pursuant to the Asset Purchase Agreement are currently used by Verizon South to provide intrastate advanced services ("Advanced Services") to its customers.[1] Verizon South states that the transfer is necessary to enable it to meet one of the merger conditions set forth in the Federal Communications Commission's ("FCC") June 16, 2000, approval of the merger of Bell Atlantic Corporation and GTE Corporation. One of the merger conditions requires that Advanced Services be provided through a separate subsidiary. Verizon Data is the structurally separate affiliate that will provide Advanced Services in Virginia in compliance with the FCC conditions.[2]

As indicated by Verizon South, the assets will be transferred at the greater of net book value or fair market value. The assets consist primarily of permanently mounted, already-fixed shelves and racks as well as data switches, multiplexers, routers, fuse panels, and fan units, including plug-ins used in conjunction with hardwired assets to provide Advanced Services. Plug-ins consist of line cards, controllers, alarms, adapters, and channel units. The assets have a total original cost of $5,049,725 and a net book value of $4,006,007.

Verizon South represents that, after the asset transfer, it will need to place orders for Verizon Data's Advanced Services and provide other services to Verizon Data in order to facilitate the continued provision of Advanced Services in Virginia by Verizon Data. Verizon South and Verizon Data propose to enter into an amendment to the Master Services Agreement to make it effective between them. Verizon South customers are receiving intrastate ATM, SMDS, and Frame Relay services under contracts or other service arrangements with Verizon South. To ensure that those customers will continue to receive Advanced Services under the same terms and conditions at the time of transfer, it will be necessary for Verizon South to assign those contracts or service arrangements to Verizon Data.

The Advanced Services assets are being transferred at the greater of net book value or fair market value. Pricing under the Master Services Agreement will be at the greater of fully distributed cost or fair market value. Verizon South will provide the contracted services under the Master Services Agreement and corresponding Service Schedules to Verizon Data on an interim basis during the transitional period until Verizon Data is capable of performing these services on its own. Verizon Data will provide certain database outsourcing services to Verizon South until Verizon Data is granted a certificate by the Commission.

THE COMMISSION, upon consideration of the application and representations of Verizon South and having been advised by its Staff, is of the opinion and finds that the above-described Asset Purchase Agreement and Master Services Agreement would be in the public interest and should, therefore, be approved subject to the following conditions: that transfers made pursuant to the Asset Purchase Agreement are priced at the greater of net book value or fair market value; that services provided by Verizon South are priced at the greater of fully distributed cost or fair market value; and that the services provided by Verizon Data are priced at the lower of fully distributed cost or fair market value. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Verizon South is hereby granted authority to enter into the above-described Asset Purchase Agreement and Master Services Agreement under the terms and conditions and for the purposes, as described herein. Such conditions are: that the transfers under the Asset Purchase Agreement are priced at the greater of net book value or fair market value; that the services provided under the Master Services Agreement by Verizon South are priced at the greater of fully distributed cost or fair market value; and that the services provided by Verizon Data under Service Schedule 017.1 of the Master Services Agreement are priced at the lower of fully distributed cost or fair market value.

2) Within sixty (60) days from the date of this order, Verizon South shall file an executed copy of the proposed amendment to the Master Services Agreement making it effective between Verizon South and Verizon Data.

3) Should there be any changes in the terms and conditions of the Master Services Agreement from those contained herein, Commission approval shall be required for such changes.

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[1] The Advanced Services that Verizon South provides on an intrastate basis are SMDS, Frame Relay, and ATM services.

[2] On June 27, 2000, Bell Atlantic Network Data-Virginia, Inc., filed an application with the Commission for authority to provide local exchange and intraLATA inter-exchange telecommunications services. That case, Case No. PUC000181, is scheduled for hearing on December 19, 2000.

4) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

5) The Commission reserves the authority to examine the books and records of any affiliate in connection with the authority granted herein whether or not such affiliate is regulated by the Commission.

6) The approval granted herein shall have no ratemaking implications.

7) Verizon South shall include the Agreement approved herein in its Annual Report of Affiliate Transactions submitted to the Director of Public Utility Accounting of the Commission.

8) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA000070
DECEMBER 7, 2000

JOINT PETITION OF
NORTHPOINT COMMUNICATIONS GROUP, INC.
and
BELL ATLANTIC CORPORATION d/b/a VERIZON COMMUNICATIONS

For approval of Agreement and Plan of Merger

DISMISSAL ORDER

On September 20, 2000, NorthPoint Communications Group, Inc. ("NorthPoint"), and Bell Atlantic Corporation d/b/a Verizon Communications ("Verizon") (referred to collectively as "Joint Petitioners") completed a joint petition pursuant to § 56-88 *et seq.* of the Code of Virginia ("Va. Code § ___") for approval of a transaction in which Verizon would acquire majority control of NorthPoint Communications of Virginia, Inc. ("NPC"), a competitive local exchange carrier ("CLEC") and interexchange carrier ("IXC") in Virginia. According to the joint petition, the legal and operational status of NPC would remain unchanged following the merger.

On September 25, 2000, the Commission issued its Order for Notice and Comment. In that Order, the Commission directed the Joint Petitioners to give notice of the joint petition and provide interested persons with an opportunity to comment and/or request a hearing on or before October 30, 2000. The Commission also directed its Staff to file a report detailing its findings and recommendations and established a procedural schedule for the filing of the Staff Report and any responses thereto.

Pursuant to an October 13, 2000, Order, the Commission granted the Joint Petitioners' Motion to Modify Procedural Dates, which was filed October 12, 2000. The Commission directed comments and/or requests for hearings be made by November 7, 2000; Staff's Report to be filed by November 8, 2000; and any comments to Staff's Report to be filed by November 27, 2000. Pursuant to that Order, proofs of service and newspaper notice were filed on November 15, 2000.

On October 16, 2000, Cavalier Telephone, LLC ("Cavalier"), filed comments opposing the joint petition. Cavalier stated that it believed the merger of NorthPoint and Verizon to be anti-competitive in Virginia.

On November 8, 2000, Network Access Solutions Corporation ("NAS") also filed comments opposing the merger transaction. NAS believed that, without new regulatory protections, the competition for high-speed data transmission service for businesses would be harmed. NAS disputed the Joint Petitioners' claim that Verizon's HDSL offering did not compete with CLECs' SDSL offerings. NAS also stated in its comments that, if the Commission approves the merger petition, then it should establish a hearing to develop regulatory conditions designed to protect competition in the market for high-speed business-class data transmission services.

Staff filed its Report on November 16, 2000. In its Report, Staff also noted its concern about the merger's effect on local competition in Virginia, especially in the short term. However, Staff noted that the trend of merging with a former competitor or buying one's way into the competitive market will continue for some time. Staff's report stated that, while the potential for discrimination is a valid concern, Staff did not believe that the acquisition of NPC by Verizon would hamper competition in Virginia. To the contrary, Staff believed that having a separate affiliate that must interface with the ILECs in the same way as CLECs currently do should make the possibility of discriminatory treatment less likely with respect to these services. Based on its analysis, Staff found no reason to object to the proposed merger of Verizon and NorthPoint.

On November 27, 2000, the Joint Petitioners filed their response to Staff's report. In the Response, the Joint Petitioners stated that, while they did not agree completely with Staff's analysis, they supported the Staff's final conclusion.

On November 30, 2000, Verizon filed a letter requesting that this proceeding be dismissed. Verizon states in the letter that on November 29, 2000, it terminated its merger agreement with NorthPoint, therefore, the authority to proceed with this transaction is no longer necessary.

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that the joint petition should be dismissed. Accordingly,

IT IS ORDERED THAT:

(1) The above-captioned joint petition filed by NorthPoint Communications Group, Inc., and Bell Atlantic Corporation d/b/a Verizon Communications is hereby dismissed.

(2) There being nothing further to be done in this matter, it is hereby closed.

CASE NO. PUA000071
NOVEMBER 7, 2000

APPLICATION OF
RCN TELECOM SERVICES OF VIRGINIA, INC.

For approval of a transfer of control

ORDER GRANTING APPROVAL

On September 29, 2000, RCN Telecom Services of Virginia ("RCN VA") filed a complete application under the Utility Transfers Act requesting Commission approval of a transfer of control. As stated in the application, RCN Corporation ("RCN") is a publicly held Delaware corporation. RCN and its operating subsidiaries are in the process of building high-speed, high-capacity, advanced fiber optic networks to provide a package of services, including local and long distance telephone, video programming, and data services to residential customers. RCN is the ultimate corporate parent of RCN Long Distance Company ("RCN LD"), RCN Telecom Services of Virginia, Inc. ("RCN VA"), and Starpower Communications, L.L.C. ("Starpower"), all of which provide telecommunications services in Virginia.

As stated in the application, RCN LD provides resold interexchange services in Virginia, and RCN VA provides local exchange and interexchange services in Virginia pursuant to certificates issued by the Commission in Case No. PUC970043. Starpower provides local and interexchange services pursuant to certificates issued by the Commission in Case No. PUC980004.

RCN Telecom Services, Inc. ("RCN TS"), RCN Telecom Holding Company ("RCN HC"), RCN LD, RCN VA, and Starpower (collectively, the "Applicants" or the "RCN Companies") request approval of a proposed restructuring that will result in a merger of RCN LD and RCN HC (a wholly owned subsidiary of RCN TS) with and into RCN TS. RCN HC is the direct parent of RCN VA and indirect parent of Starpower. The ultimate parent of the RCN Companies, RCN, will remain the same.

As a result of the proposed merger, direct ownership of RCN VA will change from RCN HC to RCN TS. Indirect control of RCN VA will remain the same. Also as a result of the merger, direct and ultimate control of Starpower will remain the same. Only indirect control, between direct and ultimate control, will change by eliminating RCN HC in the chain of ownership.

Applicants represent that the restructuring will be made in a seamless fashion that will not adversely affect the provision of telecommunications services in Virginia. The Applicants represent that the restructuring will enable the RCN Companies to reduce administrative and operating expenses and to realize operational and management efficiencies. Applicants further represent that the proposed restructuring will not adversely affect the provision of telecommunications services by the RCN Companies. Applicants state that the restructuring will be transparent to the customers of RCN VA and Starpower and will not have any direct effect on either RCN VA or Starpower. The tariffs on file with the Commission for RCN VA will remain in effect and will not be affected by the proposed transfer of control.

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 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, approval is hereby granted for the above-described restructuring resulting in a transfer of control of RCN VA from RCN HC to RCN TS as described herein.

2) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA000072
NOVEMBER 9, 2000

JOINT PETITION OF
ONEPOINT COMMUNICATIONS CORP.
and
BELL ATLANTIC CORPORATION d/b/a VERIZON COMMUNICATIONS

For authority pursuant to the Utility Transfers Act, §§ 56-88 et. seq. of the Code of Virginia

ORDER GRANTING AUTHORITY

On September 18, 2000, Bell Atlantic d/b/a Verizon Communications ("Verizon") and OnePoint Communications Corp. ("OnePoint") (collectively, "Joint Petitioners") completed an application pursuant to Virginia Code Section 56-88.1 ("Va. Code § ___") for approval of a transaction wherein Verizon will acquire control of OnePoint and its subsidiary VIC-RMTS-DC, LLC ("VIC-RMTS-DC"). VIC-RMTS-DC holds a certificate of convenience and necessity to provide local exchange telecommunications services in Virginia. The merger agreement between Verizon and OnePoint, VIC-RMTS-DC's ultimate corporate parent, will leave OnePoint as a structurally separate, wholly owned subsidiary of Verizon.

Verizon is headquartered in New York City and is the parent corporation of operating companies that provide local exchange service, interexchange service, wireless service, and information services. Its two Virginia subsidiaries, Verizon Virginia and Verizon South, provide local exchange and exchange access service throughout the Commonwealth of Virginia. The application states that the intrastate services of Verizon Virginia and Verizon South and their regulation by the State Corporation Commission are not affected by this transaction and they are, therefore, not parties to this joint petition.

OnePoint is a Delaware corporation and holds substantially all of the ownership in VIC-RMTS-DC. VIC-RMTS-DC provides local exchange telecommunications services in Virginia pursuant to a certificate of public convenience and necessity received on September 10, 1997. VIC-RMTS-DC currently provides packages of telecommunications services to residential customers in Multi-Dwelling Units ("MDUs"). According to the joint petition, OnePoint currently offers residential customers competitively priced bundled local exchange, long distance, data and cable services with the convenience of a single point of contact for service and one bill.[1] OnePoint's business plan also includes an aggressive rollout of DSL services to residential customers.

The joint petition states that each issued and outstanding share of OnePoint common stock, except for the shares to be canceled in accordance with Section 1.4(b) of the merger agreement, will be converted into cash equal to the exchange amount set forth in Article 2 of the merger agreement. The Joint Petitioners state that the transfer of control of VIC-RMTS-DC will be seamless and will not adversely affect the provision of telecommunications services in Virginia. VIC-RMTS-DC will continue to operate and remain the holder of its authorization. Its current customers will not be affected adversely by the merger as VIC-RMTS-DC will continue to provide the same services to existing customers under the same service agreement, except that it will no longer be able to offer interLATA service after the merger.[2]

The Joint Petitioners state that adequate service to the public at just and reasonable rates will not be impaired or jeopardized as a result of the proposed transaction. VIC-RMTS-DC's current services to existing customers will still be regulated by the Commission pursuant to VAC5-400-180. Also, the proposed transaction will benefit residential consumers who live in apartment buildings by ensuring the continuation of a vibrant competitor in Virginia. OnePoint needs appropriate capitalization and operational scale in order to remain a successful competitor and to accelerate its deployment of advanced services. The Joint Petitioners state that Verizon's capital infusion into OnePoint is critical to its long-term viability.

On September 22, 2000, the Commission issued its Order for Notice and Comment. In that Order, the Commission directed Petitioners to give notice to its customers and provide interested persons with an opportunity to comment and/or request a hearing on or before October 27, 2000. The Commission also directed its Staff to file a report detailing its findings and recommendations on or before November 2, 2000. Pursuant to that Order, proofs of service and newspaper notice were filed on October 31, 2000.

On October 27, 2000, Cavalier Telephone, LLC ("Cavalier") filed comments opposing the application. Cavalier contends in its comments that the merger of OnePoint and Verizon is anti-competitive.

Staff filed its Report on November 2, 2000. In its report, Staff also noted its concern about the merger's effect on local competition in Virginia. Staff believed that, in the short term, the proposed transaction might be anti-competitive. However, Staff noted the financial benefit to OnePoint of its acquisition by Verizon and the potential positive effect on the competitive local exchange market in Virginia due to available Verizon resources. Based on its analysis, Staff found that the proposed acquisition would not impair or jeopardize the provision of adequate service to the public at just and reasonable rates.

On November 6, 2000, the Joint Petitioners filed their response to Staff's report. In the response, the Joint Petitioners stated that, while not agreeing with everything in Staff's report, they agreed with Staff's final conclusion.

NOW THE COMMISSION, upon consideration of the joint petition, the Staff Report, Petitioners' Response thereto, and the comments filed by Cavalier, is of the opinion and finds that the joint petition and Agreement will not impair or jeopardize adequate service to the public at just and reasonable rates and, therefore, should be approved. Accordingly,

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[1] VIC-RMTS-DC provides resold interexchange service. These services are currently not regulated by the Commission; therefore, a certificate of public convenience and necessity is not needed.

[2] Post-merger VIC-RMTS-DC will continue to provide intraLATA long distance on a resale basis.

IT IS ORDERED THAT:

(1) Pursuant to Va. Code §§ 56-88.1 and 56.90 the Agreement and Plan of Merger between Bell Atlantic Corporation d/b/a Verizon Communications and OnePoint Communications Corp. is hereby approved under the terms and conditions as described herein.

(2) The authority granted herein shall have no ratemaking implications.

(3) Petitioners shall submit to the Director of the Commission's Division of Public Utility Accounting a report of the action taken pursuant to the authority granted herein within thirty (30) days of merger consummation. The report shall provide the date of closing of merger and the total value of the transaction.

(4) There being nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUA000073
NOVEMBER 9, 2000

APPLICATION OF
VERIZON SOUTH INC.

For approval of affiliate transactions pursuant to Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On September 11, 2000, Verizon South Inc. f/k/a formerly GTE South Incorporated ("Verizon South") filed an application with the Commission under the Public Utilities Affiliates Law requesting approval of a Marketing and Sales Agreement between Verizon South and Cellco Partnership d/b/a Verizon Wireless ("the Agreement"). Pursuant to the Agreement, Verizon South and Verizon Wireless will jointly market Verizon Wireless's products and services to Verizon South's customers for sixty (60) days.

Under the Agreement, Verizon South will provide planning, coordinating, and marketing services to Verizon Wireless for an offering it is making to Verizon South customers. Verizon Wireless will also access a Verizon South database to verify that customers accepting the offer are current Verizon South customers. Under the Agreement, customers of Verizon South will have the opportunity to purchase certain wireless rate plans, Digital Wireless Plans greater than $29.95, and then receive free wireless web access and free dial-up Internet access for six months. The customer must remain a Verizon South customer during the period they receive the free service. Verizon Wireless will reimburse Verizon South for any expenses incurred during the promotion.

The term of the Agreement is for five years and, after the initial period, the Agreement may continue for additional one-year renewal terms unless either party terminates it by giving the other party at least ninety (90) days' notice. However, the promotion period for which Verizon South is requesting approval is for sixty (60) days.

Verizon South represents that the proposed Agreement is beneficial to its ratepayers because they will have the opportunity to obtain the Internet dial-up service and free wireless web access by purchasing a certain wireless rate plan. Verizon South indicates that it benefits by the requirement that customers must remain customers of Verizon South during the time they receive the free service. Verizon South will be reimbursed at the greater of cost or market. Verizon South estimates that its costs during the promotion period will be less than $50,000.

THE COMMISSION, upon consideration of the application and representations of Verizon South and having been advised by its Staff, is of the opinion and finds that that the above-described joint promotion between Verizon South and Verizon Wireless is in the public interest as long as Verizon South is reimbursed by Verizon Wireless at the greater of cost or market and should, therefore, be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, Verizon South is hereby granted approval for the Marketing and Sales Agreement as it pertains to the joint promotion described herein provided that Verizon South is reimbursed by Verizon Wireless at the greater of fully distributed cost or the market price.

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 changes.

3) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

4) The approval granted herein shall have no ratemaking implications.

5) Verizon South shall include the Agreement approved herein in its Annual Report of Affiliate Transactions submitted to the Director of Public Utility Accounting of the Commission.

6) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA000075
DECEMBER 11, 2000

JOINT APPLICATION OF
1-800-RECONEX, INC.,
and
NOVA COMMUNICATIONS, L.L.C.

For authority to sell and transfer stock and change of control of 1-800-RECONEX, Inc., to Nova Communications, L.L.C.

ORDER GRANTING AUTHORITY

On September 20, 2000, 1-800-RECONEX, Inc. ("RECONEX"), and Nova Communications, L.L.C. ("Nova Communications"), filed a joint application with the Commission under the Utility Transfers Act requesting authority to sell and transfer stock and change of control of RECONEX[1] to Nova Communications. By Order dated November 15, 2000, the Commission extended its review period through December 19, 2000.

RECONEX is a privately held corporation that provides local telecommunications services and received authority to provide local telecommunications services in Virginia pursuant to certificate issued March 31, 1999.[2] Nova Communications is a privately-held Florida limited liability company and is not currently certified to provide service in any state.

RECONEX and Nova Communications request authority for Nova Communications to acquire 52% of the stock of RECONEX. RECONEX and Nova Communications represent that, even though there will be a change in control of RECONEX, the manner in which services are provided will not change, and RECONEX will continue to serve customers in Virginia under its current name and under existing rules and regulations. RECONEX and Nova Communications represent that the technical, managerial, and financial personnel of RECONEX will continue to serve the existing RECONEX customers and that there will be no adverse effect on rates.

THE COMMISSION, *upon consideration of the joint application and representations of* RECONEX *and* Nova Communications *and having* been advised by its Staff, is of the opinion and finds that the above-described sale and transfer of stock and change of control as described herein 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, RECONEX and Nova Communications are hereby granted authority for the acquisition by Nova Communications of 52% of the privately held stock of RECONEX.

2) There appearing nothing further to be done in this matter, it hereby is dismissed.

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[1] The parent company and the Virginia company have the same name, 1-800-RECONEX, Inc. Approval is requested for the transfer of stock of the parent company, resulting in the transfer of control of the Virginia company.

[2] 1-800-RECONEX offers "less than basic" local exchange service. The residential service is provided on a prepaid month-by-month basis and includes unlimited local calling and 1-8XX toll free access, but it also includes restrictions or blocking of certain features or services that are normally associated with standard local exchange service. Subscribers to this alternative, residential prepaid local exchange service will not have access to sources that would allow per-use or per-minute charges to be incurred such as toll, directory assistance requests, or operator assistance services. Additionally, a waiver of § D 3 of the Local Rules allows the monthly rate for this less than basic prepaid local exchange service to exceed the price ceiling set by the Local Rules.

CASE NO. PUA000076
DECEMBER 14, 2000

APPLICATION OF
THE POTOMAC EDISON COMPANY d/b/a ALLEGHENY POWER

For authority to dispose of utility assets

ORDER GRANTING AUTHORITY

On September 22, 2000, The Potomac Edison Company d/b/a Allegheny Power ("AP," "Applicant") filed an application with the Commission under the Utility Transfers Act requesting authority to dispose of utility assets. More specifically, AP requests authority to sell its Kent Street Substation to the City of Winchester, Virginia ("the City").

As stated in the application, AP currently provides electric service in the City at 4 kV. As part of its 4 kV distribution system, AP owns and operates its Kent Street Substation located in the City. By year-end, AP plans to convert the distribution system in the City from 4 kV to 12 kV. As part of this conversion, AP will no longer need its Kent Street Substation.

The City owns land adjacent to the Kent Street Substation that it uses for municipal purposes. Once the electric distribution system in the City is converted from 4 kV to 12 kV, the City wishes to purchase the Kent Street Substation property and the land related investments (i.e., a single-story structure, site improvements, and fencing) for $78,100. In addition, the City has agreed to contribute to the cost of converting AP's 4 kV system to 12 kV in the City in the amount of $182,000.

As indicated in the application, the Kent Street Substation property consists of three parcels comprising a total of .269 acres acquired by AP in 1916, 1923, and 1950. The property contains improvements to include a single-story structure, a retaining wall, a fence and paving, and yard cover. The total original cost of the facilities to be transferred is $27,912.84.

AP obtained two estimates of the value of the real estate that comprises the Kent Street Substation. In view of the fact that the City has agreed to contribute $182,000 towards converting the existing 4 kV system to a 12 kV system, AP agreed to sell the Kent Street Substation land and associated facilities to the City for $78,100, the lower of the estimates.

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 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, AP is hereby granted authority to sell .269 acres of real estate together with improvements comprising AP's Kent Street Substation to the City for $78,100.

2) As part of such sale to the City, the City will contribute to AP $182,000 towards AP's cost of converting the City's distribution system from 4 kV to 12 kV.

3) The authority granted herein shall have no ratemaking implications.

4) AP shall submit a report of the action taken pursuant to the authority granted herein to the Commission's Director of Public Utility Accounting within thirty (30) days of the date the sale takes place. Such report shall include the date the sale took place and the actual sales price (to include the actual contribution to AP towards converting the City's distribution system).

CASE NO. PUA000080
NOVEMBER 7, 2000

PETITION OF
FOCAL COMMUNICATIONS CORPORATION,
FOCAL FINANCIAL SERVICES, INC.,
and
FOCAL COMMUNICATIONS CORPORATION OF VIRGINIA

For authority to effect a pro forma corporate reorganization

ORDER GRANTING APPROVAL

On October 2, 2000, Focal Communications Corporation ("Focal Communications"), Focal Financial Services, Inc. ("Focal Financial Services"), and Focal Communications Corporation of Virginia ("Focal Communications of Virginia") (collectively referred to as "Petitioners") filed a petition with the Commission under the Utility Transfers Act requesting authority, as part of a pro forma corporate reorganization, to interpose Focal Financial Services between Focal Communications of Virginia and its ultimate parent, Focal Communications.

As described in the petition, both Focal Financial Services and Focal Communications of Virginia are wholly owned subsidiaries of Focal Communications, a publicly held Delaware holding company. Focal Financial Services is a Delaware corporation, which does not provide telecommunications services and holds no regulatory licenses from this or any other regulatory commission. Focal Communications of Virginia is a Virginia corporation. Focal Communications of Virginia is authorized to provide interexchange telecommunications services within Virginia as well as intrastate local exchange telephone service within Virginia.

Focal Communications, Focal Financial Services, and Focal Communications of Virginia request authority to interpose Focal Financial Services between Focal Communications of Virginia and its ultimate parent, Focal Communications, as part of a pro forma corporate reorganization. The proposed reorganization will take place as a contribution by Focal Communications of 100% of the capital stock of Focal Communications of Virginia to Focal Financial Services. Upon completion of the reorganization, Focal Communications of Virginia will be a wholly owned subsidiary of Focal Financial Services. Focal Communications of Virginia will continue to operate and to provide its authorized services to consumers in Virginia. Focal Communications will remain the ultimate corporate parent of both Focal Financial Services and Focal Communications of Virginia.

Focal Communications of Virginia will continue providing services to its Virginia customers under the same name, under existing service arrangements, and pursuant to its certifications granted by this Commission. The proposed reorganization will be transparent to customers of Focal Communications of Virginia. Focal Communications of Virginia will continue to provide service without disruption and with no inconvenience or confusion to customers. The same network, billing systems, and customer service operations will be used both before and after the proposed reorganization of Focal Communications of Virginia.

THE COMMISSION, upon consideration of the 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 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, Focal Communications Corporation, Focal Financial Services, Inc., and Focal Communications Corporation of Virginia are hereby granted approval for the interposition of Focal Financial Services between Focal Communications of Virginia and Focal Communications, resulting in the transfer of direct control of Focal Communications of Virginia from Focal Communications to Focal Financial Services.

2) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA000082
NOVEMBER 17, 2000

APPLICATION OF
APPALACHIAN POWER COMPANY,
Applicant

AMERICAN ELECTRIC POWER SERVICE CORPORATION,
Affiliate

For authority to enter into an affiliate transaction under Chapter 4, Title 56, Code of Virginia

ORDER GRANTING APPROVAL

On October 10, 2000, Appalachian Power Company ("Appalachian") and American Electric Power Service Corporation ("AEPSC"), (collectively, the "Applicants") filed an application with the State Corporation Commission seeking approval of a new service agreement (the "Service Agreement") under the Affiliates Act, §§ 56-76, et seq. of the Code of Virginia.

Both Appalachian and AEPSC are wholly owned subsidiaries of American Electric Power Company, Inc. ("AEP"), a holding company registered under the Public Utility Holding Company Act of 1935 (the "1935 Act") and subject to regulation by the Securities and Exchange Commission (the "SEC").

The Applicants state that on May 13, 1980, this Commission issued an Order in Case No. PUA800020 approving a service agreement, (the "Existing Service Agreement") between Appalachian and AEPSC. Also, on February 19, 1997, this Commission issued an Order in Case No. PUA960054 approving amendments to the Existing Service Agreement with AEPSC as a result of organizational realignments. Additional changes to the Existing Service Agreement were also approved by the Commission in Case No. PUA990052 in an Order dated November 17, 1999.

The SEC approved the acquisition by AEP of Central and South West Corporation ("CSW"), a registered public utility holding company under the 1935 Act (Order dated June 14, 2000, in File No. 70-7381; HCAR 35-27186). Central and South West Services, Inc. ("CSWS"), the service corporation affiliated with CSW, plans to merge into AEPSC. AEPSC plans to render services to the combined company's utility and nonutility affiliates. The Applicants state that the merger of the service company will require the adoption of a new service agreement and an expansion of AEPSC's allocation factors.

AEPSC proposes to enter into a new Service Agreement with each of AEP's and CSW's subsidiary companies. Under the new Service Agreement, AEPSC will provide managerial, administrative, financial, technical and other services previously provided by the two service companies. AEPSC states that, to the extent not exempt under rules or otherwise under the 1935 Act, it will provide services to Appalachian at cost.

AEPSC states that it will account for, allocate, and charge its costs for the services provided on a full cost reimbursement basis under a work order system consistent with the uniform system of accounts for mutual and subsidiary service companies under the 1935 Act. Costs incurred in connection with services performed for a specific affiliate will be billed 100% to that affiliate. Costs incurred in connection with services performed for two or more affiliate companies will be allocated in accordance with certain attribution bases. The proposed attribution bases are based on cost-drivers emphasizing factors that correlate to the volume of activity that is inherent in performing certain services. Indirect costs which are not directly allocable to one or more affiliate companies will be allocated in proportion to either direct salaries or total costs billed to the affiliate companies depending on the nature of the indirect costs themselves. AEPSC further states that the time spent by its employees working for each affiliate will be billed to and paid by the applicable affiliate on a monthly basis, based upon time records. In addition, each affiliate will maintain separate financial records and detailed supporting records reflecting AEPSC charges.

Therefore, Appalachian, as Applicant, and AEPSC, as Affiliate, request approval to replace the Existing Service Agreement with a new Service Agreement effective with the merger of AEPSC and CSWS.

NOW 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 transactions are in the public interest and should be approved, subject to the conditions detailed herein.

Accordingly,

IT IS ORDERED THAT:

1) Pursuant to Code § 56-77, the new Service Agreement is approved as filed and is effective upon the closing of the merger between AEPSC and CSWS.

2) No changes in the terms and conditions of the new Service Agreement shall be made without prior Commission approval.

3) The approval granted herein for the new Service 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.

4) For ratemaking purposes all services provided by AEPSC to Appalachian shall be at the lower of cost or market. Appropriate documentation of such transactions shall be made available for Staff review upon request.

5) For ratemaking purposes all services provided by Appalachian to AEPSC shall be at the higher of cost or market. Appropriate documentation of such transactions shall be made available for Staff review upon request.

6) If any differences exist between ratemaking and financial reporting for any affiliate transactions, Appalachian shall maintain calculations supporting such difference for Staff review.

7) Appalachian shall have the burden of proving that all goods and services received from AEPSC 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 Appalachian could not have provided the services or goods to itself at a lower cost.

8) Appalachian shall have the burden of proving that all goods and services provided to AEPSC 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.

9) AEPSC and Appalachian 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 the Staff 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 determines that the meetings are no longer necessary.

10) 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. Appalachian shall include in all general rate proceedings and Annual Informational Filings evidence that the pricing policies stated herein have been followed.

11) The Applicants 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 Appalachian or from Appalachian to any affiliate.

12) The Applicants shall bear the full risk of any preemptive effects of the 1935 Act, and Applicants shall take all such actions as the Commission finds necessary to hold Virginia ratepayers harmless from rate increases or foregone opportunities for rate decreases.

13) Appalachian shall include all transactions under the agreement approved herein 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.

14) Such report shall include all agreements with affiliates regardless of the amount involved and shall supersede all other affiliate reporting requirements previously ordered.

15) 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.

16) Appalachian shall keep its accounting books and records in a manner that will allow all components of the cost of capital to be easily identified.

17) If the 1935 Act is repealed, amended, or replaced by future legislation, the Applicants shall meet with the Commission Staff after passage of such legislation and negotiate in good faith as to whether and how any transactions approved in the Application have been affected by such legislation and whether such transactions should be revised or terminated. In the event the Applicants and Staff are unable to reach agreement, the unresolved issues shall be submitted to the Commission for resolution.

18) Appalachian shall submit to the Commission's Division of Public Utility Accounting a copy of all documents or reports filed with the SEC under the 1935 Act by AEP or AEPSC and all orders issued by the SEC directly affecting Appalachian or AEPSC accounting practices.

19) Appalachian shall submit copies of its market price studies for services received from and services provided to AEPSC to Staff for its review upon request.

20) This matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA000082
DECEMBER 8, 2000

APPLICATION OF
APPALACHIAN POWER COMPANY,
Applicant
and
AMERICA ELECTRIC POWER SERVICE CORPORATION,
Affiliate

For authority to enter into an affiliate transaction under Chapter 4, Title 56, Code of Virginia

ORDER GRANTING PETITION FOR CONSIDERATION FOR PURPOSE OF EXTENDING JURISDICTION

On October 10, 2000, Appalachian Power Company ("Appalachian" or "Company") and American Electric Power Service Corporation ("AEPSC") filed an application pursuant to Chapter 4 of the Code of Virginia, §§ 56-76 *et seq.*, requesting Commission approval of a new service agreement. By order entered November 17, 2000 ("November 17 Order"), the Commission approved the new service agreement, subject to a number of conditions.

On December 6, 2000, Appalachian filed a petition for reconsideration and clarification. The Company stated that most of the conditions set forth in the November 17 Order were not necessary based on the changes in the new service agreement, and that the record did not support the imposition of such conditions. Appalachian further asserted that a number of the conditions, as written, could be interpreted so as to be extremely onerous and, in some cases, unlawful.

Under the Commission's Rules of Practice and Procedure, final judgments and orders of the Commission remain within the jurisdiction of the Commission for a period of twenty-one (21) days following their entry. The Commission will grant the Company's petition for the purpose of retaining jurisdiction over this matter. However, the Commission will not suspend the effectiveness of the November 17 Order at this time. By subsequent order, we will establish a procedural schedule for the purpose of reconsideration of the Order.

Accordingly, IT IS ORDERED THAT:

(1) Appalachian's petition for reconsideration is granted for the purpose of permitting the reconsideration of the Order of November 17, 2000.

(2) This matter is continued pending further order of the Commission.

CASE NO. PUA000083
OCTOBER 31, 2000

APPLICATION OF
KENTUCKY UTILITIES COMPANY, d/b/a OLD DOMINION POWER COMPANY

For approval of the transfer of its interest in two combustion turbines

ORDER GRANTING APPROVAL

On September 15, 2000, Kentucky Utilities Company, d/b/a Old Dominion Power Company ("KU/ODP"), filed an application with the Commission under the Virginia Utility Affiliates Act, Chapter 4 of Title 56 of the Code of Virginia, requesting approval to transfer from LG&E Energy Corp. ("LEC") a forty-seven percent interest in two combustion turbines. The total estimated cost is approximately $108 million. As stated in the application, LG&E Capital Corp. ("Capital Corp."), an unregulated affiliate of KU/ODP, purchased the two combustion turbines ("CT") with the understanding that they would be transferred to KU/ODP and Louisville Gas and Electric Company ("LG&E") to meet 2001 summer peek demands. One CT is a 133 MW from ASEA Brown Boveri ("ABB") and will be constructed at KU/ODP's E. W. Brown generating station in Mercer County, Kentucky, at a cost of approximately $46.4 million. The second CT is a 151MW from Siemens Westinghouse Power Corp. ("SPC") at a cost of approximately $62.2 million and will be constructed at LG&E's Paddys Run generating station in Jefferson County, Kentucky. The Industrial Company is constructing the ABB CT, and SPC is constructing its CT. The CTs are scheduled to be completed and become operational by July 1, 2001. The CTs are the seventh combustion turbine unit at the Brown Facility and the third combustion turbine unit located at the Paddys Run Facility.

As stated in the application, the purchase of the CTs by Capital Corp. was necessitated by (1) the need of KU/ODP and LG&E, a regulated affiliate of KU/ODP, to meet native load requirements (including KU/ODP's retail customers located in Virginia) and to maintain a reasonable reserve margin for the summer of 2001; (2) the conditions in the marketplace for combustion turbines and purchase power; and (3) Kentucky regulatory law. As further stated in the application, the demand for CTs greatly exceeds the supply.

The two CTs that are the subject of this application were the only combustion turbines that could ultimately become available to KU/ODP and LG&E (collectively, the "Companies") to reliably meet their needs in 2001 and beyond.[1] In April 1999, the Companies sent a Request for Proposal (RFP) for combustion turbine generators to the three manufacturers of large frame combustion turbines (Siemens/Westinghouse, General Electric, and ABB). In September 1999, the Companies requested updated information from the three vendors. The prices received in the updated September 1999 RFP were comparable to those received in the April 1999 RFP, but delivery times were pushed further into the future. Buyers such as wholesale merchant plant operators were willing, ready, and able to purchase CTs for their own business purposes, thereby increasing the demand for such equipment.

[1] The CT's in question became available after the RFP process was initiated.

As a result, a "seller's market" exists, and manufacturers are not willing to condition the sale of the CTs upon the utility obtaining regulatory approval. KU/ODP represents that manufacturers can and have demanded purchases without such conditions. The CT's in question became available after the RFP process was initiated. Under market conditions that existed both then and now, KU/ODP states that it would not have been able to purchase and/or construct the CTs subject to obtaining the necessary regulatory approvals in time to meet 2001 summer peak demand conditions.

On June 9, 2000, the Companies filed a joint application with the Kentucky Public Service Commission ("KPSC") for a Certificate of Convenience and Necessity and Environmental Compatibility for the acquisition of the CTs from LEC. The Companies requested KPSC to approve the transfer of the CT's to the utilities at cost and to waive any requirement to provide any additional analysis other than the planning studies that were the basis of the least cost choice to acquire the CT's.

KU/ODP further states in the application that the CT's are in the initial stages of construction and that limited utility personnel are providing management services pursuant to a Services Agreement executed with LEC.

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 transactions 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, Kentucky Utilities Company, d/b/a Old Dominion Power Company is hereby granted approval of the transfer from LG&E of a forty-seven per cent (47%) interest in the two combustion turbines, one each to be located at its E. W. Brown Generating Station in Mercer County, Kentucky, and Paddys Run Generating Station in Jefferson County, Kentucky, at cost as 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) 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.

4) Applicant shall include the transfer approved herein and all services provided pursuant to the Services Agreement in its Annual Report of Affiliate Transactions filed with the Commission's Director of Public Utility Accounting.

5) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA000085
NOVEMBER 30, 2000

APPLICATION OF
VIRGINIA NATURAL GAS, INC.,
and
AGL ENERGY SERVICES, INC.

For approval of an Energy Services Agreement under Chapter 4 of Title 56 of the Code of Virginia

ORDER GRANTING APPROVAL

On October 16, 2000, Virginia Natural Gas, Inc. ("VNG"), and AGL Energy Services, Inc. ("AGLES"), (collectively, the "Applicants") filed an application under the Public Utilities Affiliates Law requesting approval of an energy services agreement pursuant to which AGLES will provide centralized natural gas procurement and asset management services to VNG.

On May 8, 2000, AGL Resources Inc. ("AGLR") and Consolidated Natural Gas Company ("CNG") entered into a Stock Purchase Agreement pursuant to which AGLR agreed to acquire all of the stock of Virginia Natural Gas, Inc. ("VNG"). The Commission approved the transaction by Order dated July 28, 2000, in Case No. PUA000054. The Federal Trade Commission approved the transaction on September 27, 2000, and the Securities and Exchange Commission (the "SEC") approved the transaction on October 5, 2000. The transaction closed on October 6, 2000. In connection with the transaction, AGLR became a registered holding company. AGLR subsequently established AGL Services Company and by Order dated September 25, 2000, in Case No. PUA000060, the Commission approved an application for the provision of services by AGL Services Company for VNG.

As indicated in the application, in addition to the centralized services to be provided for VNG by AGL Services Company, VNG needs the services of an entity experienced in managing a comprehensive portfolio of gas supply, transmission, and storage assets in a complex and dynamic marketplace. VNG must have access to dependable, reliable, and affordable sources of natural gas commodity and capacity to discharge its obligations as a utility. AGLES was formed for the purpose of offering centralized gas purchasing and non-distribution asset management services to AGLR's operating subsidiaries. Currently, AGLES provides gas purchasing and asset management services for both Atlanta Gas Light Company and Chattanooga Gas Company.

In the current application, VNG and AGLES specifically request approval of a Gas Supply Asset Assignment and Agency Agreement ("the Agreement"). Pursuant to the Agreement, VNG will have the option of obtaining needed natural gas procurement and asset management services from unaffiliated suppliers or procuring such services from AGLES under the Agreement. VNG will make these choices based on the relative value and cost of the services. The Agreement is meant to supplement the AGLES Services Agreement approved by the Commission in Case No. PUA000060, which was modeled generally on the Dominion Services Agreement, approved in Case No. PUA990068.

In accordance with the Agreement, gas costs for the natural gas procurement services provided by the AGLES will be based on current industry standards. Specifically, VNG's gas costs will be calculated by using (a) monthly indices for baseload and storage injection requirements; (b) daily indices for swing requirements; and (c) unit costs that would be incurred if the firm transportation and storage were used to meet firm requirements.

Pursuant to the Agreement, VNG proposes to allow AGLES to manage its non-distribution assets. VNG represents that AGLES is an asset manager that is well positioned to maximize the value of such assets. An essential task of AGLES as the primary asset manager will be to find, create, and take advantage of physical and financial market opportunities by managing the VNG assets in combination with other assets to meet the requirements of VNG's customers and other markets more efficiently. VNG represents that this task will be achieved in a manner that is fully consistent with VNG's overriding objective of providing reliable service at reasonable prices. Under the Agreement, AGLES will share that value with VNG's customers pursuant to a mechanism that is tied directly to recognized industry benchmarks. VNG proposes that these prudent costs serve as the benchmark for its revenue sharing proposal under which the additional value to be shared would be the difference between the total value actually achieved in a year and the benchmark cost of gas.

VNG represents that the proposed Agreement is in the public interest. VNG states that, by obtaining centralized natural gas procurement and asset management services from a consolidated and centralized source that can achieve economies of scale and other business efficiencies by, among other things, eliminating duplicative personnel and facilities, the price to end-use customers of VNG's delivered natural gas can be minimized. The provision of services by AGLES will also enable VNG and its end-use customers to realize the benefits of innovative natural gas procurement and asset management strategies that might not otherwise have been available to VNG on a stand-alone basis. VNG represents that all of these efficiencies will provide benefits to its customers. Also, basing the gas costs on nationally recognized standards and approving the asset management arrangement could produce significant savings for end-use customers in Virginia. VNG states that, in any event, approval of the proposed Agreement would result in gas costs for its customers being as low or lower than they otherwise would be.

The compensation and expense reimbursement to AGLES provided for in the Agreement for asset management services is based on a share of the value, if any, created from the management of the assets, net of fees and costs to third-parties, if any.

VNG represents that the Agreement will not expose it to more business risk. VNG will be receiving services it must have on an efficient, cost-effective basis from AGLES and may modify selections on 90 days' notice. The risks that gas supply can not be obtained at the prices established in the gas supply agreement or costs incurred pursuant to the asset management agreement will exceed the value created will be borne by AGLES, not VNG.

VNG states that it believes that, if properly managed, the market value of the transportation, storage, and supply assets that VNG now uses to ensure reliable service to its firm customers may be greater than the value that is currently being realized. VNG believes that allowing AGLES to manage them can best enhance the market value of these assets. AGLES will be able to manage these assets in conjunction with other assets to maximize the value of the entire asset portfolio.

Under the proposed Agreement, the proposed sharing arrangement will allocate the first $1,000,000 annually of value directly to VNG with any additional value being shared on a 65%-AGLES, 35%-VNG basis. The revenues that are realized from capacity release and from the sharing mechanism will flow back to VNG customers as credits through the PGA.

The proposed $1,000,000 sharing threshold (or guarantee as the Applicants stated) reflects VNG's capacity release related revenues for a recent twelve month period. This revenue level reflects a significant decline from capacity release revenue generated over the 18 months prior to VNG being sold to Atlanta Gas Light Company. Capacity release revenue for the third quarter of each year from 1996 thorough 1998 averaged approximately $800,000. Capacity release revenue was approximately $500,000 for the third quarter of 1999 and continued to fall to approximately $100,000 by the second quarter of 2000.

Based on the historical levels of revenue realized from capacity release, there is concern that the floor as proposed is too low and that the proposed sharing mechanism may not reflect a level of capacity release revenue comparable to what VNG's customers would be credited had VNG continued to manage its gas supply assets. In other words, the sharing mechanism could possibly allow AGLES to share value that it did not create. Since VNG's firm customers bear the full cost of the capacity assets that create the capacity release revenues, the full amount of direct capacity release revenue should be flowed back to VNG's firm customers. There is also concern that gas supply reliability could potentially be degraded if capacity releases are made on a non-recallable basis.

The Applicants and Staff discussed these issues and agreed to a number of revisions that would resolve these concerns. These revisions require changes to Articles 1, 3.1, and 3.2 of the proposed affiliate agreement. The Applicants also provided additional information regarding the terms for released capacity.

The first revision will modify the definition of value as contained in Article 1 of the Affiliates' Agreement. The revised definition of Value will be as follows:

> "Value" means, for each Contract Year, the sum of the net revenues created through AGLES' management of the Supply Assets (inclusive of VNG's payments for citygate deliveries of Gas purchased by AGLES as agent for VNG under Section 2.2(b) less the actual costs of such citygate deliveries), plus the transportation credits received by VNG from its upstream transporters as a result of VNG's releases of capacity to parties other than AGLES, and minus any amounts due the Non-Affiliated Asset Manager. "Value" may be expressed mathematically as follows:
>
> V=(A+B)-C
> Where
> "V" is the Value for the Contract Year,
>
> "A" is an amount equal to the transportation credits, if any generated during the Contract Year as a result of capacity releases by VNG of capacity under conract to VNG that has not been assigned to AGLES ("VNG Capacity Release Credits"),

"B" is equal to the sum of the net revenues created through AGLES' management of the Supply Assets (inclusive of VNG's payments for citygate deliveries of Gas purchased by AGLES as agent for VNG under Section 2.2(b) less the actual costs of such citygate deliveries), and

"C" is equal to the amount, if any, due the Non-Affiliated Asset Manager for the Contract Year.

Additional revisions would modify paragraphs (a) and (b) of Article 3.1 to read as follows:

(a) One hundred percent (100%) of the greater of (i) the first one million dollars ($1,000,000) or (ii) VNG Capacity Release Credits shall be allocated to VNG's firm customers.

(b) Any Value in excess of the greater of (i) one million dollars ($1,000,000) or (ii) VNG Capacity Release Credits shall be allocated thirty-five percent (35%) to VNG's firm customers and sixty-five percent (65%) to AGLES until AGLES receives a cumulative amount of one million dollars ($1,000,000), and then such Value shall be allocated fifty percent (50%) to VNG's firm customers and fifty percent (50%) to AGLES.

There is also concern that the proposed Agreement could potentially alter the timing of direct capacity release revenues being flowed back to retail customers since the original Agreement will credit VNG annually. Direct capacity release revenues are currently credited quarterly. Consequently, an additional provision will preserve the current schedule for crediting direct capacity release revenues to firm customers. This new provision will be included as Article 3.2. Acceptance of this provision will necessitate renumbering the originally proposed Article 3.2 to 3.3. The revised Article 3.2 will read as follows:

3.2 The Calculation of Value pursuant to the formula set forth in the Article I definition of Value is an annual determination of the total Value generated over a Contract Year. During a Contract Year, VNG shall allocate VNG Capacity Release Credits received by VNG in accordance with the Section 3.1 allocation methodology. The year-end allocation of Value under Section 3.1 shall take account of the allocation of VNG Capacity Release Credits during the course of the Contract Year.

This revenue sharing generated from AGLES's use of VNG's assets preserves the return to VNG's firm customers of all revenues generated from capacity release. It also provides AGLES with an incentive to make use of VNG's assets in a manner that will generate opportunity (off-system) gas sales and preserve a portion of those opportunity sales for VNG's firm customers. The reliability of VNG's gas service to its retail customers will not be impaired by this Agreement as all of the current safeguards relating to capacity release/recapture remain in place, assuring that those assets are available to meet VNG's firm customer load.

As mentioned previously, the Agreement calls for the gas cost for services provided by AGLES to be billed to VNG using monthly indices for base load and storage injection gas, and daily indices for swing gas requirements. In order to accomplish this, the Agreement provides for dividing VNG's gas service into four Tiers. Tier I or base load gas is priced at an amount per MMBtu equal to the weighted average of the first-of-the-month indices published in *Inside FERC* using the quantities of firm transportation service ("FT") entitlements under storage-related FT contracts. Tier II or swing gas is priced at an amount per MMBtu equal to the weighted average of the daily indices published in *Gas Daily* for the day. Tier III utilizes storage to meet load and is priced at an amount per MMBtu equal to the weighted average storage withdrawal and fuel costs, including transportation costs, that would have occurred under VNG's gas storage contracts. Tier IV or peaking gas will be provided by propane vaporization service. VNG will retain control and proprietary use of its propane production facilities. Therefore, there will be no charge from AGLES to VNG for peaking use of propane. The use of indices for pricing commodity supplies to VNG should not negatively impact VNG's retail rates since such purchases have historically been priced at the indices plus a premium.

The Applicants agreed to provide the Staff with documentation and information and with quarterly PGA filings that will allow the Staff to monitor the operation of the gas supply agreement. This information will include:

a) System commodity cost and allocation to VNG,
b) Index rates used,
c) Off-system sales revenue,
d) Direct capacity revenue,
e) Indirect Capacity revenue,
f) VNG capacity cost for the period,
g) Calculation of off-system margins, and
h) Calculation of VNG commodity margins.

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 Agreement, as modified, will provide for an equitable sharing of the risks and potential benefits associated with AGLES' management of VNG's gas supply assets. The Agreement will also preserve the reliability of VNG's gas supplies and provide needed services that will allow VNG to avoid the incurrence of additional costs associated with procuring and managing gas supplies. We find that the Agreement as modified above would be in the public interest and should be approved. Accordingly,

IT IS ORDERED THAT:

1) Pursuant to § 56-77 of the Code of Virginia, VNG and AGLES are hereby granted approval of the Gas Supply Asset Assignment and Agency Agreement under the terms and conditions and for the purposes as described herein, subject to the above-referenced modifications.

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 changes.

3) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

4) The approval granted herein shall have no ratemaking implications.

5) The Applicants shall submit the following information quarterly to both the Division of Public Utility Accounting and the Division of Energy Regulation: (1) detail of system commodity cost and allocation to VNG, (2) index rates used and supporting documentation, (3) off-system sales revenue and supporting detail, (4) direct capacity revenue and supporting detail, (5) indirect capacity revenue and supporting detail, (5) VNG capacity cost for the period and supporting detail, (6) calculation of off-system margin and supporting detail, (7) calculation of VNG commodity margin and supporting detail, and (8) any other information that the Staff deems necessary.

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) Within thirty (30) days of the date of this order, the Applicants shall submit a revised executed copy of the Agreement to both the Commission's Division of Public Utility Accounting and Division of Energy Regulation incorporating the modifications to the Agreement as described herein.

8) The Staff is directed to monitor the arrangement approved herein to ensure that it continues to be in the public interest.

9) VNG shall include the Agreement in its Annual Report of Affiliate Transactions submitted to the Director of Public Utility Accounting of the Commission.

10) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA000087
DECEMBER 12, 2000

JOINT PETITION OF
WORLDCOM, INC.,
and
INTERMEDIA COMMUNICATIONS INC.

For approval to transfer control of Intermedia Communications Inc.'s Virginia operating subsidiary to WORLDCOM, Inc.

ORDER GRANTING AUTHORITY

On October 23, 2000, WORLDCOM, Inc. ("WorldCom"), and Intermedia Communications Inc. ("Intermedia"), (collectively "Joint Petitioners") filed a joint petition pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Va. Code § __") for approval to transfer control of Intermedia and its Virginia operating subsidiary, Intermedia Communications Inc. ("Intermedia-VA")[1], to WorldCom.

Intermedia is also the controlling shareholder in Digex, Incorporated ("Digex"), which is a provider of managed Web and application hosting services for some of the world's leading companies that rely on the Internet as a critical business tool. As of September 30, 2000, Intermedia owned 62% of the outstanding shares of Digex common stock and 94% of the voting power of outstanding Digex stock.

As indicated in the joint petition, after the proposed transaction, Intermedia will be a subsidiary, and Intermedia-VA will be an indirect subsidiary of WorldCom. The transaction will also give WorldCom voting control of Digex, a principal object of WorldCom's in the merger, according to the joint petition.

The joint petition states that a wholly owned, newly-formed Delaware subsidiary of WorldCom, Wildcat Acquisition Corp., will merge with and into Intermedia, and Intermedia will be the surviving corporation. Intermedia-VA will retain the same corporate relationship with Intermedia after the proposed merger is completed. Intermedia's common stockholders will receive a minimum of 0.8904 and a maximum of 1.1872 shares of WorldCom common stock. The conversion is dependent upon the price of WorldCom stock during the period prior to the consummation of the merger. According to the joint petition, if the maximum number of WorldCom shares were issued, the common shareholders of Intermedia would own slightly more than 2% of the common shares of WorldCom outstanding after the merger is completed.

Holders of Intermedia preferred stock, other than Intermedia Series B Preferred Stock, will receive one share of WorldCom preferred stock for each share of Intermedia preferred stock, according to the joint petition. WorldCom represents in a response to an interrogatory that it has decided, due to various restrictions and covenants, that Intermedia Series B Preferred Stock will remain outstanding preferred stock of Intermedia following the merger. Intermedia has no objection to this decision by WorldCom.

The Joint Petitioners represent in the joint petition that the proposed transfer of control is consistent with the standard in Va. Code § 56-90, and will have no adverse impact on the services or rates of the Joint Petitioners in Virginia. Va. Code § 56-90 states that the Commission may approve a proposed transfer of control if it is satisfied that adequate service to the public at just and reasonable rates will not be impaired or jeopardized. As discussed further below, the Joint Petitioners represent that the proposed transaction will stabilize Intermedia's condition and provide for its and Digex's immediate funding needs while a longer-term strategy can be mapped out and implemented to strengthen Intermedia's regulated business.

[1] The joint petition asks for transfer of control of Intermedia Communications of Virginia, Inc. However, the name of the Virginia operating subsidiary of Intermedia Communications Inc. as shown on certificates TT-37A and T-384 is Intermedia Communications Inc.

Joint Petitioners represent that WorldCom's principal objective centers on Intermedia's controlling interest in Digex. Digex's customers use it to deploy secure, scaleable, high performance business solutions. Digex also offers value-added enterprise and professional services. The Joint Petitioners state that the combination of Digex's comprehensive range of managed, enterprise, and portal hosting solutions with WorldCom's worldwide, facilities-based network and customer relations will provide both entities' customers with a more complete portfolio of Internet products and services to help grow their e-business. Digex is not a regulated business, but it complements WorldCom's regulated services and makes WorldCom a stronger competitor in providing both regulated and unregulated services.

As represented in the joint petition, WorldCom intends to hold and operate Intermedia's services, assets, and operations, including Intermedia-VA, separately until it evaluates its options for maximizing the value of these operations. Options listed in the joint petition are selling them to a third party or consolidating all or some of them with existing WorldCom operations. WorldCom does not expect to change Intermedia's operations in any material respect pending this evaluation. In Virginia, the same entities will continue to hold the same authorizations and will continue to provide the same high-quality services to the same customers at the same rates, terms, and conditions. As represented by the Joint Petitioners, the approval of the petition will have no adverse impact on the continued availability of high-quality services at current rates, terms and conditions. Also, WorldCom will preserve the value of this asset for possible sale or consolidation with WorldCom's existing operations and will be motivated to maintain quality service and customer relations. WorldCom's assumption of Intermedia's debt and its ability to cover operating losses will provide stability to Intermedia and allow it to grow.

In a response to Staff's interrogatory, the Joint Petitioners state that WorldCom has reached an agreement with the United States Department of Justice ("DOJ") on a proposed consent decree. This consent decree will make WorldCom divest itself of all of Intermedia's assets, including Intermedia-VA, other than its controlling interest in Digex within six months after the close of the merger. Also, under this agreement, WorldCom must operate the Intermedia assets as a separate business. The DOJ agreement is still subject to court approval. The joint petition states that, when WorldCom either enters into an agreement to sell Intermedia or determines to consolidate it with existing WorldCom operations, WorldCom will return to the Commission with the appropriate filings or requests for approval.

THE COMMISSION, upon consideration of the joint petition and representations of the Joint Petitioners and having been advised by its Staff, is of the opinion and finds that the above-described transaction 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, the Joint Petitioners are hereby granted approval for Intermedia to transfer control of Intermedia and Intermedia-VA to WorldCom under the terms and conditions described herein.

(2) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUA000088
NOVEMBER 27, 2000

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY AND ITS AFFILIATED INTERESTS

For authority to engage in affiliate transactions and for approval of an affiliate agreement

ORDER GRANTING APPROVAL

On October 24, 2000, Washington Gas Light Company ("Washington Gas" or "Company") filed an application with the State Corporation Commission for authority to engage in certain transactions with a to-be-formed affiliate. Washington Gas specifically requests authority to engage in consumer financing transactions and to enter into an agreement ("Service Agreement") with the above referenced affiliate under the Affiliates Act, §§ 56-76, et seq. of the Code of Virginia ("Code").

Washington Gas is a public service company organized and existing under the laws of the Commonwealth of Virginia and the District of Columbia and is also qualified to conduct business in Maryland. In Virginia, Washington Gas provides natural gas distribution service to more than 342,000 customers in the counties of Arlington, Fairfax, Loudoun, and Prince William, in the cities of Alexandria, Fairfax, Falls Church, and Manassas, and in the towns of Leesburg, Middleburg, and Vienna.

Washington Gas states that it currently finances consumer purchases of natural gas appliances, on a below-the-line-basis, through its Thrift Purchase Plan ("TPP"). The Company proposes to transfer the financing activities to a corporation ("CreditCo") in order to better separate its regulated utility operations from its unregulated operations. CreditCo will be a wholly owned subsidiary of Washington Gas Resources Corp., which is a wholly owned subsidiary of WGL Holdings, Inc. In addition, CreditCo will use a number of the Company's services and facilities in order to effect a smooth transfer of the TPP program. Furthermore, Washington Gas states that the sharing of services will continue to provide benefits to Washington Gas utility customers in the form of reduced costs.

CreditCo's offices will be located in the Company's headquarters office building. As such, Washington Gas proposes to either lease or transfer office furniture, office equipment (fax machines, copiers, computers, etc.), telecommunications equipment, office space and computer hardware and software to CreditCo. Washington Gas states that for ratemaking purposes the property would be provided at cost or market, whichever is higher.[1]

[1] Washington Gas is aware that the Commission is currently considering the transfer pricing rules applicable to affiliate transactions in Case No. PUA980020. Washington Gas states that, if the Commission adopts a transfer pricing rule other than the asymmetric pricing rule presently in effect, it reserves the right to request modification of its request of the Commission's order in this proceeding, based on the pricing policy finally adopted in Case No. PUA980020.

CreditCo proposes to continue using Washington Gas to process payments received by CreditCo and to provide information technology services (such as network administration, help desk, software and other maintenance). CreditCo also proposes to call upon Washington Gas for a general array of corporate services such as legal, audit, accounting and finance, procurement, information systems, human resources, and communications. CreditCo anticipates that its officers and directors will be Washington Gas employees. In addition, CreditCo states that it may "rent" Washington Gas employees for a period of time to perform services exclusively for Creditco. Such employees would, however, remain Washington Gas employees. Washington Gas states that it will charge CreditCo for these services for ratemaking purposes at the higher of cost or market.

Washington Gas also states that CreditCo may perform services for it. The exact nature and extent of such services is undetermined at this time. It may, however, process payments received by Washington Gas on TPP contracts entered into prior to CreditCo's entry into the financing business, may co-ordinate programs with dealers and contractors, and/or undertake special projects on behalf of Washington Gas. Such services will be performed for ratemaking purposes at the lower of cost or market.

NOW THE COMMISSION, upon consideration of the application and representations of Washington Gas and having been advised by its Staff, is of the opinion and finds that the above described transactions are in the public interest and should be approved, subject to the conditions detailed herein.

Accordingly,

IT IS ORDERED THAT:

1) Pursuant to Code § 56-77, the proposed Service Agreement between Washington Gas Light Company and the yet-to-be-formed corporation CreditCo is approved as filed and is effective upon the incorporation of CreditCo.

2) No changes in the terms and conditions of the Service Agreement shall be made without prior Commission approval.

3) The approval granted herein for the Service Agreement shall not preclude the Commission from exercising its authority under the provisions of §§ 56-78 through 56-80 of the Code hereafter.

4) For ratemaking purposes, all services provided by CreditCo to Washington Gas shall be at the lower of cost or market. Appropriate documentation of such transactions shall be made available for Staff review upon request.

5) For ratemaking purposes, all services provided by Washington Gas to CreditCo shall be at the higher of cost or market. Appropriate documentation of such transactions shall be made available for Staff review upon request.

6) If any differences exist between ratemaking and financial reporting for any affiliate transactions, Washington Gas shall maintain calculations and make such calculations available for Staff's review.

7) Washington Gas shall have the burden of proving that all goods and services received from CreditCo 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 Washington Gas could not have provided the services or goods at a lower cost.

8) Washington Gas shall have the burden of proving that all goods and services provided to CreditCo 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.

9) 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. Washington Gas shall include in all general rate proceedings and Annual Informational Filings evidence that the pricing policies stated herein have been followed.

10) The transfer or lease by Washington Gas of personal property to CreditCo is approved as filed and is effective upon the incorporation of CreditCo.

11) Washington Gas 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 Washington Gas or from Washington Gas to any affiliate.

12) Washington Gas shall bear the full risk of any preemptive effects of the 1935 Act and shall take all such actions as the Commission finds necessary to hold Virginia ratepayers harmless from rate increases or foregone opportunities for rate decreases.

13) Washington Gas shall include all transactions under all agreements in the application 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.

14) Such report shall include all agreements with affiliates regardless of the amount involved and shall supersede all other affiliate reporting requirements previously ordered.

15) If the 1935 Act is repealed, amended, or replaced by future legislation, Washington Gas shall meet with the Commission Staff after passage of such legislation and negotiate in good faith as to whether and how any transactions approved in the application have been affected by such legislation and whether they should be revised or terminated. In the event Washington Gas and Staff are unable to reach agreement, the unresolved issues shall be submitted to the Commission for resolution.

16) Washington Gas 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 WGL Holdings and all orders issued by the SEC directly affecting Washington Gas' and WGL Holdings' accounting practices.

17) Washington Gas shall submit copies of its market studies for services received from and services provided to CreditCo to Staff for its review upon request.

18) This matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUA000091
DECEMBER 19, 2000

PETITION OF
BUSINESS TELECOM OF VIRGINIA, INC.

For approval of an indirect, minority transfer of control

ORDER GRANTING APPROVAL

On November 22, 2000, Business Telecom of Virginia, Inc. ("BTIV," "Petitioner"), filed a complete petition with the Commission under the Utility Transfers Act requesting approval for an indirect, minority transfer of control of BTIV that will result from an equity financing transaction planned by BTIV's holding company parent, BTI Telecom Corp.

As stated in the petition, BTIV is a wholly owned subsidiary of Business Telecom, Inc. ("BTI"), a privately held corporation organized pursuant to the laws of North Carolina, which is in turn a wholly owned subsidiary of BTI Telecom Corp. BTI Telecom Corp. is a privately held North Carolina holding company whose principal business is telecommunications. BTI Telecom Corp. holds no regulatory licenses from this or any other regulatory commission. BTI provides integrated telecommunications services primarily in the southeastern United States. BTIV is certificated to provide competitive local exchange services in Virginia. In addition to services provided to Virginia consumers, BTI is authorized by the various state public service commissions to provide facilities-based and/or resold interexchange telecommunications services in the other 49 states.

As described in the petition, pursuant to an agreement with Welsh, Carson, Anderson & Stowe, L.P. ("WCAS"), BTI Telecom Corp. will issue and sell to WCAS newly issued preferred stock in exchange for $50 million in equity financing to BTI Telecom Corp. The proposed financing transaction will result in an increase of stock ownership by WCAS from approximately 19.8% to 27% of the shares of BTI Telecom Corp. The transaction will result in a transfer of control of BTI Telecom Corp. to WCAS and in turn will result in an indirect, minority transfer of control of BTIV to WCAS.

As indicated in the petition, the proposed indirect transfer of control of BTIV will not involve a change in the name under which BTIV currently provides telecommunications services in Virginia. After the transaction, BTIV will continue to offer the services it currently offers to its customers in Virginia under existing service arrangements and pursuant to its tariffs. BTIV will continue to be led by telecommunications managers comprised of existing personnel. It is indicated that the transfer will be transparent to customers. The transfer will not result in a change in rates and services currently offered to customers but is expected to increase the financial strength of BTIV and better enable it to obtain access to capital and financial markets.

THE COMMISSION, upon consideration of the petition and representations of Petitioner and having been advised by its Staff, is of the opinion and finds that the above-described indirect, minority transfer of control of BTIV 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, Business Telecom of Virginia, Inc., is hereby granted approval for the indirect, minority transfer of control of Business Telecom of Virginia, Inc., as described herein.

2) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA000094
DECEMBER 19, 2000

APPLICATION OF
UNIVERSAL ACCESS OF VIRGINIA, INC.

For approval of internal corporate reorganization

ORDER GRANTING APPROVAL

On December 8, 2000, Universal Access of Virginia, Inc. ("UAI of Virginia"), filed a complete application with the Commission under the Utility Transfers Act requesting approval of an internal corporate reorganization. As stated in the application, UAI of Virginia is authorized to provide local exchange services in Virginia. UAI of Virginia's parent, Universal Access, Inc. ("UAI"), is a publicly traded company. UAI is authorized to provide local and/or interexchange services in 42 other states and the District of Columbia.

In its application, UAI of Virginia requests authority for an internal corporate reorganization in which UAI will become a wholly owned subsidiary of a newly-created parent, UAXS Global Holdings Inc. ("HoldCo"). Following the reorganization, HoldCo will hold 100% of the stock of UAI, which in turn will continue to own 100% of UAI of Virginia. UAI will continue to be the direct parent of UAI of Virginia. HoldCo will be the direct parent of UAI and will be the ultimate owner of UAI of Virginia.

As mentioned above, direct ownership of UAI of Virginia will not change. The only change is creating a holding company above UAI. UAI of Virginia will continue to serve customers under the same name. UAI of Virginia represents that there will be no change in the overall management team responsible for the operations of UAI of Virginia. There will also be no change in the rates or other terms and conditions of services offered to customers in Virginia. UAI of Virginia represents that the reorganization will be made in a seamless fashion that will not adversely affect the offering of telecommunications services in Virginia but will increase the financial and managerial strength of the entity that is providing service in Virginia. UAI of Virginia further represents that the transaction will be a paper transaction that will be transparent to customers and in no way inconvenience or cause harm to UAI of Virginia's customers.

THE COMMISSION, upon consideration of the application and representations of UAI of Virginia and having been advised by its Staff, is of the opinion and finds that the above-described internal corporate reorganization resulting in a transfer of control of UAI of Virginia 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, Universal Access of Virginia, Inc., is hereby granted approval for the internal corporate reorganization resulting in indirect transfer of control of Universal Access of Virginia, Inc., as described herein.

2) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA000098
DECEMBER 21, 2000

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY
and
NORTHERN NECK ELECTRIC COOPERATIVE

For authority to sell public service corporation property

ORDER GRANTING AUTHORITY

On November 28, 2000, Virginia Electric and Power Company ("Dominion Virginia Power") and Northern Neck Electric Cooperative ("NNEC") filed an application with the Commission under the Utility Transfers Act requesting approval for Dominion Virginia Power to sell to NNEC and NNEC to purchase from Dominion Virginia Power certain distribution facilities located within NNEC's certificated service territory.

As represented in the application, the assets to be transferred were being used by Dominion Virginia Power in connection with the sale for resale of electricity to Rappahannock Electric Cooperative and will be used by NNEC in connection with the distribution and sale of electricity to NNEC retail customers. The original cost of the facilities is $21,171. The proposed sales price is $12,396, which represents the salvage value of the facilities as estimated by Dominion Virginia Power and NNEC. Both Dominion Virginia Power and NNEC represent that the sales price was established pursuant to arm's length bargaining and that the facilities are no longer needed by Dominion Virginia Power.

THE COMMISSION, upon consideration of the application and representations of Dominion Virginia Power and NNEC 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, therefore, 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 and Northern Neck Electric Cooperative are hereby granted authority for the sale and transfer of the above-described facilities at a price of $12,396 as described herein.

2) The authority granted herein shall have no ratemaking implications.

3) Virginia Electric and Power Company and Northern Neck Electric Cooperative shall submit to the Commission's Director of Public Utility Accounting a report of the action taken pursuant to the authority granted herein within sixty (60) days of the accomplished sale and transfer, such report to include the date of sale and transfer and the actual sales price of the facilities.

4) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUA000100
DECEMBER 21, 2000

APPLICATION OF
RAPPAHANNOCK ELECTRIC COOPERATIVE

For approval of certain transactions pursuant to Chapter 4, Title 56, Code of Virginia, as amended

ORDER APPROVING, IN PART, AND DENYING, IN PART, APPROVAL OF CERTAIN AFFILIATE TRANSACTIONS

On December 1, 2000, Rappahannock Electric Cooperative ("REC" or "Cooperative") filed an application with the State Corporation Commission seeking approval of an Administrative, Operations, and Management Services Contract ("Contract") with its subsidiary, Rappahannock Electric Communications, Inc. (" the Subsidiary"), under the Affiliates Act, §§ 56-76, et seq. of the Code of Virginia. REC also request approval to receive certain unregulated and non-tariffed services from the Subsidiary.

REC states that the Subsidiary has been in existence since 1989, and that their relationship has been governed by a Contract dated August 22, 1989. REC further states that, while preparing to file information with the Commission pursuant to the Final Order dated June 29, 2000, in Case No. PUA000028, it discovered that it had no record of receiving Commission approval of the Contract. Therefore, REC and the Subsidiary seek approval of (a) an amended contract ("New Contract"); (b) the original Contract for the time period during which it was in effect; and (c) the services covered under each.

REC states the Subsidiary was formed as a wholly owned, for profit, taxable entity. Its original primary mission was to provide Television Receive Only Earth Station Satellite services to Cooperative members. However, the service offerings have evolved to include additional products and services such as local Internet services, residential and commercial generator sales, and a residential heating and cooling costs guarantee program. The proposed New Contract also includes provisions for incidental services to be provided by the Subsidiary to REC. REC also states that some of the Subsidiary services are available to persons other than Cooperative members. REC further states that the Subsidiary has no employees, and all human resources required to operate it will be provided through a proposed New Contract with the Cooperative.

REC also states that the Subsidiary is not an energy service provider and will not provide competitive services as they relate to its Pilot Customer Choice program as approved by the Commission's Order dated July 28, 2000, in Case No. PUE000088.

NOW THE COMMISSION, upon consideration of the application and representations of Applicant and having been advised by its Staff, is of the opinion and finds that the above described transactions under the New Contract are in the public interest and should be approved, subject to the conditions detailed herein.

While we are concerned with the Cooperative's tardiness in filing for approval of the original Contract, we believe that it is inappropriate to grant retroactive approval to that contract or to associated transactions.

Accordingly,

IT IS ORDERED THAT:

1) Pursuant to Code § 56-77, the New Contract between Rappahannock Electric Cooperative and Rappahannock Electric Communications, Inc., is hereby approved as filed.

2) The Cooperative's request for retroactive approval of the original Contract and associated transactions is hereby denied.

3) No changes in the terms and conditions of the New Contract shall be made without prior Commission approval.

4) The approval granted herein for the New Contract shall not preclude the Commission from exercising its authority under the provisions of Code §§ 56-78 through 56-80 hereafter.

5) REC shall have the burden of proving that all goods and services received from the Subsidiary 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 REC could not have provided the services or goods to itself at a lower cost.

6) REC shall have the burden of proving that all goods and services provided to the Subsidiary 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.

7) 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. REC shall include in all general rate proceedings evidence that the pricing policies stated herein have been followed.

8) REC shall include all transactions under the New Contract approved herein 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.

9) Such report shall include all agreements with affiliates regardless of the amount involved and shall supersede all other affiliate reporting requirements previously ordered.

10) REC shall submit copies of its market price studies for services received from and services provided to the Subsidiary to Staff for its review upon request.

11) This matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

DIVISION OF COMMUNICATIONS

CASE NO. PUC940009
MARCH 31, 2000

APPLICATION OF
GTE SOUTH INCORPORATED (Contel, Virginia)

Annual Informational Filing

ORDER DIRECTING REFUND OF REMAINING EXCESSIVE EARNINGS

On November 2, 1999, the Commission entered an Order Directing Partial Refund requiring GTE South Incorporated (Contel, Virginia) ("Contel") to make a partial refund to its customers for excessive earnings during 1993, pursuant to the provisions of Paragraph 20 of the Commission's Experimental Plan for Alternative Regulation of Virginia Telephone Companies ("Plan"). On November 19, 1999, the Commission issued an Order Granting Petition For Reconsideration, which provided that interest would be calculated from July 1, 1993 ("the November Orders"). The November Orders required Contel to refund $1,242,800 plus accrued interest to its customers as the first installment of a bifurcated refund and continued the matter pending the outcome of the Virginia Supreme Court's decision in the appeal of S.C.C. Case No. PUC950019. The November Orders approved Contel's proposal for a bifurcated refund because the refund's final amount depended on resolution of the Commission's jurisdictional separations adjustment then on appeal to the Virginia Supreme Court:

> If the Virginia Supreme Court upholds the Commission's separation adjustment in the appeal of Case No. PUC950019, the balance of the refund will be made promptly pursuant to a Commission Order. (Order, p. 2).

On March 3, 2000, the Virginia Supreme Court rendered its decision in the appeal of S.C.C. Case No. PUC950019 and upheld the Commission's separations adjustment.[1]

The Commission finds that Contel should proceed with refunding the remaining balance of $1,959,482 of excessive earnings for 1993[2] plus accrued interest. Both the refunds directed herein, and those set out in the November Orders, should be made no later than May 31, 2000.

IT IS THEREFORE ORDERED THAT:

(1) GTE South Incorporated (Contel, Virginia) shall refund to its customers the balance of $1,959,482 of excessive earnings for 1993 plus accrued interest; and all refunds, including those set out in the November Orders, shall be made no later than May 31, 2000, and pursuant to the same terms as provided in the Orders of November 2, 1999, and November 19, 1999.

(2) Interest upon such refunds shall be computed from July 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 beginning July 1, 1993.

(4) Refunds shall be distributed to 1993 customers based on each customer's proportion of 1993 billed revenues to the total Virginia jurisdictional annual revenues, 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 customers. 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. An amount representing the total of refunds ordered herein, but remaining unclaimed as of the date 12 months from the entry of this Order, shall be forwarded by GTE to the Comptroller of the Commission who shall receive such funds to be designated as the Virginia Telecommunications Public Education Initiatives Account. Funds deposited into said account shall be expended at the direction of the Commission to develop a telecommunications consumer education program. The program shall provide information about customers' options, rights, and obligations pursuant to the Telecommunications Act of 1996 and such other information the Commission deems necessary and appropriate in the public interest.

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[1] GTE South Incorporated v. AT&T Communications of Virginia, Inc., et al., No. 991964, 2000 WL 257121, at *4 (Va. Mar. 3, 2000).

[2] This amount is the difference between the amount Staff initially requested be refunded in the July 6, 1999, motion of $3,202,282 plus interest and the amount Contel was directed to refund in the November 2, 1999, Order of $1,242,800 plus interest.

(6) On or before June 15, 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) The tariffed rates of GTE South (Contel) for the year 1993 are no longer interim and shall be subject to no additional refunds other than those set out in the November Orders and herein.

(8) Contel shall bear all costs of the refund directed in this Order.

(9) This matter shall be continued to receive the report required by Paragraph No. (6) and for further orders of the Commission.

CASE NO. PUC950010
JANUARY 18, 2000

APPLICATION OF
GTE SOUTH INCORPORATED (Contel, Virginia)

Annual Informational Filing

FINAL ORDER

On July 20, 1999, GTE South Incorporated (Contel, Virginia) (hereinafter "Contel" or "the Company") filed its Motion to Declare Rates Not Subject to Refund and to Close Proceeding for the year 1994, covered in its Annual Informational Filing ("AIF") for that year. 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 certain decisions made by the Commission in the Company's final rate order, issued in Case No. PUC950019, one of which affects the results of the Staff Report filed in this proceeding.[1]

By Order of August 9, 1999, the Commission prescribed notice and invited comments or requests for hearing concerning Contel's Motion which were due on or before September 15, 1999. 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 1, 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 Contel earned in excess of its authorized range of return on equity for Discretionary and Basic services for the year 1994. The Modified Plan for Alternative Regulation of Virginia Local Exchange Telephone Companies ("Modified Plan"), which became effective January 1, 1994, specifies the applicable return on equity range to be 10.55% to 12.55% for 1994 (Paragraph 18).[2] The Staff's Report reflects a calculation for intrastate tariffed services' return on average equity of 10.67%. Since that return is beneath the 12.55% limit of the Modified Plan and has not been contested, the Commission finds that during 1994, Contel earned less than the authorized maximum return on equity. Accordingly,

IT IS ORDERED THAT:

(1) Contel's tariffed rates for the year 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.

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[1] The issue is addressed in Staff's Report of December 1, 1998; it is the reallocation of costs to the Company's calculation of its Part 36 interstate costs. This issue is pending appeal.

[2] The Modified Plan was adopted by the Final Order of the Commission in Case No. PUC920029, issued on December 17, 1993.

CASE NO. PUC950078
FEBRUARY 29, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISION

Ex Parte, in re: investigation of the pricing and provisioning of residential Integrated Services Digital Network offered by Bell Atlantic–Virginia, Inc.

ORDER CLOSING CASE

On February 26, 1996, the Commission initiated an investigation concerning the pricing and provisioning of residential Integrated Services Digital Network ("ISDN") service offered by Bell Atlantic-Virginia, Inc. ("BA-VA" or "the Company"). This service is called Residential IntelliLinQ® BRI Service in the Company's tariff. The Commission published notice of the investigation and received comments from a number of interested parties.

On April 19, 1996, BA-VA filed tariffs to revise its pricing structure for Residential IntelliLinQ® BRI Service to include several lower-priced usage packages and to offer a flat rate version of the service. These revised rates went into effect on July 3, 1996. On September 23, 1996, the Commission requested additional comments in this case.

Since the initiation of this investigation, there have been both advances in technology and the emergence of competition in the local telecommunications markets in Virginia. Due to these developments, the Commission believes this investigation is no longer timely. Therefore, in light of the foregoing, and since no party to the instant case has requested further Commission action for two years, 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. PUC960109
JANUARY 18, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of investigating GTE South Incorporated's status as a rural telephone company pursuant to the Telecommunications Act of 1996

ORDER TERMINATING RURAL EXEMPTION AND CLOSING CASE

On October 22, 1996, the Commission entered its Order on Rural Status and Denying Stay ("Order"), in which we found that the Southwest operating territory of GTE South Incorporated ("GTE South" or "Company") satisfied "the letter" of § 153(37)(C) of the Telecommunications Act of 1996 ("Act") and so "qualifies for the statutory rural exemption." The referenced statutory exemption excludes, for operation of certain obligations of the Act, any carrier that "provides telephone exchange service to any local exchange carrier study area with fewer than 100,000 access lines[.]"

The Order also advised that either GTE South or any party could comment or request a hearing on terminating the rural exemption pursuant to § 251(f)(1)(B) of the Act, on or before November 4, 1996. The Order further recited that the Commission, should it determine a hearing to be unnecessary, "will decide the issue based on the pleadings, comments and documents previously submitted."

On November 4, 1996, AT&T Communications of Virginia, Inc. ("AT&T-VA") filed comments not requesting a hearing but urging the Commission to find that, with respect to GTE South's Southwest territory, "continued rural telephone company exemption would not be consistent with the spirit, intent and policies under the Act, and that GTE has failed to carry its burden of proof under the Act" to retain such exemption. Several parties, including the Commission Staff, had previously requested that the Commission consider GTE South's two Virginia operating territories on a unified basis in making its determination as to the Company's qualification as a rural carrier.

In the intervening years, GTE South has not, to our knowledge, exercised its exemption for its Southwest territory from the requirements of § 251(c) of the Act. On the contrary, the Commission has approved numerous interconnection agreements between GTE South and various competitive local exchange carriers that make no attempt to limit the geographic area in which they are effective. We find that GTE South has, by virtue of its voluntary entry into these agreements, demonstrated that such request for interconnection is not unduly economically burdensome, is technically feasible, and is consistent with § 254 of the Act. Accordingly,

IT IS ORDERED THAT:

(1) The rural exemption of GTE South Incorporated in its Southwest operating territory is terminated pursuant to § 251(f)(1)(B) of the Act.

(2) This matter is dismissed.

CASE NOS. PUC960111 and PUC000035
FEBRUARY 17, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of investigating whether Bell Atlantic-Virginia, Inc. meets the requirements of § 271 of the Telecommunications Act of 1996

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In the matter of third-party testing of Operation Support Systems for Bell Atlantic-Virginia, Inc.

ORDER INITIATING TESTING, ASSIGNING PROJECT LEADER AND CALLING FOR PROPOSED MASTER TEST PLAN AND PERFORMANCE STANDARDS TO BE DEVELOPED BY KPMG PEAT MARWICK

In response to the Motion filed October 21, 1999, by Bell Atlantic-Virginia, Inc. ("BA-VA") supporting initiation of third-party testing of its Operation Support Systems ("OSS") and the Preliminary Order of November 2, 1999, comments have been filed by eight entities.[1]

The comments of NAS, Covad, CFW, TRA, AT&T, Cox, and MCI generally support BA-VA's Motion to commence third-party testing of BA-VA's OSS, using KPMG Peat Marwick ("KPMG"). Both CFW and Cavalier state that BA-VA's OSS are not working to meet present CLEC demand for unbundled network elements.[2] Cavalier submits that any third-party OSS testing, by KPMG or any other person, is premature and unwarranted.

Third-Party Testing Initiated

We are of the opinion that delaying third-party testing would not foster the development of competition in the provision of local exchange services. Rather, it is our expectation that third-party testing of BA-VA's OSS will provide a "vehicle" to help clear the many ordering and provisioning obstacles allegedly faced by CLECs. Thus, the Commission regards the proposed third-party testing not just as a means for BA-VA to overcome a federal regulatory hurdle to achieve in-region long distance authority but also as a laboratory to test, develop, and implement solutions. This will require the full cooperation of all parties.[3] We find KPMG should conduct this testing. A contract between BA-VA, KPMG, and the Commission will be executed that engages KPMG to perform the testing.

OSS Testing Docketed

Case No. PUC960111 was established on August 12, 1996, by our Order Requiring Report, to receive from BA-VA the evidence and documentation supporting BA-VA's application to the Federal Communications Commission ("FCC"), pursuant to 47 U.S.C. § 271. Such report was directed to be filed at least sixty (60) days prior to BA-VA's filing its § 271 application with the FCC. We established this docket and directed the filing of this material to aid us in complying with our statutory obligation of consulting with the FCC on Bell Atlantic's application to the FCC.[4]

The Commission finds that for administrative purposes its consideration of third-party OSS testing, which will support only a portion of the § 271 application, should be docketed in a separate proceeding as captioned above in Case No. PUC000035. The results of the OSS testing, together with all other supporting documentation, may then be filed in Case No. PUC960111 in compliance with the Order Requiring Report issued August 12, 1996.

Filing and Approval of Master Test Plan and Performance Standards

The Commission finds that KPMG should prepare a draft Master Test Plan for comprehensive third-party testing of BA-VA's OSS and deliver it to the Project Leader named hereinbelow.[5] We recognize that third-party testing of BA-VA's OSS ultimately requires a set of standards by which to measure BA-VA's performance. Therefore, the Commission finds that KPMG should also prepare and deliver to the Project Leader a draft set of Performance Standards ("metrics") by which BA-VA's performance is to be evaluated by KPMG.[6]

Project Leader Designated

The Commission designates Alexander F. Skirpan as Project Leader with authority delegated to adopt a Master Test Plan and Performance Standards for testing purposes, after reviewing the proposals and comments filed by interested persons as provided below, and to supervise and resolve

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[1] Comments were filed on or before November 19, 1999, by Network Access Solutions ("NAS"), Covad Communications Company ("Covad"), Cavalier Telephone, LLC ("Cavalier"), CFW Network Inc. ("CFW"), Telecommunications Reseller's Association ("TRA"), AT&T Communications of Virginia, Inc. ("AT&T"), Cox Virginia Telcom, Inc. ("Cox"), and MCI WorldCom, Inc. ("MCI").

[2] Cavalier relies upon its complaint against BA-VA, now pending, for documentation of its assertion.

[3] Competitive Local Exchange Companies ("CLECs") will be called upon to participate by the Project Leader as provided later in this Order.

[4] 47 U.S.C. § 271(d)(2)(B) provides for the FCC's consultation with any State that is the subject of the application in order to verify the compliance of the Bell operating company with the requirements of subsection (c).

[5] KPMG should deliver both a hard copy and an electronic copy (for ultimate posting on the Commission's Web Site) of its proposed Master Test Plan.

[6] An electronic copy should also be provided for ultimate posting on the Commission's Web Site.

disputes arising during the third-party testing of BA-VA's OSS. Mr. Skirpan shall act as our agent and be delegated all authority vested in the Commission by the Constitution and Code of Virginia to direct the testing and to arbitrate resolution of disputes during the proceeding. The determinations made by Mr. Skirpan as our agent in the third-party testing of BA-VA's OSS shall be binding on the parties, the same as if explicitly ordered herein.

Comments by Interested Persons

The Project Leader should distribute for comment copies of KPMG's proposed Master Test Plan and Performance Standards to all local exchange companies certificated in Virginia and, upon request, shall make copies of same available to any other interested party. Within twenty-one (21) days following the Project Leader's distribution of the proposed Master Test Plan and Performance Standards, any person, business entity, or association may file comments thereon including but not limited to: (a) whether the draft Master Test Plan and Performance Standards are consistent with the requirements of § 271 of the Telecommunications Act of 1996; and (b) whether they are sufficient to measure BA-VA's Virginia-specific OSS operations. Comments may include proposed changes to the draft Performance Standards to cure deficiencies specified in the comments.

Notice of Intent to Participate

Whether or not interested persons or entities file comments as provided above, they shall be required to file in Case No. PUC000035 their Notice of Intent to Participate in order to participate in this docket. Said notice shall include the participant's name, phone and fax numbers, mailing address, and an e-mail address where pleadings and orders may be received, if available.

Initial Meeting of CLECs

Representatives of all CLECs interested in participating in the third-party testing of BA-VA's OSS should attend a meeting to be convened by the Project Leader on Friday, March 3, 2000, at 10:00 a.m. in the Commission's courtroom, located on the second floor, Tyler Building, 1300 East Main Street, Richmond, Virginia[7]. Interested parties may attend in person or may make timely arrangements with the Project Leader to participate by telephone.

Confidential Treatment

All participating CLECs are directed to provide forecasted data to the Project Leader as he may request from time to time. The Project Leader is directed to keep any such forecasted data received from participating CLECs segregated from other papers. Said forecasted data shall be deemed to be confidential and proprietary, and such information shall only be used in aggregate forms so as to prevent the forecasted data from being identified with specific CLECs.

Report to the Commission

At the conclusion of the third-party testing of BA-VA's OSS, KPMG is directed to produce a report to the Commission. This report by KPMG will be distributed to all interested parties by the Project Leader. Within twenty-one (21) days following distribution of the KPMG report, interested parties may file an original and fifteen (15) copies of their comments with the Project Leader. The Project Leader is then directed to provide this Commission with his final report on the third-party testing of BA-VA's OSS.

Final Report Considered In Case No. PUC960111

The Project Leader's final report will be considered by the Commission in the context of further proceedings in Case No. PUC960111. The Commission, in fulfillment of its duty to consult with the FCC, will then consider whether, in its opinion, BA-VA's Operation Support Systems meet the demands for the development of competition in the provision of local exchange services in the Commonwealth of Virginia.

Accordingly, IT IS ORDERED THAT:

(1) The third-party testing of Operation Support Systems for Bell Atlantic-Virginia, Inc., is hereby docketed as Case No. PUC000035.

(2) KPMG is hereby designated to conduct this testing and is authorized to prepare a proposed draft Master Test Plan and Performance Standards in accordance with the findings above.

(3) Alexander F. Skirpan is hereby made an agent of this Commission in accordance with the above findings and is appointed to supervise the third-party testing of BA-VA's OSS, as the designated Project Leader, and to resolve disputes arising therefrom.

(4) Within twenty-one (21) days following the distribution of the draft Master Test Plan and Performance Standards, interested persons as described above are granted leave to file their comments in accordance with the findings above. All interested persons shall file a Notice of Intent to Participate in the form prescribed above.

(5) The Project Leader is directed and authorized to convene such meetings and receive such reports as are necessary in his discretion to manage the third-party testing of BA-VA's OSS.

(6) KPMG is directed to forward its final report to the Project Leader; and the Project Leader, after receiving comments as provided in ordering paragraph (7), shall make his final report to the Commission, all in accordance with the findings above.

(7) All interested parties are hereby granted leave to file comments within twenty-one (21) days following distribution of the KPMG report, in accordance with the findings above.

(8) This matter is continued until further order of the Commission.

[7] While CLECs are specifically requested to participate, any interested person or entity may attend meetings called by the Project Leader.

CASE NO. PUC960133
JANUARY 18, 2000

APPLICATION OF
GTE SOUTH INCORPORATED (Southwest, Virginia)

Annual Informational Filing

FINAL ORDER

On September 3, 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 1995 ("Motion"), covered in its Annual Informational Filing ("AIF") of said year.

The Motion responded to a CAM/AIF Report ("Staff's Report") filed by the Commission Staff on July 21, 1999. The Staff's Report reflects a calculation for intrastate tariffed services' return on equity of 1.16% during 1995.

Pursuant to 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, which have no material effect on the results of the Staff Report filed in this proceeding.

On September 10, 1999, the Commission prescribed notice and invited comments or requests for hearing concerning Southwest's AIF and the Staff's Report; comments and requests for hearing were due on or before October 29, 1999. The Company filed proof of publication on October 29, 1999, as directed by the Commission's September 10, 1999, Order.

On October 28, 1999, the Commission received the Comments Of Tazewell County Board of Supervisors On Annual Informational Filing Of GTE South Incorporated ("Comments"). The Tazewell County Board of Supervisors ("Board") indicated that during the process of developing an enhanced 911 system in Tazewell County, the Tazewell County Board of Supervisors learned that their cost was going to be more than double that of neighboring localities in Southwestern Virginia; the Board also indicated that the monthly costs for the continuing services would be substantially higher in comparison to neighboring counties.

The Commission is of the opinion that the Comments address matters outside the limited scope of this AIF proceeding; the Commission will address the Comments and matters contained therein in a separate proceeding initiated by Tazewell County in Case No. PUC990094.

In the absence of further requests for hearing and pursuant to the agreement between the Company and Staff, the Commission finds that Staff's Report filed on July 21, 1999, 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 Discretionary and Basic services for 1995. The authorized range of return on equity prescribed by paragraph 12 of the GTE South Alternative Regulatory Plan ("Plan"), which became effective January 1, 1995, was 10.96% to 13.96%.[1] The Staff's Report reflects a calculation for intrastate tariffed services' return on equity, revised and restated, of 1.16%. Since that return is beneath the 13.96% limit of the Plan and has not been contested, the Commission finds that during 1995, Southwest did not earn in excess of the authorized maximum return on equity. Accordingly,

IT IS ORDERED THAT:

(1) Southwest's tariffed rates for 1995 are hereby made permanent for that year only. Such rates are no longer subject to refund as provided in paragraph 13 of its 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 Plan was approved as Attachment 4 to the Commission's Final Order issued October 18, 1994, in Case No. PUC930036.

CASE NOS. PUC960134, PUC970071, PUC970072, PUC980098, PUC990121, PUC000192, and PUC000266
DECEMBER 15, 2000

APPLICATION OF
VERIZON SOUTH INC.

Annual Informational Filings

ORDER APPROVING JOINT AGREEMENT AND REQUIRING REFUND

On October 12, 2000, Verizon South Inc. ("Verizon South" or "Company") f/k/a GTE South Incorporated, together with the Staff of the State Corporation Commission ("Commission"), the Office of the Attorney General's Division of Consumer Counsel, and AT&T Communications of Virginia, Inc., filed a Motion to Approve Joint Agreement ("Motion") and a Joint Agreement executed by those entities.

By the Joint Agreement, a comprehensive settlement was submitted of Verizon South's outstanding annual informational filing cases for the calendar years 1995-1999, as well as the filing that would be made next year covering the Company's operations during calendar year 2000. The Joint Agreement contains Verizon South's agreement to make refunds to customers receiving service from the Company during those years through application of the provisions of Verizon South's Alternative Regulatory Plan. As proposed, customers would receive an aggregate refund of $200 million, inclusive of interest. The parties propose that refunds will be provided for the years 1995-2000 for customers in the former Contel service area and for the years 1998-2000 for customers in the former GTE Southwest service area. The Commission has previously determined that the Company's earnings in the GTE Southwest area for the years 1995-97 were within its range of authorized earnings and, consequently, no refund obligation accrued to those customers in those years.

Pursuant to the Commission's Order of Notice and Comment, issued October 18, 2000, herein, comments have been filed by Advanced TelCom Group of Virginia, Inc. ("Advanced TelCom"). These comments generally recommend that the proposed refund should be made in a competitively neutral fashion, with an insert accompanying each refund to explain that the refund was previously earned and is not contingent upon the recipient remaining a customer of Verizon South.

The Commission's Staff has been informed that Verizon South intends to execute a one-time refund by check to all customers owed a refund under the Joint Agreement. Therefore, the concern raised by Advanced TelCom regarding any billing credits is minimized.

The Commission is particularly concerned that this sizeable refund reach the intended eligible customers and former customers by all reasonable means. Therefore, the Commission makes the following suggestions for administering the refund to reduce any unclaimed amounts:

- In order to help find the last known address of former customers owed a refund, Verizon South should explore whether it can readily check the billing records of its affiliate, Verizon Virginia Inc., to locate any former customers of Verizon South who now may be served by Verizon Virginia Inc.
- Consider instituting a separate toll-free number to process claim inquiries by former customers.
- Issue a state-wide press release to alert former Verizon South customers on what qualifies them for a refund and how to claim it.

Verizon South may consult with the Staff on any of these measures and others that may assure effective delivery of refunds to both existing and former customers. We expect Verizon South to be fully prepared to handle all customer inquiries on these refunds. Following the one-time refund, Verizon South shall file with the Clerk of this Commission an original and fifteen (15) copies of a report of the ordered disposition of all refunds made and/or returned. The report should explain in detail all measures with supporting documentation taken to ensure that refunds were lawfully made pursuant to this Order. The consolidated proceedings shall remain open to review the report of the refund and make such further orders as are appropriate.

Accordingly, IT IS ORDERED THAT:

(1) The Joint Agreement for refund and settlement of Verizon South's outstanding annual informational filing cases for the calendar years 1995-1999, as well as the filing that would have been made in 2001 for calendar year 2000, is hereby adopted and approved.

(2) Verizon South shall refund to its customers its excessive earnings and interest in accordance with the Joint Agreement adopted and approved hereinabove.

(3) All refunds to customers shall be made no later than ninety (90) days from the date of this Order.

(4) Refunds shall be distributed to customers based upon each customer's billed revenue in proportion to the total jurisdictional revenue for the customer's class, for the year of overearnings, with respect to Basic and Discretionary Services.

(5) The refunds ordered shall be accomplished by check sent to each customer at his or her last known address, giving due regard to the measures discussed above for locating former customers. Verizon South need not mail checks for refunds less than $1 to former customers; however, Verizon South shall prepare and maintain a list of the former accounts which are due refunds of less than $1, and if such former customers contact Verizon South and request their refunds, those refunds shall be made promptly. For customers who have outstanding balances, Verizon South may use such balances to offset the 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.

(6) On or before April 30, 2001, Verizon South shall file with the Clerk of the Commission an original and fifteen (15) copies of its report and associated workpapers explaining how all refunds have been lawfully made pursuant to this Order and consistent with this Order. The report shall also document the status of unclaimed refunds. The disposition of unclaimed refunds will be determined by future order of the Commission.

(7) The tariffed rates of Verizon South for the years of 1995 through 2000 are no longer interim and shall be subject to no additional refunds other than to further distribute any unclaimed refunds ordered herein.

(8) Verizon South shall bear all costs of the refund directed in this Order.

(9) This matter shall be continued to receive the report required by Paragraph No. (6) and for further orders of the Commission.

CASE NO. PUC960164
JANUARY 7, 2000

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

For exemption from physical collocation

ORDER ADOPTING RULES AND RULING ON EXEMPTION REQUESTS

On October 1, 1999, Rhythms Links, Inc. - Virginia ("Rhythms") filed a motion to dismiss the supplemental application of Bell Atlantic-Virginia, Inc. ("BA-VA") for exemption from physical collocation in the Midlothian central office. On the same day Rhythms filed a petition for declaratory ruling requesting that the State Corporation Commission ("Commission") order BA-VA to provide Rhythms with physical collocation space in the Midlothian central office and that the Commission adopt its proposed collocation rules.

On October 12, 1999, the Staff of the Commission ("Staff") filed a motion requesting that the Commission accept BA-VA's withdrawal of its requests for exemptions from physical collocation at certain central offices, deny BA-VA's request for exemptions for additional central offices, and finalize the procedural rules governing exemptions from providing physical collocation.

On October 19, 1999, the Commission entered an order permitting BA-VA and other interested parties to respond to the Rhythms' and Staff's motions. Comments were received from BA-VA, Central Telephone Company of Virginia, United Telephone-Southeast, Sprint Communications Company of Virginia, Inc., AT&T Communications of Virginia, Inc., GTE South Incorporated, Starpower Communications, LLC, Focal Communications Corporation of Virginia, Cavalier Telephone, LLC, and Rhythms.

The Commission has reviewed the comments together with the Federal Communications Commission's ("FCC") First Report and Order and Further Notice of Proposed Rulemaking, FCC 99-48, In re Deployment of Wireline Services Offering Advanced Telecommunications Capability, CC Docket No. 98-147 (released March 31, 1999) ("Advanced Services Order"). The FCC's new rules provide for additional minimum collocation standards, including the requirement that an incumbent local exchange carrier ("ILEC") make available cageless collocation space in any unused space,[1] and permit state commissions to adopt additional requirements consistent with the Telecommunications Act of 1996 and FCC regulations.[2]

NOW THE COMMISSION, having considered Rhythms' and the Staff's motions and the comments of numerous interested parties, is of the opinion and finds that the proposed rules, with certain language revisions suggested by several of the commenting parties, should be adopted. BA-VA should be required to supplement its remaining exemption requests so that they are consistent with the new rules. Further, BA-VA's withdrawal of its exemption requests for certain central offices is accepted.

Significantly, when space is reserved for more than two years, the rules will require ILECs to provide detailed explanations of why alternative space arrangements would not accommodate future space needs. The Commission has previously determined,[3] and continues to believe, that two years is a reasonable reservation period for future space needs; however, the new rules recognize that there may be limited circumstances that justify a reservation period of more than two years. In these unique circumstances, the ILEC will assume the burden of proving that an extended reservation period is indeed necessary.

In light of the adoption of these rules, BA-VA must re-examine its pending requests. For each of the remaining exemption requests, BA-VA must supplement the request with information required by the new rules. In addition, with regard to the Midlothian central office, BA-VA should include a detailed explanation of the specific universal service obligations for which it is reserving space.

BA-VA's withdrawal of its exemption requests for the Herndon, Lewinsville, Centreville, Crystal City, Fox Mill Road, Sterling, and Lake Fairfax central offices leaves only four remaining requests for exemption: Ashburn, Midlothian, Pentagon, and Dulles Corner. We will accept BA-VA's withdrawal of its exemption request for the Lake Fairfax wire center; however, the Commission takes no position on whether BA-VA is obligated to provide collocation space at this site.

By this Order, we deny Rhythms' October 1, 1999, motion to dismiss, and deny in part and grant in part both Rhythms' October 1, 1999, petition for declaratory ruling, and Staff's October 12, 1999, motion.

Accordingly, IT IS ORDERED THAT:

(1) The procedural rules governing exemption from providing physical collocation pursuant to § 251(c) of the Telecommunications Act of 1996, with modifications as shown in Attachment A, shall be adopted and published in the Virginia Register.

(2) On or before February 8, 2000, BA-VA shall supplement its remaining requests for exemption consistent with the rules adopted herein, or these requests will be denied without prejudice, subject to refiling.

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[1] Advanced Services Order at ¶ 42.

[2] Advanced Services Order at ¶¶ 8, 22, and 39.

[3] Petition of AT&T Communications of Virginia, Inc., For arbitration of unresolved issues from interconnection negotiations with GTE South, Case No. PUC960117, 1996 S.C.C. Ann. Rep't 236, 237 (Final Order, Dec. 11, 1996).

(3) BA-VA's withdrawal of its requested exemptions for the Herndon, Lewinsville, Centreville, Crystal City, Fox Mill Road, Sterling, and Lake Fairfax central offices is accepted.

NOTE: A copy of Attachment A entitled "Chapter 400. Telecommunications" 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. PUC960164 and PUC000043
FEBRUARY 25, 2000

APPLICATION OF
BELL ATLANTIC–VIRGINIA, INC.

For Exemption from Physical Collocation

APPLICATION OF
BELL ATLANTIC–VIRGINIA, INC.

For Exemption from Physical Collocation at Its Midlothian and Dulles Corner Central Offices

ORDER

Pursuant to our Order of January 7, 2000,[1] Bell Atlantic – Virginia, Inc. ("BA-VA" or "the Company"), filed on February 8, 2000, a supplement to its outstanding requests for exemptions from physical collocation at certain central offices. In its filing, BA-VA withdraws its requested exemptions for its Ashburn and Pentagon offices and supplements its requests for its Midlothian and Dulles Corner offices with additional documentation as required by the rules adopted in the above-referenced Order in Case No. PUC960164.[2]

BA-VA states that a recent building addition makes physical collocation now available at its Ashburn office. As for the Pentagon office, BA-VA states that it does not own the office and therefore has no authority to permit collocation, thus rendering unnecessary an exemption request.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that BA-VA's withdrawal of requests for exemptions should be accepted;[3] that interested parties should have the opportunity to file comments on the remaining requests as supplemented;[4] that the Commission's Staff should investigate the requests for exemption and file a report; and that the rulemaking docket in Case No. PUC960164 should be closed and a new docket initiated for consideration of these remaining requests. Accordingly,

IT IS ORDERED THAT:

(1) BA-VA's withdrawal of its requested exemptions for the Ashburn and Pentagon central offices is accepted.

(2) On or before March 24, 2000, interested parties may file comments in response to the supplemented exemption requests by BA-VA for its Midlothian and Dulles Corner central offices.

(3) The Commission Staff shall investigate BA-VA's exemption requests for the Midlothian and Dulles Corner central offices and file a report on or before April 7, 2000.

(4) BA-VA shall respond to interrogatories and data requests within ten (10) days of service. Except as modified herein, discovery shall be in accordance with Part VI of the Commission's Rules of Practice and Procedure.

(5) Further proceedings on BA-VA's request for an exemption from physical collocation at its Midlothian and Dulles Corner central offices shall be transferred from Case No. PUC960164 and docketed and assigned Case No. PUC000043.

(6) There being nothing further to come before the Commission in Case No. PUC960164, this proceeding shall be removed from the docket and the papers placed in the file for ended causes. Filings made in PUC960164 relevant to BA-VA's request for exemption from physical collocation at its Midlothian and Dulles Corner central offices will be treated as filed in Case No. PUC000043.

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[1] Application of Bell Atlantic - Virginia, Inc., For exemption from physical collocation, Order Adopting Rules and Ruling on Exemption Requests, Case No. PUC960164 (Jan. 7, 2000) Doc. Control No. 000110172.

[2] We note that the supplemental filing fails to include the "detailed explanation" of BA-VA's service obligations for which it is reserving space at its Midlothian office as directed by our January 7 Order. The Company should be prepared to address this requirement in discovery.

[3] Although we will accept BA-VA's withdrawal of its request for exemption for its Pentagon office, we take no position on whether BA-VA is obligated to provide collocation space at this site.

[4] Comments will be due approximately thirty (30) days from the date of this Order. The Commission believes this should provide sufficient time for interested parties to tour the offices and obtain the proprietary information filed with the application. BA-VA is reminded of its obligation to provide both the tour and information in a timely manner.

CASE NO. PUC970016
MARCH 20, 2000

PETITION OF
MCI TELECOMMUNICATIONS CORPORATION OF VIRGINIA, INC.

To reduce carrier common line charge to remove deregulated payphone investment from the rates of Bell Atlantic-Virginia, Inc.

DISMISSAL ORDER

On February 10, 1997, MCI Telecommunications Corporation of Virginia, Inc. ("MCI"), filed a petition to reduce the carrier common line ("CCL") component of access charges of Bell Atlantic-Virginia, Inc. ("BA-VA"), by removing the deregulated payphone investment and associated expenses and reducing BA-VA's intrastate CCL charge to reflect the removal of the payphone investment and associated expenses in its intrastate operations.[1]

On March 11, 1997, an Order Inviting Response was issued. On March 18, 1997, BA-VA filed a Motion To Dismiss Petition of MCI. Thereafter, on March 19, 1997, AT&T Communications of Virginia, Inc. ("AT&T"), filed its Motion to Participate and Requesting a Hearing.[2]

The Commission, having reviewed all of the pleadings in this case, is of the opinion that the Petition of MCI and the motions by BA-VA and AT&T should be denied for the reasons below.

On February 2, 2000, the Commission issued an order establishing an investigation to consider the appropriate level of intrastate access service prices for BA-VA[3] in Case No. PUC000003. The investigation in Case No. PUC000003 requires BA-VA to file a current cost study for both its switched and special access services using the long-run incremental costing methodology approved in Case No. PUC870012. Testimony and evidence as to all factors the Commission should consider in making any access pricing decisions is called for, and the Commission Staff is directed to investigate these factors and make its report.

The Commission concludes that its investigation in Case No. PUC000003 is sufficiently comprehensive to address all concerns raised by MCI, AT&T, and BA-VA in their pleadings filed herein. MCI and AT&T, as certificated carriers in the Commonwealth of Virginia, are granted ample opportunity to advance their cases through participation in the investigation commenced in Case No. PUC000003. Therefore, the Commission finds that MCI's petition filed herein should be dismissed without prejudice, and MCI and AT&T are encouraged to participate in the investigation in Case No. PUC000003. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The petition filed by MCI herein is hereby dismissed without prejudice.

(2) The motions filed by BA-VA and AT&T are hereby denied.

(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.

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[1] Section 276 of the Telecommunications Act of 1996 ("Act") provides that any Bell operating company "shall not subsidize its payphone service directly or indirectly from its exchange service operations or its exchange access operations." 47 U.S.C. § 276(a)(1). The Act directs that the Federal Communications Commission ("FCC") shall take all actions necessary to prescribe regulations that . . . discontinue the intrastate and interstate carrier access charge payphone service elements and payments . . . and all intrastate and interstate payphone subsidies from basic exchange and exchange access revenues." 47 U.S.C. § 276(b)(1)(B). In compliance with the Act, the FCC issued its Report and Order in CC Dockets 96-128 and 91-35 on September 20, 1996, (hereafter, "FCC Order"). The FCC Order at ¶186 provides in part that, "States must determine the intrastate rate elements that must be removed to eliminate any intrastate subsidies . . .". MCI now requests this Commission to exercise its jurisdiction and to act pursuant to the FCC Order.

[2] BA-VA responded by filing a Motion to Dismiss AT&T's Request For a Hearing on March 24, 1997, and AT&T filed its Reply Comments on March 25, 1997.

[3] The appropriate level of intrastate access service pricing for GTE South, Inc. and the Sprint Companies of United Telephone-Southeast, Inc. and Central Telephone Company of Virginia are also included in this investigation.

CASE NO. PUC970173
APRIL 6, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of revising Rules for Pay Telephone Service and Instruments pursuant to the Pay Telephone Registration Act

FINAL ORDER

On November 4, 1997, the Commission issued an Order Prescribing Notice in the above-captioned proceeding. In response to the Order Prescribing Notice, the Virginia Telecommunications Industry Association, GTE South Incorporated, AT&T Communications of Virginia, Inc., and Bell

Atlantic-Virginia, Inc. ("BA-VA"), filed comments on November 25, 1997. On December 3, 1997, the Commission issued an Order Bifurcating Proceeding and Directing Staff to File Report. The Staff Report was filed on December 4, 1997. BA-VA filed comments on the Staff Report on December 10, 1997. On December 15, 1997, the Commission issued an Interim Order on Phase I in the above-captioned proceeding which approved certain rules and reserved further rulemaking for the second phase of this proceeding. However, no further rule revisions have been undertaken for Phase II, and the Commission is now of the opinion that the further rulemaking should be addressed in a future proceeding.

Accordingly, the Commission hereby orders this case closed and the papers filed herein placed in the file for ended causes.

CASE NO. PUC980024
JUNE 29, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
MCI TELECOMMUNICATIONS CORPORATION OF VIRGINIA

FINAL ORDER

Based on the prior proceedings in this matter, as well as the proceedings, representations of the parties, and decision of the United States District Court for the Eastern District of Virginia in *MCI Telecommunications Corporation et al. v. State Corporation Commission*, No. 98-CV-284, and the proceedings, representations of the parties, and decision of the United States Court of Appeals for the Fourth Circuit in *MCI Telecommunications Corporation et al. v. State Corporation Commission,* No. 98-2026, the proceedings at the Virginia Supreme Court in *MCI Telecommunications Corporation of Virginia v. State Corporation Commission,* Record No. 981852, and the settlement agreement entered into on May 30, 2000, between MCI WorldCom Network Services of Virginia, Inc., and the Virginia State Corporation Commission, the Commission is of the opinion that this matter should be dismissed as moot because MCI Telecommunications Corporation (now MCI WORLDCOM Network Services, Inc.) and not MCI Telecommunications Corporation of Virginia (now MCI WorldCom Network Services of Virginia, Inc.) collected the Federal Universal Service Fee and the National Access Fee from customers in Virginia.

Accordingly, IT IS HEREBY ORDERED THAT:

(1) The May 8, 1998, Order on Rule to Show Cause in this proceeding is moot.

(2) The May 8, 1998, Order on Rule to Show Cause is therefore vacated and is of no further force or effect.

(3) MCI Telecommunications Corporation of Virginia (now MCI WorldCom Network Services of Virginia, Inc.) will not collect charges in the Commonwealth of Virginia that are not tariffed as required by Virginia law.

(4) All issues raised in the March 13, 1998, Motion for Rule to Show Cause filed by the Staff of the State Corporation Commission are finally and conclusively resolved by this Final Order.

(5) This Final Order is binding and may be enforced through any appropriate means.

CASE NO. PUC980057
MARCH 20, 2000

PETITION OF
MCI TELECOMMUNICATIONS CORPORATION OF VIRGINIA, INC.

To reduce access charges of Bell Atlantic-Virginia, Inc., by removing payhone related subsidies as required by the Telecommunications Act of 1996

DISMISSAL ORDER

On April 15, 1998, AT&T Communications of Virginia, Inc. ("AT&T"), filed a petition to reduce access charges of Bell Atlantic-Virginia, Inc. ("BA-VA"), by eliminating payphone-related subsidies from BA-VA's intrastate carrier access charges. AT&T's petition proposed that such reduction in access charges be equal to "the sum of (a) the revenues generated by the dial around compensation charges to be collected by BA-VA, and (b) the amounts generated by the increase of BA-VA's local payphone call charge in Virginia from 25¢ to 35¢."[1]

On February 2, 2000, the Commission issued an order establishing an investigation to consider the appropriate level of intrastate access service prices for BA-VA[2] in Case No. PUC000003. The investigation in Case No. PUC000003 requires BA-VA to file a current cost study for both its switched and special access services using the long-run incremental costing methodology approved in Case No. PUC870012. Testimony and evidence as to all factors the Commission should consider in making any access pricing decisions is called for, and the Commission Staff is directed to investigate these matters and make its report.

[1] Petition of AT&T at page 12.

[2] The appropriate level of intrastate access service prices for GTE South, Inc. and the Sprint Companies of United Telephone-Southeast, Inc. and Central Telephone Company of Virginia are also included in this investigation.

The Commission concludes that its investigation in Case No. PUC000003 is sufficiently comprehensive to address all concerns raised by AT&T in its petition filed herein. AT&T, as a certificated carrier in the Commonwealth of Virginia, is granted ample opportunity to advance its case through participation in the investigation commenced in Case No. PUC000003. Therefore, the Commission finds that AT&T's petition filed herein should be dismissed without prejudice, and AT&T is encouraged to participate in the investigation in Case No. PUC000003. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The petition filed by AT&T herein is hereby dismissed without prejudice.

(2) There being nothing further to come before the Commission, this matter is dismissed from the docket, and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUC980128
FEBRUARY 1, 2000

APPLICATION OF
xDSL NETWORKS, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

ORDER CANCELLING CERTIFICATES

By Order dated January 14, 1999, the Commission granted to xDSL Networks, Inc. ("xDSL" or "Company"), certificates of public convenience and necessity, No. TT-60A, to provide interexchange services, and No. T-430, to provide local exchange services ("certificates").

On January 24, 2000, xDSL filed a request with the Commission that its certificates be cancelled. xDSL's request states that it has never served any customers in the Commonwealth of Virginia.

The Commission is of the opinion that xDSL's request should be granted. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Certificate of public convenience and necessity, No. TT-60A, granted to xDSL Networks, Inc. to provide interexchange telecommunications services shall be, and hereby is, CANCELLED.

(2) Certificate of public convenience and necessity, No. T-430, granted to xDSL Networks, Inc. to provide local exchange telecommunication services shall be, and hereby is, CANCELLED.

(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. PUC990002
FEBRUARY 29, 2000

APPLICATION OF
CONNECT!

For approval of an interconnection agreement between Connect! and Bell Atlantic-Virginia, Inc.

DISMISSAL ORDER

On January 6, 1999, Connect! CCCVA, Inc. ("Connect!") filed an application for approval of an interconnection agreement pursuant to 47 U.S.C. § 252(e). The application requested the Commission approve Connect!'s opt in, pursuant to 47 U.S.C. § 252(i), to the interconnection agreement between Hyperion Communications ("Hyperion") and Bell Atlantic-Virginia, Inc. ("BA-VA"), approved on July 9, 1997, in Case No. PUC970018.

On May 25, 1999, BA-VA and CCCVA, Inc. d/b/a Connect! jointly filed an interconnection agreement for Commission approval, pursuant to 47 U.S.C. §§ 251 and 252, in Case No. PUC990097. The Commission issued an Order on July 28, 1999, approving said interconnection agreement. Therefore, the instant application is thereby rendered moot.

The Commission now finds that Case No. PUC990002 should be dismissed without prejudice. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The application filed in Case No. PUC990002 is hereby dismissed without prejudice.

(2) 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. PUC990003
JANUARY 24, 2000

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

For permission to grandfather certain Custom Calling Service Packages

ORDER

On February 5, 1999, the Commission entered an Order allowing the introduction of five new Custom Calling Feature packages to go into effect on February 8, 1999, as requested by United Telephone-Southeast, Inc. ("United" or "Company") in tariff revisions filed by the Company on December 28, 1998. The Order suspended, however, the February 8, 1999, effective date of United's proposed grandfathering of four of its existing Custom Calling Feature packages tariff until further Order of the Commission. Pursuant to the Order, all customers were notified by bill insert of the Company proposal. Proof of Notice was filed on April 30, 1999. A Staff Report was filed on May 24, 1999, and United filed its Response to the Staff Report on June 8, 1999. No comments or requests for hearing have been filed in this matter.

The Staff notes concerns in several areas regarding obsoleting the less expensive packages offered by United as well as obsoleting two packages that include a less expensive version of a call waiting service. Customers wanting some of the basic services currently offered in a package ". . . would be forced to subscribe to each service individually and receive no multi-service discount. This would result in an increased price over the packaged rates. . . ."[1] Additionally, ". . . obsoleting the four existing packages is being used to sell larger packages at higher monthly rates."[2]

United notes in its Response that the services in question in this matter are discretionary as set out by definition in the Company's Alternative Regulation Plan ("Plan") approved by the Commission on October 18, 1994, in Case No. PUC930036. These services are optional and nonessential, and no rate for a discretionary service or existing combination of discretionary services is changed. Existing customers "will continue to have the same services at the same price until they elect to change their service. None of the prices for any of the services is changing."[3]

After consideration of the Staff Report and the Company's Response, the Commission is of the opinion that the Custom Calling Packages are optional, nonessential, discretionary services and that United should be allowed the opportunity and latitude to determine how it wishes to market these services. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The suspension of the effective date to grandfather four existing tariffed Custom Calling Feature packages ordered by the Commission on February 5, 1999, is hereby terminated, and United may grandfather these packages immediately.

(2) There being nothing further to come before the Commission at this time regarding this matter, the papers contained herein shall be placed in the file for ended causes.

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[1] Staff Report filed May 24, 1999, pages 2-3.

[2] Id., page 4.

[3] Response of United filed June 8, 1999, page 5.

CASE NOS. PUC990010 and PUC990011
JUNE 15, 2000

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 State Corporation Commission ("Commission") issued an Order granting interim approval of tariff revisions to offer a new residential service package, Sprint Solutions. This interim approval was scheduled to expire December 31, 1999.

In the March 12, 1999, Order, 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 a joint petition to amend their Plan. On December 22, 1999, the Commission extended the interim approval of tariff revisions to offer Sprint Solutions for an additional six months. This extension is due to expire on June 30, 2000.

The Commission, having considered the additional time needed to allow complete review of the proposed amendments to the Plan, is of the opinion that the interim approval of Sprint Solutions should be further extended until further order of the Commission.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) The interim approval of Sprint Solutions granted by the Commission's March 12, 1999, Order in these consolidated cases is hereby extended until further order of the Commission.

(2) These consolidated cases are continued generally.

CASE NOS. PUC990023 and PUC990046
JANUARY 24, 2000

PETITION OF
STARPOWER COMMUNICATIONS, LLC

For Declaratory Judgment Interpreting Interconnection Agreement with GTE South, Inc.

and

PETITION OF
COX VIRGINIA TELCOM, INC.
v.
GTE SOUTH INCORPORATED

For enforcement of interconnection agreement for reciprocal compensation for the termination of local calls to Internet Service Providers

FINAL ORDER

On February 4, 1999, and March 18, 1999, Starpower Communications, LLC, ("Starpower") and Cox Virginia Telcom, Inc., ("Cox") filed their respective petitions against GTE South Incorporated ("GTE"), seeking declaratory relief and enforcement of their interconnection agreements with GTE. Specifically, Starpower and Cox seek the payment of reciprocal compensation for their transport and termination of GTE's traffic to Internet service providers ("ISPs"). All pleadings have been filed by the parties as provided in the Commission's Preliminary Order of June 22, 1999, and Second Preliminary Order of August 9, 1999.

In Case No. PUC970069,[1] Cox, in its petition for enforcement of its interconnection agreement with Bell Atlantic-Virginia, Inc. ("BA-VA"), presented the issue of payment of reciprocal compensation for its transport and termination of BA-VA traffic to ISPs served by Cox. We found in that case that calls to ISPs as described in the Cox petition constituted local traffic, and that both Cox and BA-VA were entitled to reciprocal compensation for the termination of this type of call. We found that calls to an ISP dialed on a seven-digit basis were local in nature.

Subsequent to that Order, the Federal Communications Commission ("FCC") issued an order in which it held that the jurisdictional nature of ISP-bound traffic is determined by the end-to-end transmission between an end user and the Internet.[2] The FCC further concluded that such ISP-bound traffic is jurisdictionally mixed and appears to be substantially interstate rather than intrastate.[3]

In its Reciprocal Compensation Order, the FCC did not support the extension of its jurisdiction over locally dialed calls to ISPs with any rules regarding inter-carrier compensation for ISP-bound traffic. Nor has the FCC made modifications to jurisdictional separations systems that apportion regulated costs and revenues between intrastate and interstate jurisdictions.

The FCC did, however, establish a further rulemaking to consider prospective inter-carrier compensation methods for ISP-bound traffic. As part of this rulemaking, the FCC requested comment on the implications of various alternative inter-carrier compensation proposals "on the separations regime, such as the appropriate treatment of incumbent [local exchange carrier ("ILEC")] revenues and payments associated with the delivery of such traffic."[4] In the interim, the FCC left it to state commissions to consider what effect, if any, its ruling had on state decisions regarding present reciprocal compensation provisions of interconnection agreements whether negotiated or arbitrated.[5]

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[1] Petition of Cox Virginia Telcom, Inc., For enforcement of interconnection agreement with Bell Atlantic-Virginia, Inc., Case No. PUC970069, 1997 S.C.C. Ann. Rep. 298, Final Order (Oct. 24, 1997).

[2] In re Implementation of the Local Competition Provisions in the Telecommunications Act of 1996; Inter-Carrier Compensation for ISP-Bound Traffic, Declaratory Ruling and Notice of Proposed Rulemaking, CC Dockets 96-98 and 99-68, FCC 99-38, released Feb. 26, 1999 (hereinafter, "Reciprocal Compensation Order"), at ¶ 12.

[3] Id. at ¶ 1.

[4] Id. at ¶ 36.

[5] Id. at ¶ 27.

This matter is of serious concern to this Commission because, notwithstanding its interstate classification of ISP-bound traffic, the FCC continues to require ILECs to account for costs and revenues associated with end users' and ISPs' end office connections for ISP-bound traffic as intrastate for jurisdictional purposes and to require that such services be purchased from intrastate tariffs.[6]

In its Order, the FCC assures us that it has no intention of permitting a mismatch of costs and revenues between the jurisdictions.[7] However, the FCC has yet to commit to the separations reform necessary to match the jurisdictional costs and revenues to its "newly" determined interstate jurisdiction for ISP-bound traffic.[8] Moreover, to date the FCC has not acted in its rulemaking regarding inter-carrier compensation for ISP-bound traffic nor adopted separations reform.[9]

The FCC's stated goal in its Separations Reform NPRM was a comprehensive review of the Part 36 separations rules to consider changes in the telecommunications industry.[10] The Separations Joint Board is currently reviewing various proposals for separations rule changes. As part of this effort, the State Members of the Separations Joint Board have recently developed a cost study tool to help evaluate cost shift effects of separations rule changes.[11] To demonstrate the use of this tool the State Members estimated the possible effect of two recent FCC decisions, one of which was the Reciprocal Compensation Order. The potential misallocation of costs to the state jurisdictions appears enormous.

The cost study tool estimated costs that would be allocated to the interstate jurisdiction if the FCC had found that Internet minutes should be counted as interstate for separations purposes. The State Members reported that "it appears that the effect of moving Internet minutes to the interstate jurisdiction would be a shift in costs of about $2.8 billion annually nationwide (about $1.40 per line per month) to the interstate jurisdiction."[12]

Based on the FCC's failure to act on either inter-carrier compensation or separations reform for ISP-bound traffic, we conclude that the Reciprocal Compensation Order has created great regulatory uncertainty. In the absence of any FCC rules on inter-carrier compensation for ISP-bound traffic, any interpretation of the instant agreements we might reach may well be inconsistent with the FCC's final order in its rulemaking. Further, our decision on these agreements might also conflict with the FCC's ultimate resolution of the separations reform issues, which also remain unresolved.

Given the possibility of conflicting results being reached by this Commission and the FCC, we believe the only practical action is for this Commission to decline jurisdiction and allow the parties to present their cases to the FCC. The FCC should be able to give the parties a decision that will be compatible with any future determinations that it might issue. Being unable to determine the FCC's ultimate resolutions of these issues, any decision by us would be compatible with such rulings only by coincidence.

We further conclude that the FCC's Reciprocal Compensation Order, to the extent it intends to confer regulatory jurisdiction, is of dubious validity. The FCC has concluded that ISP-bound traffic is "jurisdictionally mixed and appears to be largely interstate" in nature.[13] Nevertheless, the FCC has suggested that the states should continue to approve and construe interconnection agreements that establish compensation for transport and termination of ISP-bound traffic, because "neither the statute nor our rules prohibit a state commission from concluding in an arbitration that reciprocal compensation is appropriate in certain instances not addressed by Section 251(b)(5), so long as there is no conflict with governing federal law."[14]

The Commission is a constitutional agency that derives all of its powers and authority from the Constitution of Virginia and properly enacted legislative measures. A statement by the FCC does not, per se, grant jurisdiction to this Commission. Thus, even if we could, by chance, respond to the petitions in a manner not inconsistent with rules the FCC may later adopt, our ruling might be challenged on jurisdictional grounds by a party dissatisfied with the outcome.[15]

Therefore, upon full consideration of the pleadings, the Reciprocal Compensation Order, and the applicable statutes and rules, we find we should take no action on the petitions. We will dismiss these petitions without prejudice but encourage the parties to carry their requests for construction of these agreements to the FCC where they can obtain relief that should be consistent with the rules the FCC may issue in the future. It is also our hope that referring

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[6] The Chief of the Common Carrier Bureau of the FCC has directed Bell Atlantic and SBC Communications to reclassify their ISP-bound expenses and revenues as intrastate in their ARMIS reporting. See "Common Carrier Bureau Issues Letter To Bell Atlantic Regarding Jurisdictional Separations Treatment of Reciprocal Compensation For Internet Traffic", ASD 99-40, Released July 30, 1999.

[7] Separations Reform Order at ¶ 36.

[8] The time may come when the State Corporation Commission will have to consider disallowing, for ratemaking purposes, intrastate costs associated with carrying ISP-bound traffic even though the FCC continues to require these costs to be apportioned intrastate.

[9] In re Jurisdictional Separations Reform and Referral to the Federal-State Joint Board, Notice of Proposed Rulemaking, 12 FCC Rcd 22120, 22122 (1997) (hereinafter, "Separations Reform NPRM").

[10] "The fundamental basis on which separations are made is the use of telecommunications plant on each of the [interstate and intrastate] operations." (47 C.F.R. § 36.1(c)).

[11] See "Formal Request from State Members For Notice and Comment on Separations Simulation Cost Study Tool", filed October 28, 1999, in the FCC proceeding captioned In the Matter of Jurisdictional Separations Reform and Referral to the Federal-State Joint Board, CC Docket 80-286. The FCC requested comments on the cost study analysis tool by December 17, 1999.

[12] Id.

[13] Reciprocal Compensation Order at ¶ 1.

[14] Id. at ¶ 26.

[15] We will not comment on the validity of such a challenge, but note that the invitation of the FCC for us to act in these cases may encourage such a challenge.

these parties to the FCC might encourage the FCC to complete its rulemaking on inter-carrier compensation and to address the separations reform issues for ISP-bound traffic. Accordingly,

IT IS THEREFORE ORDERED that the petitions in Case Nos. PUC990023 and PUC990046 are DISMISSED and, there being nothing further to come before the Commission, the papers transferred to the files for ended causes.

CASE NO. PUC990043
APRIL 7, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
AT&T COMMUNICATIONS OF VIRGINIA, INC.
v.
BELL ATLANTIC-VIRGINIA, INC.

Complaint of AT&T Communications of Virginia, Inc., regarding Bell Atlantic – Virginia, Inc.'s Switched Access Rates

DISMISSAL ORDER

On March 1, 1999, AT&T Communications of Virginia, Inc. ("AT&T"), filed a Complaint against Bell Atlantic-Virginia, Inc. ("BA-VA"), regarding BA-VA's switched access rates. On March 15, 1999, AT&T filed an Amended Complaint that corrected the cost calculations for the access reduction advocated by AT&T. The Complaint requested that the Commission reduce BA-VA's intrastate switched access rates, either by reducing access to reflect BA-VA's costs or, as an interim step, by moving access rates significantly toward cost by reducing them to equal BA-VA's interstate access rates.

The Commission issued a Preliminary Order on July 16, 1999, directing BA-VA to respond to the Complaint and permitting AT&T to reply to BA-VA's response. BA-VA filed its response on August 16, 1999, and AT&T filed its reply on September 13, 1999.

On February 2, 2000, the Commission issued an order establishing an investigation to consider the appropriate level of intrastate access service prices for BA-VA in Case No. PUC000003. The investigation in Case No. PUC000003 requires BA-VA to file a current cost study for both its switched and special access services using the long-run incremental costing methodology approved in Case No. PUC870012. Testimony and evidence as to all factors the Commission should consider in making any access pricing decisions is called for, and the Commission Staff is directed to investigate these matters and make its report.

The Commission concludes that its investigation in Case No. PUC000003 is sufficiently comprehensive to address all concerns raised by AT&T in its Complaint filed herein. AT&T, as a certificated carrier in the Commonwealth of Virginia, is granted ample opportunity to advance its case through participation in the investigation commenced in Case No. PUC000003. Therefore, the Commission finds that AT&T's Complaint filed herein should be dismissed without prejudice, and AT&T is encouraged to participate in the investigation in Case No. PUC000003. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The Complaint filed by AT&T herein is hereby dismissed without prejudice.

(2) There being nothing further to come before the Commission, this matter is dismissed from the docket, and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUC990083
NOVEMBER 2, 2000

APPLICATION OF
PHONE RECONNECT OF AMERICA, L.L.C.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On November 19, 1999, Phone Reconnect of America, L.L.C. ("Phone Reconnect", "Applicant", or "Company"), completed an application with the State Corporation Commission ("Commission") for a certificate of public convenience and necessity ("certificate") requesting authority to provide local exchange telecommunications services throughout the Commonwealth of Virginia.

The first Order for Notice and Hearing was issued on January 10, 2000. However, Staff's Motion to Suspend, Compel and Dismiss was granted on February 18, 2000, and the procedural schedule was suspended pending Applicant's response to Staff's discovery. Following an Order of Extension issued March 29, 2000, to allow substitution of counsel, a Second Order of Notice and Hearing was issued on June 30, 2000 ("Second Order"). This Second Order again 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 Phone Reconnect's application. No comments or objections were received.

In its application, Phone Reconnect 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, Phone Reconnect requests waivers of Rule C 5 and certain provisions of Rule C 1[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.

On October 13, 2000, 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 Phone Reconnect's requests for waiver from specific Local Rules for its residential monthly prepaid local service, subject to the following conditions: (i) regarding Phone Reconnect'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 Division of Economics and Finance no later than one (1) year from the effective date of its initial tariff; (iii) regarding Phone Reconnect's prepaid month-by-month local exchange service offering, the Company shall provide full disclosure to consumers about the services and features Phone Reconnect 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 Phone Reconnect 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 Phone Reconnect 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 Phone Reconnect'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 Phone Reconnect begins to offer non-prepaid (standard) local service and the Company collects customer deposits for such service, it shall establish and maintain an escrow account, held by an unaffiliated third party to hold such funds and shall notify the Division of Economics and Finance of the escrow arrangement. Any escrow arrangement established by Phone Reconnect shall be maintained for such time as the Staff or Commission determines is necessary.

A hearing was held on October 23, 2000. The Applicant filed proof of publication and proof of service as required by the June 30, 2000, Scheduling Order. No members of the public were present. 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) Phone Reconnect of America, L.L.C., is hereby granted a certificate of public convenience and necessity, No. T-517, 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) Phone Reconnect of America, L.L.C., 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 Phone Reconnect's residential prepaid, month-by-month local exchange service.

[1] These are § C 1 d, access to directory assistance; § C 1 e, access to operator services; and § C 1 f, equal access to interLATA long distance carriers.

CASE NO. PUC990093
APRIL 6, 2000

APPLICATION OF
ALLIED RISER OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On February 2, 2000, Allied Riser of Virginia, Inc. ("Allied Riser" or "Company"), completed 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 also requested authority to price its interexchange services competitively, pursuant to § 56-481.1 of the Code of Virginia.

By Order dated February 9, 2000, 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 Allied Riser's application. The Staff filed its report on March 17, 2000, finding that the Company's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service, as codified at 20 VAC 5-400-180 and the Rules Governing the Certification of Interexchange Carriers, as codified at 20 VAC 5-400-60. The Staff recommended issuance of both requested certificates.

A hearing was held on March 29, 2000. Allied Riser filed proof of publication and proof of service as required by the Order of February 9, 2000. 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 Allied Riser should be granted certificates to provide interexchange and local exchange telecommunications services. Further, the Commission finds the Company should be authorized to price its interexchange services competitively. Accordingly,

IT IS ORDERED THAT:

(1) Allied Riser of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-89A, 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) Allied Riser of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-484, to provide local exchange telecommunications services subject to the restrictions set out 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) Allied Riser shall provide tariffs to the Commission's Division of Communications that conform with all applicable Commission rules and regulations.

(4) Pursuant to § 56-481.1 of the Code of Virginia, Allied Riser may price its interexchange services competitively.

(5) 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. PUC990094
MARCH 16, 2000

PETITION OF
TAZEWELL COUNTY, VIRGINIA

For a reduction in certain tariff rates of GTE South, Inc.

ORDER CLOSING CASE

On May 19, 1999, the Board of Supervisors of Tazewell County, Virginia, ("County") filed a petition with the State Corporation Commission ("Commission") for a reduction in certain tariff rates applicable to GTE South, Inc. ("GTE"). GTE filed its response to the County's petition on July 9, 1999, and the County filed a reply to GTE's response on July 22, 1999. In its July 9, 1999, response to the County's petition, GTE stated that it was continuing to investigate its current costs of providing Subscriber Record Information ("SRI"), and estimated that it would complete its investigation by the end of October 1999.

On November 12, 1999, GTE filed the results of its investigation. GTE recommended decreasing rates for SRI, limiting the availability of SRI service to Tazewell County and other counties that currently utilize SRI service, and cautioned that SRI service was becoming obsolete as E911 service is becoming more advanced.

On March 3, 2000, GTE and the County filed a joint motion requesting that the Commission close this proceeding. In support of its motion, the parties state that since the investigation filing, GTE and Tazewell County have discussed the relevant issues and have agreed to appropriate amendments and additions to GTE's tariffs related to the provision of SRI service. The proposed amendments and additions to GTE's tariffs were filed with the Commission on January 19, 2000, and became effective on February 21, 2000. The parties state that because of these changes in GTE's tariffs, they believe that all the issues presented by the County's petition have been resolved and request that the Commission close this proceeding.

NOW THE COMMISSION, having considered the joint motion and applicable law, is of the opinion that the motion should be granted. 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. PUC990101
JUNE 16, 2000

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

For approval of its Network Services Interconnection Tariff, S.C.C.-Va.-No. 218

ORDER

On May 17, 2000, Bell Atlantic-Virginia, Inc. ("BA-VA" or "the Company"), filed revisions to its proposed Network Interconnection Services Tariff, S.C.C.-Va.-No. 218 ("collocation tariff"). According to BA-VA's filing, the revisions introduce collocation at remote terminal enclosures pursuant to the Federal Communications Commission's Third Report and Fourth Further Notice of Proposed Rulemaking[1] and Supplemental Order.[2] The filing also revises the terms associated with virtually collocated equipment provided by competitive local exchange carriers.

[1] CC Docket No. 96-98, adopted Sept. 15, 1999, released Nov. 5, 1999.

The proposed effective date of these collocation tariff revisions is June 16, 2000. Pursuant to Commission Orders of June 25, 1999, and September 30, 1999, BA-VA's collocation tariff has been approved for implementation on an interim basis subject to refunds of collocation charges and/or modifications in terms and arrangements.

On June 13, 2000, WorldCom, Inc., Rhythms Links Inc.-Virginia, and Advanced TelCom Group of Virginia, Incorporated ("Joint Commenters"), filed a Joint Motion to Investigate Tariff and Allow it to Take Effect on an Interim Basis Subject to Investigation.

Also before the Commission are Motions for Leave to File Late filed by ALLTEL Communications, Inc. ("ACI"), on October 22, 1999, and by Cavalier Telephone, LLC ("Cavalier"), on December 16, 1999, and a Motion for Leave to Participate and File Comments filed by Cox Virginia Telcom, Inc. ("Cox"), on December 13, 1999.

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that BA-VA's revisions to its collocation tariff filed May 17, 2000, shall be permitted to go into effect on an interim basis with rates and terms subject to refund and/or modifications; that parties to this proceeding shall have the opportunity to file comments on the tariff revisions; and the motions should be granted.

Accordingly, IT IS ORDERED:

(1) The Joint Commenters' motion is granted to the extent that BA-VA's revised pages for Tariff No. 218, filed May 17, 2000, are approved for implementation on an interim basis subject to refunds of collocation charges and/or modifications in terms and arrangements.

(2) On or before July 19, 2000, the parties to this proceeding may supplement their earlier comments with additional comments on BA-VA's revisions filed May 17, 2000.

(3) The motions for leave of ACI, Cavalier, and Cox are granted.

(4) This matter is continued generally.

[2] Adopted and released Nov. 24, 1999.

CASE NO. PUC990101
DECEMBER 20, 2000

APPLICATION OF
VERIZON VIRGINIA INC. f/k/a BELL ATLANTIC-VIRGINIA, INC.

For approval of its Network Services Interconnection Tariff, S.C.C.-Va.-No. 218

ORDER ACCEPTING ADDITIONAL TARIFF REVISION ON INTERIM BASIS AND PROVIDING FOR FURTHER COMMENT

The collocation services tariff filed by Verizon Virginia Inc. ("Verizon Virginia" or "the Company") f/k/a Bell Atlantic - Virginia, Inc., and approved by the State Corporation Commission ("Commission") on an interim basis on June 25, 1999, and further approved on an interim basis after revisions filed September 17, 1999, and May 17, 2000, has been revised again pursuant to a tariff filing by Verizon Virginia on November 21, 2000 ("November 21, 2000, Tariff Revision"). The proposed effective date of the November 21, 2000, Tariff Revision is December 21, 2000.

According to Verizon Virginia, the Company's collocation tariff is being amended to bring the tariff in compliance with the Federal Communications Commission's ("FCC") Order on Reconsideration and Second Further Notice of Proposed Rule Making in CC Docket No. 98-147 and Fifth Further Notice of Proposed Rulemaking in CC Docket 96-98, adopted August 9, 2000, and Memorandum Opinion and Order in CC Docket No. 98-147, adopted and released November 7, 2000.

The Commission finds that the November 21, 2000, Tariff Revision should be accepted on an interim basis and that further comments should be accepted on the limited matter of whether the November 21, 2000, Tariff Revision complies with the FCC Orders above.

In addition, on October 20, 2000, Cavalier Telephone, LLC ("Cavalier"), filed a motion requesting that the Commission adopt the Staff's October 27, 1999, Report on an expedited basis and to investigate further certain issues raised by the Company's tariff.

Verizon Virginia filed a response on November 3, 2000, to Cavalier's motion. The Company requested that the Commission defer action on Cavalier's motion, noting that it and several CLECs were close to finalizing a settlement agreement governing all collocation rates and also resolving several non-price terms and conditions. The Company stated that within the next two weeks (by November 17, 2000) the parties to the settlement agreement would file a joint petition requesting that the Commission approve it and adopt a revised collocation tariff. No settlement agreement has been filed to date.

Accordingly, IT IS ORDERED THAT:

(1) Verizon Virginia's November 21, 2000, Tariff Revision is hereby approved on an interim basis, effective December 21, 2000, subject to refunds of collocation charges and/or modifications in terms and conditions.

(2) Verizon Virginia shall serve upon all parties having previously filed comments, as well as the Attorney General, copies of its November 21, 2000, Tariff Revision within ten (10) days from the date of this Order, if it has not already done so. Verizon Virginia shall promptly furnish a copy of its November 21, 2000, Tariff Revision to any person requesting a copy. Requests may be directed to Lydia R. Pulley, Vice President and General Counsel, Verizon Virginia Inc., 600 East Main Street, Suite 1100, Richmond, Virginia 23219-2441.

(3) On or before February 2, 2001, any interested party is granted leave to file comments on the November 21, 2000, Tariff Revision, consistent with the findings above. The scope of the comments should be limited to the tariff revisions and their compliance with the FCC rules.

(4) On or before January 8, 2001, Verizon Virginia shall file the settlement agreement referenced in its November 3, 2000, letter. If no such settlement has been reached, Verizon shall instead file a detailed status report on the purported settlement agreement, which should include a clear explanation as to why such agreement has not been timely submitted as represented in its November 3, 2000, letter to the Commission.

(5) This matter is continued generally.

CASE NO. PUC990120
MARCH 31, 2000

APPLICATION OF
GTE SOUTH INCORPORATED
and
xDSL NETWORKS, INC.

ORDER TERMINATING AGREEMENT

By Order entered September 27, 1999, the Commission approved the interconnection agreement between GTE South Incorporated ("GTE South") and xDSL Networks, Inc. ("xDSL"). On March 13, 2000, GTE South, by letter of counsel, filed a letter it had received from counsel for xDSL in which xDSL requested termination of the parties' interconnection agreement. The letter of xDSL stated that the company had ceased operations. The Commission is of the opinion and finds that the parties' interconnection agreement should be terminated. Accordingly,

IT IS ORDERED THAT:

(1) The interconnection agreement between GTE South Incorporated and xDSL Networks, Inc., is hereby terminated.

(2) This matter is dismissed and the papers transferred to the file for ended causes.

CASE NO. PUC990128
MARCH 13, 2000

APPLICATION OF
BROADSTREAM CORPORATION OF VIRGINIA f/k/a COMMCOTEC CORPORATION OF VIRGINIA

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

DISMISSAL ORDER

By letter dated February 28, 2000, BroadStream Corporation of Virginia f/k/a CommcoTec Corporation of Virginia ("Company" or "Applicant") requests to withdraw the above-captioned application. In support of its request, the Company states that it is in the process of evaluating proposed new investor transactions that, if consummated, will greatly strengthen its financial ability. The Company also states that it intends to file a new application at the appropriate time.

We will treat the Company's February 28, 2000, letter as a motion to withdraw its application and will grant that motion. Accordingly,

IT IS ORDERED THAT:

(1) BroadStream Corporation of Virginia's motion to withdraw the above-captioned application is hereby granted.

(2) There being nothing further to be done, this case is hereby dismissed and the papers placed in the file for ended causes.

CASE NO. PUC990138
FEBRUARY 25, 2000

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To postpone implementation of rule

ORDER

MCI WorldCom Technologies of Virginia, Inc., and MCImetro Access Transmission Service, LLC ("WorldCom" or "Company") have requested a limited waiver of our Rules Governing Disconnection of Local Exchange Services ("DNP Rules"). The Company advises it "is in compliance with the 'spirit' of the rules" and "does not and will not disconnect its customers' local service for nonpayment of competitive or unregulated services." However, WorldCom advises that it has been unable "to make changes necessary to include the required information on its invoices to its business customers by the deadline imposed by the Commission." Instead, it has provided the following notice to its business customers:

> Local services are regulated by the Virginia Corporation Commission. Nonpayment of these local items may result in disconnection of your local telephone service.

The Company advises that it is subject to federal regulation requiring billing disclosure, similar to that imposed by the DNP Rules, and that should legal challenges to the federal rules be unavailing, it will "have to revise its billing systems to conform to the federal rules." It requests a limited waiver of our rules and our acceptance of the "notice" set out above, rather than the more extensive information required by our rules to be disclosed. The Company does not indicate when, if ever, it intends to comply with our rules' requirements.

NOW THE COMMISSION, having considered the request, is of the opinion that it should be granted upon the following conditions. The Company is now providing local exchange services only to business customers in Virginia. We will grant the requested waiver only as to the provision of local exchange services to business customers. Should the Company desire to extend local exchange services to residential customers, it will have to bring its billing systems into full compliance with the requirements of the DNP Rules, or request additional waiver. In addition, we require the Company to provide ongoing notice to its business customers of the Commission's DNP policy by either bill message/insert or direct notice not less than quarterly. We further require the Company to inform the Commission promptly once its billing systems can comply with our requirements.

We grant the limited waiver only because we regard business customers as more likely to possess more complete information as to the true effects of our DNP Rules than residential customers, and also because we view business customers as having more competitive alternatives than residential customers at this time.

Accordingly, IT IS ORDERED THAT:

(1) The petition of MCI WorldCom Technologies of Virginia, Inc., and MCImetro Access Transmission Service, LLC, is GRANTED, as limited herein to service to business customers.

(2) Absent additional waiver, the Company shall implement changes to its billing systems in order to provide customers information in full compliance with the DNP Rules before providing service to residential customers.

(3) The Company shall notice its customers of the Commission's DNP policy by either mail message/insert or direct notice on at least a quarterly basis.

(4) The Company shall reconnect, without charge, any customer whose local telephone service is terminated in violation of the DNP Rules, and shall advise any customer so terminated of the right to free reconnection of service.

(5) This matter is continued for further orders of the Commission.

CASE NO. PUC990144
MAY 5, 2000

APPLICATION OF
WORLDWIDE FIBER NETWORKS OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide facilities-based interexchange telecommunications services

FINAL ORDER

On February 1, 2000, Worldwide Fiber Networks of Virginia, Inc. ("Worldwide Fiber" or "Applicant"), completed an application for a certificate of public convenience and necessity ("certificate") with the State Corporation Commission ("Commission") to provide 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 February 25, 2000, 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.

By Order dated March 16, 2000, the Commission granted Worldwide Fiber's request for an extension of time to publish the notice required by the Commission's February 25, 2000, Order. The Applicant filed its proof of publication and notice on April 14, 2000, and no comments or requests for hearing were received. On April 21, 2000, the Staff filed a report finding that Worldwide Fiber's application was in compliance with the Commission's Rules Governing the Certification of Interexchange Carriers.[1]

Based upon its review of Worldwide Fiber's application and the Applicant's responses to Staff data requests, the Staff determined it would be appropriate to grant an interexchange certificate to Worldwide Fiber.

NOW THE COMMISSION, having considered Worldwide Fiber's application and the Staff report, is of the opinion and finds that Worldwide Fiber should be granted a certificate to provide interexchange telecommunications services. Having considered § 56-481.1 of the Code of Virginia, the Commission further finds that Worldwide Fiber may price its interexchange services competitively. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Worldwide Fiber Networks of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-91A, 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) Worldwide Fiber 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, Worldwide Fiber 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.

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[1] 20 VAC 5-400-60.

CASE NO. PUC990148
APRIL 20, 2000

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from the Alexandria/Arlington zone of its Washington Metropolitan exchange to GTE South Incorporated's Arcola exchange

FINAL ORDER

On August 26, 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 customers in the Alexandria/Arlington zone of its Washington Metropolitan exchange of the increases in monthly rates that would be necessary to extend their local service to include the Arcola exchange of GTE South Incorporated ("GTE"). The application stated that telephone customers in GTE's Arcola exchange had previously petitioned the Commission for local calling to the Alexandria/Arlington zone. In a poll conducted in response to the petition, a majority of Arcola customers responding supported paying higher rates for local calling to Alexandria/Arlington. A poll of Alexandria/Arlington 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 BA-VA's Alexandria/Arlington zone to GTE's Arcola exchange shall be implemented.

(2) BA-VA and GTE shall file the tariff revisions necessary for the proposed extension of 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. PUC990152
MARCH 1, 2000

APPLICATION OF
PRIMUS TELECOMMUNICATIONS OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On December 7, 1999, Primus Telecommunications of Virginia, Inc. ("Primus" 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. Primus proposes to offer high-speed data services to large and medium-sized businesses, telecommuters, small and medium-sized retailers, and Internet service providers. Initially, Primus will not be offering traditional voice services.

By Order dated January 7, 2000, 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 Primus' application.

On February 10, 2000, the Staff Report was filed. The Staff stated that Primus' 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 condition: (1) At such time as voice services are initiated by Primus, it shall provide/comply with all requirements of § C (Conditions for certification) of the Local Rules.

A hearing was held on February 23, 2000. Primus provided proof of notice and service as directed by the Commission's January 7, 2000, 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 recommendation of the Staff.

NOW, having considered the application and the Staff Report, the Commission finds that such application should be granted. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Primus Telecommunications of Virginia, Inc., hereby is granted a certificate of public convenience and necessity, No. T-480, 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 condition set forth in the Staff Report.

(2) Primus 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. PUC990156
FEBRUARY 9, 2000

PETITION OF
STARPOWER COMMUNICATIONS, LLC

For declaratory judgment and enforcement of interconnection agreement with Bell Atlantic – Virginia, Inc.

ORDER DISMISSING PETITION

On September 15, 1999, Starpower Communications, LLC ("Starpower"), filed a "Complaint," pursuant to § 8.01-184 of the Code of Virginia and Rule 5:3 of the Commission's Rules of Practice and Procedure, against Bell Atlantic – Virginia, Inc. ("BA-VA"). Starpower seeks enforcement of its interconnection agreement with BA-VA that was approved by the Commission on June 17, 1998 ("the Agreement"). We treat Starpower's filing as a petition for declaratory judgment in accordance with Rule 5:3 and § 8.01-184.

Starpower states that it adopted, pursuant to § 252(i) of the Telecommunications Act of 1996, 47 U.S.C. § 252(i), the interconnection agreement between BA-VA and MFS Intelenet of Virginia, Inc., that was approved by the Commission in Case No. PUC960110.

Starpower further states that BA-VA has taken the unilateral position that it will not make any payments to Starpower as reciprocal compensation for the transport and termination of local calls placed by BA-VA customers to Starpower local service end users who are Internet Service Providers or Enhanced Service Providers (collectively "ISPs"), despite a requirement in the agreement that the parties will pay compensation for the transport and termination of "Local Traffic." Starpower asserts that BA-VA's position is contrary to a prior ruling of this Commission,[1] and is inconsistent with the Federal Communications Commission's ("FCC") February 26, 1999, declaratory ruling[2] addressing reciprocal compensation issues.

[1] Petition of Cox Virginia Telcom, Inc., For enforcement of interconnection agreement with Bell Atlantic – Virginia, Inc., Case No. PUC970069, 1997 Ann. Rep't 298, Final Order (Oct. 24, 1997).

[2] In re Implementation of the Local Competition Provisions in the Telecommunications Act of 1996; Inter-Carrier Compensation for ISP-Bound Traffic, Declaratory Ruling and Notice of Proposed Rulemaking (CC Dockets 96-98 and 99-68) FCC 99-38, rel. Feb. 26, 1999 ("Reciprocal Compensation Order").

Starpower requests that this Commission enter an order declaring that the Agreement's traffic exchange provisions are fully applicable to local calls that terminate to ISPs; directing BA-VA to treat local calls that terminate to ISPs the same way it treats all other local calls when calculating its reciprocal compensation obligations; directing BA-VA to forward to Starpower all sums currently due and owing, together with such interest and late fees as are permitted by the Agreement; and directing BA-VA to pay to Starpower all future sums as they come due pursuant to the terms of Section 5.7 of the Agreement at the rates set forth therein. Additionally, Starpower requests that the Commission direct BA-VA to obtain affirmative relief from the Commission before making unilateral changes in its reciprocal compensation policies.

On October 22, 1999, AT&T Communications of Virginia, Inc., filed a petition to intervene in this proceeding.

Starpower's petition seeks essentially the same relief that it sought in its petition filed in Case No. PUC990023 for declaratory judgment and interpretation of Starpower's interconnection agreement with GTE South Incorporated ("GTE"). Cox Virginia Telcom, Inc. ("Cox"), in Case No. PUC990046, also filed a petition for enforcement of an interconnection agreement with GTE seeking from GTE reciprocal compensation payments for termination of calls to ISPs. Pursuant to Commission orders in those two cases, Starpower, Cox, GTE, and other interested parties filed various pleadings on this issue of payment of reciprocal compensation for the transport and termination of traffic to ISPs.

On January 24, 2000, we issued a Final Order on the Starpower and Cox petitions in Case Nos. PUC990023 and PUC990046.[3] In that Order we dismissed, without prejudice, the petitions of Starpower and Cox citing the FCC's failure to act on either inter-carrier compensation or separations reform for ISP-bound traffic, and the resulting regulatory uncertainty created by the FCC's February 26, 1999, Reciprocal Compensation Order.

Therefore, upon consideration of Starpower's petition and the January 24, 2000, Final Order in Case Nos. PUC990023 and PUC990046, and for the reasons stated in that Order, the Commission will dismiss this petition without prejudice and encourage Starpower to seek appropriate relief from the FCC. Accordingly,

IT IS ORDERED that this matter is DISMISSED and, there being nothing further to come before the Commission, the papers filed herein shall be placed in the file for ended causes.

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[3] Petition of Starpower Communications, LLC, For declaratory judgment interpreting Interconnection Agreement with GTE South, Inc., Case No. 990023 and Petition of Cox Virginia Telcom, Inc. v. GTE South Incorporated, for enforcement of interconnection agreement for reciprocal compensation for the termination of local calls to Internet Service Providers, Case No. PUC990046, Final Order, Jan. 24, 1999, S.C.C. Doc. Control No. 000120170. This Order is posted on the Commission's Web site at http://www.state.va.us/scc/orders/c990023.htm.

CASE NO. PUC990158
JANUARY 14, 2000

JOINT PETITION OF
QWEST COMMUNICATIONS INTERNATIONAL INC.
and
U S WEST, INC.

For approval of merger between the parent corporations of Qwest Communications Corporation, Qwest Communications Corporation of Virginia, LCI International Telecom Corp., LCI International of Virginia, Inc., USLD Communications, Inc., Phoenix Network, Inc., U S WEST Long Distance, Inc., and U S WEST !nterprise America of Virginia, Inc..

ORDER GRANTING APPROVAL

On September 21, 1999, Qwest Communications International Inc. ("Qwest Inc.") and U S WEST, Inc. ("U S WEST"), completed the filing of a joint petition for approval of a merger between the parent corporations of Qwest Communications Corporation, Qwest Communications Corporation of Virginia ("Qwest-Virginia"), LCI International Telecom Corp., LCI International of Virginia, Inc., USLD Communications, Inc., Phoenix Network, Inc., U S WEST Long Distance, Inc., and U S WEST !nterprise America of Virginia, Inc. ("!nterprise"). By Order Extending Time for Review issued November 19, 1999, the Commission extended its time for review of the joint petition through January 19, 2000.

Pursuant to an Agreement and Plan of Merger (the "Merger Agreement") dated July 18, 1999, Qwest Inc. and U S WEST (collectively "Petitioners") propose to merge US WEST with and into Qwest Inc. with Qwest Inc. as the surviving entity. Petitioners state that the proposed merger will bring together Qwest Inc.'s advanced network providing broadband Internet communications with U S WEST's technological expertise in advanced services and complementary competitive service offerings in Virginia.

As stated in the joint petition, Qwest Inc. is a Delaware corporation and is a facilities-based multimedia communications services provider whose subsidiaries provide Internet Protocol-enabled services such as Internet access, web hosting, collocation, and remote access. Qwest Inc., directly or indirectly through wholly owned subsidiaries, constructs and installs fiber optic communications systems for other telecommunications companies and provides multimedia communications services to interexchange carriers and other communications entities, businesses, and consumers. Qwest-Virginia has interexchange carrier ("IXC") authority in Virginia. LCI International of Virginia, Inc. ("LCI-VA"), has CLEC authority in Virginia and is a subsidiary of Qwest Inc.

As further stated in the joint petition, U S WEST is also a Delaware corporation which directly or indirectly, through wholly owned subsidiaries, provides integrated communications services to approximately twenty-five million customers nationally. !nterprise is a corporation organized under the laws of Virginia and is wholly owned by U S WEST !nterprise America, Inc., which is a corporation organized under the laws of Colorado. !nterprise has IXC and competitive local exchange carrier ("CLEC") authority in Virginia.

Upon closing of the proposed merger, the direct or indirect subsidiaries of Qwest Inc. and U S WEST that hold operating certificates or other authorizations will survive as direct or indirect subsidiaries of the post-merger Qwest Inc.

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 merger of U S WEST with and into Qwest 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 merger of U S WEST with and into Qwest Inc. is hereby approved.

2) There appearing nothing further to be done in this matter, it hereby is dismissed.

CASE NO. PUC990159
DECEMBER 1, 2000

STATE CORPORATION COMMISSION

Ex Parte: In re: Investigation of area code relief for the 804 Numbering Plan Area

ORDER ON AREA CODE RELIEF

On June 24, 1999, the North American Numbering Plan Administrator ("NANPA"), on behalf of the Virginia telecommunications industry ("industry"), reported a proposed relief plan for the 804 Numbering Plan Area ("NPA"). The plan, which NANPA represented to be a consensus recommendation by the industry, was to implement an all-services distributed overlay relief plan for the 804 NPA. The Commission assumed jurisdiction to review the plan and suspended implementation of the proposed overlay for the 804 NPA, pursuant to its Order Assuming Jurisdiction issued September 23, 1999. An Order was issued on December 29, 1999, which assigned a Hearing Examiner to conduct all further proceedings; directed that hearings be convened to receive public comments within the area served by the 804 area code; and directed that notice be published in newspapers, giving the time and place of the hearings and the docket number to which comments could be sent.

Local hearings were conducted by the Hearing Examiner on March 6, 2000, in the Charlotte County Circuit Court, and on March 9, 2000, in the Commission's Second Floor Courtroom. Public witnesses appeared and testified in both local hearings. On March 27, 2000, an evidentiary hearing was convened and public witnesses again appeared and testified as well as witnesses for NANPA, the Staff, and Verizon Virginia Inc. (f/k/a Bell Atlantic-Virginia, Inc.).[1]

On July 19, 2000, the Report of Michael D. Thomas, Hearing Examiner, (hereinafter, Hearing Examiner's Report) was filed, together with a copy of the transcript of the several hearings.

The Hearing Examiner recommended Alternative 3b, a geographic split with an overlay, with the overlay being implemented at the exhaust of the area encompassing Richmond. The geographic split will be along the outside boundaries of the rate centers surrounding Richmond and which have seven-digit dialing to Richmond.

In addition to recommending Alternative 3b for area code relief for the 804 NPA, the Hearing Examiner recommended that wireless carriers in Area A, under this alternative, be permitted the option of allowing their customers to retain their existing telephone numbers until such time as their customers upgrade their wireless telephones. This would allow the wireless customers in Area A to avoid the expense and inconvenience of bringing in their telephones simply for reprogramming.

Comments on the Hearing Examiner's Report were filed by Verizon Wireless, Verizon Virginia Inc., Verizon South Inc. ("Verizon Virginia" and "Verizon South"), and Cox Virginia Telcom, Inc. ("Cox").

The Commission concludes from its review of the Hearing Examiner's Report and the record in this Case, including the comments, that ten-digit dialing in the 804 NPA should be postponed wherever reasonable. Therefore, the Commission adopts the findings in the Hearing Examiner's Report and approves Alternative 3b for area code relief for the 804 area code. The Commission now takes judicial notice that the latest projected exhaust date for the 804 NPA remains April of 2002, as of the date of this Order. The comments of Verizon Virginia and Verizon South indicate that the industry prefers to complete area code relief a quarter prior to the projected exhaust date to avoid the possibility of actual exhaust and potential denial of service requests. Therefore, we will order the authorized area code relief plan, Alternative 3b, to become effective on April 1, 2001, with the implementation of the area code split. This should allow the industry adequate time to complete customer notice and education.

Finally, we consider the Hearing Examiner's third recommendation to permit wireless carriers in Area A the option of allowing their customers to retain their existing telephone numbers until such time as those customers upgrade their wireless telephones. The Commission is concerned that allowing an open-ended period for wireless customers to retain their telephone numbers in Area A could potentially tie up codes needed for assignment in Area A. Therefore, the Commission adopts the Hearing Examiner's third recommendation with the modification that the wireless customers in Area A may retain their telephone numbers no longer than two years, following implementation of the area code split. This period should accommodate the public convenience while allowing these customers adequate time to return their telephones.

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[1] Written comments were also received from individuals, businesses and those representing business interests, governmental entities, and the telecommunications industry.

In the event that the projected exhaust date for the 804 area code is moved further into the future, we are ordering this case to remain open to further consider modification of the effective date of the area code relief ordered herein.

Accordingly, IT IS ORDERED THAT:

(1) The area code relief described in Alternative 3b, Geographic Split/Overlay, as recommended by the Hearing Examiner, is hereby approved to become effective April 1, 2001, consistent with the findings above.

(2) The wireless carriers in Area A of the approved area code relief plan shall be granted the option of allowing their customers to retain their existing telephone numbers until such time as the customers upgrade their wireless telephones but in no event later than two (2) years following implementation of the area code split ordered herein.

(3) This case shall remain open.

CASE NO. PUC990159
DECEMBER 21, 2000

STATE CORPORATION COMMISSION

Ex Parte: In re: Investigation of area code relief for the 804 Numbering Plan Area

ORDER ON MOTION

By Order dated December 1, 2000, the Commission adopted the findings in the Hearing Examiner's Report and approved Alternative 3b for area code relief for the 804 area code. Further, we ordered the authorized area code relief plan to become effective on April 1, 2001, with the implementation of the area code split.

In the event that the projected exhaust date for the 804 area code is moved further into the future, we ordered the case to remain open to further consider modification of the effective date of the area code relief ordered herein.

On December 20, 2000, Verizon Virginia and Verizon South, supported by the affected member companies of the Virginia Telecommunications Industry Association and the Virginia Cable Telecommunications Association, moved the Commission to modify its Order "to provide more time and a more orderly implementation of customer education, required network changes, permissive dialing and, ultimately, conversion to mandatory dialing." The movants proposed the following schedule of events designed to effect, on a timely basis, the area code relief we have found necessary:

Customer education and network preparation	5 months
Begin permissive dialing	June 1, 2001
Introduce mandatory dialing	January 15, 2002
Earliest activation of CO codes in new NPA	February 15, 2002

NOW THE COMMISSION, having considered the Motion and upon consultation with our Staff, is of the opinion and finds that the relief requested in the Motion is reasonable and should be granted.

Accordingly, IT IS ORDERED THAT:

(1) The Motion is granted and the area code relief plan approved by our Order of December 1, 2000, shall be implemented according to the schedule set out herein.

(2) This case shall remain open.

CASE NO. PUC990160
SEPTEMBER 5, 2000

JOINT PETITION OF
UNITED TELEPHONE-SOUTHEAST, INC.
and
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For approval of Amendment to the Companies' Alternative Regulatory Plan

FINAL ORDER

On September 23, 1999, United Telephone-Southeast, Inc., and Central Telephone Company of Virginia (together, the "Companies") filed a Joint Petition requesting the Commission to amend the Companies' Alternative Regulatory Plan ("Plan") adopted by the Commission in its Final Order dated October 18, 1994, in Case No. PUC930036. The Companies' proposed Plan amendments are (1) in response to the Commission's March 12, 1999, Order in Case Nos. PUC990010 and PUC990011, and (2) to incorporate pertinent changes made in the Code of Virginia since the Companies' Plan was adopted. These latter changes were subsequently addressed in the Commission's Final Order in Case No. PUC970174 issued on November 29, 1999, and will not be further addressed in this case. Attached to the Joint Petition, the Companies filed a copy of their proposed revisions to the Plan.

On April 27, 2000, the Commission entered an Order for Notice directing the Companies to publish notice of its proposed amendments to the Companies' Plan. The Order also provided an opportunity for interested parties to file written comments or requests for hearing on the proposed amendments on or before June 16, 2000.

On June 6, 2000, the Commission's Staff ("the Staff"), by counsel, filed a motion requesting that it be permitted to file comments on the proposed amendments and respond to any comments filed by interested parties. That motion was granted on June 7, 2000.

On June 16, 2000, AT&T Communications of Virginia, Inc. ("AT&T"), filed comments on the proposed amendments. On June 22, 2000, the Companies filed a joint motion for leave to file reply comments in response to the comments filed by AT&T and the Staff. That motion was granted on June 30, 2000.

The Staff filed its comments on the Companies' Plan on June 30, 2000. In its comments, the Staff detailed several concerns it had with the Companies' Plan and attached its own version of the Plan to its comments.

On July 10, 2000, the Companies requested an extension of time to file its reply comments stating that they needed additional time in order to meet with the Staff in an attempt to resolve the issues in the Staff's comments. The Commission granted the Companies' motion on July 12, 2000, and extended the date for reply comments to July 28, 2000.

On July 28, 2000, the Companies filed reply comments to those filed by the Staff and AT&T. In its reply comments, the Companies stated that they met with the Staff and reached agreement on all issues presented in the Staff's comments. The Companies also stated that AT&T likewise agreed with the resolution of the issues. The Companies included in their comments the agreed upon Plan amendment provisions. The Commission has made a few minor administrative and typographical changes to the final version of the Plan which do not impact the substance of the agreed upon amendments.

NOW THE COMMISSION, having considered the proposed amendments, the Staff's comments, AT&T's comments, and the Companies' reply comments, is of the opinion and finds that the Companies' proposal to amend their Alternative Regulatory Plan should be approved consistent with the agreed upon amendments.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) The Companies' Joint Petition to amend their Alternative Regulatory Plan is hereby approved with the agreed upon amendments.

(2) A copy of the Companies' Amended Alternative Regulatory Plan is attached to this Order.

(3) There being nothing further to come before the Commission, the matter is dismissed.

NOTE: A copy of the Attachment 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.

CASE NO. PUC990162
JANUARY 18, 2000

APPLICATION OF
CHOCTAW COMMUNICATIONS OF VIRGINIA, INC., d/b/a SMOKE SIGNAL COMMUNICATIONS

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On October 12, 1999, Choctaw Communications of Virginia, Inc. d/b/a Smoke Signal Communications ("Choctaw", "Applicant", 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.

In its application, Choctaw 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, Choctaw requests a waiver of Rule C 5 and certain provisions of Rule C 1 of the Commission's 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 November 12, 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 Choctaw's application. No comments or objections were received.

On January 6, 2000, 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 Choctaw's requests for a waiver from specific Local Rules for its residential monthly prepaid local service, subject to

the following conditions: (i) regarding Choctaw'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 Choctaw's prepaid month-by-month local exchange service offering, the Company shall provide full disclosure to consumers about the services and features Choctaw 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 Choctaw 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 Choctaw 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 Choctaw'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 Choctaw 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 January 12, 2000. The Applicant filed proof of publication and proof of service as required by the November 12, 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, subject to the conditions referenced herein. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Choctaw Communications of Virginia, Inc. d/b/a Smoke Signal Communications, is hereby granted a certificate of public convenience and necessity, No. T-474, 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) Choctaw 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 Choctaw's residential prepaid, month-by-month local exchange service.

CASE NO. PUC990163
AUGUST 8, 2000

APPLICATION OF
NET2000 COMMUNICATIONS OF VIRGINIA, L.L.C.

For Approval of a Partial Discontinuance of Service

ORDER OF DISMISSAL

On September 29, 1999, Net2000 Communications of Virginia, L.L.C. ("Net2000" or the "Company"), filed its Application for Approval of a Partial Discontinuance of Service ("Application"), detailing its proposal to alter the scope of services provided by the Company, resulting in a discontinuance of service to certain resale customers.[1] On January 18, 2000, Net2000 filed a Motion requesting, inter alia, that the Commission stay ruling on its Application. The Motion also stated that Net2000 was in discussions with a certificated competitive local exchange carrier ("CLEC") who was willing to serve the resale customers whose service Net2000 had proposed to discontinue. The Commission granted the Company's request by Order dated February 9, 2000. On August 2, 2000, Net2000 filed its Motion To Withdraw Application, stating that the discussions with the CLEC had concluded with the proposed transaction being cancelled. Net2000 now states that it will continue to serve its resale customers under the terms and conditions of its contractual arrangements with those customers.

The Commission is of the opinion that the Company's request to withdraw its Application should be granted.

Accordingly, IT IS ORDERED THAT:

(1) The Application filed herein is hereby withdrawn.

(2) There being nothing further to be considered, this case is hereby dismissed.

[1] The Company determined that 176 customers in its Virginia service territory would be affected by the discontinuance.

CASE NO. PUC990164
JANUARY 18, 2000

APPLICATION OF
NEW EDGE NETWORK OF VIRGINIA, INC. D/B/A NEW EDGE NETWORKS

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On September 30, 1999, New Edge Network of Virginia, Inc. d/b/a New Edge Networks ("New Edge" or "Applicant"), filed an application for certificates of public convenience and necessity ("certificate") to the State Corporation Commission ("Commission") 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 November 10, 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 New Edge's application. On January 6, 2000, the Staff filed its report finding that New Edge's application was in compliance with 20 VAC 5-400-180, the Rules for Local Exchange Telephone Competition ("Local Rules"), and 20 VAC 5-400-60, the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"). Based upon its review of New Edge's application and unaudited financial statements, the Staff determined it would be appropriate to grant both local and interexchange certificates to the Company subject to three conditions: (1) at such time as voice services are initiated by the Company, New Edge shall provide/comply with all requirements of § C (Conditions for certification) of the Local Rules; (2) 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; and (3) the Company shall provide audited financial statements of the parent, New Edge Network, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of the Company's initial tariff.

A hearing was conducted on January 12, 2000. New Edge submitted its proof of publication and proof of notice as required by the November 10, 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 New Edge's application should be granted. Having considered § 56-481.1 of the Code of Virginia, the Commission also finds that New Edge may price its interexchange services competitively. Accordingly,

IT IS ORDERED THAT:

(1) New Edge Network of Virginia, Inc. d/b/a New Edge Networks is hereby granted a certificate of public convenience and necessity, No. TT-84A, 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.

(2) New Edge Network of Virginia, Inc. d/b/a New Edge Networks is hereby granted a certificate of public convenience and necessity, No. T-475, 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, and the provisions of this Order.

(3) New Edge shall provide tariffs to the Division of Communications that conform with all applicable Commission rules and regulations.

(4) At such time as voice services are initiated by the Company, New Edge shall comply with all requirements of § C of the Local Rules.

(5) 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.

(6) New Edge shall provide to the Division of Economics and Finance audited financial statements of its parent, New Edge Network, Inc. no later than one (1) year from the effective date of its initial tariff.

(7) Pursuant to § 56-481.1 of the Code of Virginia, New Edge may price its interexchange services competitively.

(8) 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. PUC990177
SEPTEMBER 13, 2000

APPLICATION OF
FIBERGATE, LLC

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On May 4, 2000, FiberGate, LLC ("FiberGate" or "Applicant"), completed an application filed with the State Corporation Commission ("Commission") for a certificate of public convenience and necessity ("certificate") to provide local exchange telecommunications services throughout the Commonwealth of Virginia.[1]

By Order dated May 26, 2000, 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 FiberGate's application.

On August 25, 2000, the Staff filed its report. A supplement to the report was filed on August 28, 2000. The Staff found that FiberGate's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules"), 20 VAC 5-400-180. Based upon its review of FiberGate's application, the Staff determined that it would be appropriate to grant the Applicant a certificate to provide local exchange telecommunications services, subject to the following conditions. First, any customer deposits collected by FiberGate shall be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary. Next, FiberGate shall provide audited financial statements for its parent company, FiberGate, Inc., to the Division of Economics and Finance no later than one year from the effective date of FiberGate's initial tariff. Finally, at such time as FiberGate initiates voice service, the Applicant shall comply with all requirements of § C (Conditions for Certification) of the Local Rules.

There were no written comments or notices of protest filed in this proceeding.

A hearing was conducted on September 7, 2000. FiberGate filed proof of publication and proof of service as required by the May 26, 2000, Order. At the hearing, the application and accompanying exhibits and the Staff Report, as supplemented, were entered into the record without objection.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that FiberGate should be granted a certificate to provide local exchange telecommunications services, subject to the conditions detailed herein.

Accordingly, IT IS ORDERED THAT:

(1) FiberGate, LLC, is hereby granted a certificate of public convenience and necessity, No. T-504, 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, and the provisions of this Order.

(2) Should FiberGate 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 Division of Economics and Finance 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 it is necessary.

(3) FiberGate shall provide a tariff to the Division of Communications that conforms to all applicable Commission rules and regulations.

(4) FiberGate shall provide audited financial statements for FiberGate, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of FiberGate's initial tariff.

(5) FiberGate shall comply with all requirements of § C (Conditions for Certification) of the Local Rules at such time as voice services are initiated.

(6) 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.

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[1] FiberGate, Inc., initially sought a certificate in this proceeding. As stated in a supplemental filing, FiberGate, LLC, was subsequently organized and it is this entity that now seeks a certificate.

CASE NO. PUC990178
JUNE 23, 2000

APPLICATION OF
CONNECT CCCVA, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On February 23, 2000, Connect CCCVA, Inc. ("Connect" 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.[1] By Order dated March 10, 2000, 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 Connect's application.

The Company filed proof of publication and proof of service on April 14, 2000.

Pursuant to an April 25, 2000, Order Granting Staff's Motion for a Revised Procedural Schedule, the original hearing date of May 11, 2000, was convened only for the purpose of hearing public witnesses and the evidentiary hearing was rescheduled for June 21, 2000. No public witnesses appeared at the May 11, 2000, hearing.

On June 13, 2000, Staff filed its report finding that Connect's application was in compliance with the Commission's Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules"), as codified in 20 VAC 5-400-180. Based on its review of Connect's application, the Staff determined that it would be appropriate to grant the Company a certificate to provide local exchange telecommunications services, 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 the Commission determines it is no longer necessary.

There were no written comments or notices of protest filed in this proceeding.

A hearing was held on June 21, 2000. The application and accompanying attachments and Staff Report were entered into the record without objection.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that Connect should be granted a certificate to provide local exchange telecommunications services subject to the condition detailed herein.

Accordingly, IT IS ORDERED THAT:

(1) Connect CCCVA, Inc., is hereby granted a certificate of public convenience and necessity, No. T-494, 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, and the provisions of this Order.

(2) Should Connect 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 Division of Economics and Finance 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 is necessary.

(3) Connect shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.

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[1] A sister company, LD Total Connect, Inc., recently was granted facilities-based interexchange service authority in Case No. PUC990199 (Certificate No. TT-98A).

CASE NO. PUC990179
FEBRUARY 16, 2000

APPLICATION OF
METRO TELECONNECT, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On December 8, 1999, Metro Teleconnect, Inc. ("MTI", "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, MTI 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, MTI 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 January 10, 2000, 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 MTI's application. No comments or objections were received.

On February 2, 2000, 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 MTI's requests for waiver from specific Local Rules for its monthly prepaid local service, subject to the following conditions: (i) regarding MTI'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 Division of Economics and Finance no later than one (1) year from the effective date of its initial tariff; (iii) regarding MTI's prepaid month-to-month local exchange service offering, the Company shall provide full disclosure to consumers about the services and features MTI 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 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 MTI in this case for its 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 MTI in this case for its 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 MTI'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 MTI 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 February 9, 2000. The Applicant filed proof of publication and proof of service as required by the January 10, 2000, 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) Metro Teleconnect, Inc., is hereby granted a certificate of public convenience and necessity, No. T-477, 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) MTI 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 MTI's prepaid, month-by-month local exchange service.

CASE NO. PUC990187
JANUARY 20, 2000

APPLICATION OF
AT&T COMMUNICATIONS OF VIRGINIA, INC.

To discontinue 500 Personal Number and Easy Reach Services

ORDER GRANTING REQUEST TO DISCONTINUE SERVICES

On October 11, 1999, AT&T Communications of Virginia, Inc. ("ATT-VA"), filed an application requesting authority to discontinue its "500 Personal Number" and "Easy Reach" services. On October 21, 1999, ATT-VA advised that it had been notified by the Federal Communications Commission ("FCC") that "AT&T's application to discontinue the federally tariffed interstate services, to which the above-referenced Virginia services are an adjunct, will not be automatically effective. Rather, the FCC will review the application." ATT-VA further advised that it would keep the Commission informed of developments in its efforts to discontinue the federal portion of these services.

To date, we have heard nothing further from ATT-VA. However, being sufficiently advised, the Commission is of the opinion that ATT-VA should be permitted to discontinue these Virginia-tariffed services, coincident with their discontinuation by the FCC. Accordingly,

IT IS ORDERED THAT:

(1) The request by AT&T Communications of Virginia, Inc. to discontinue its "500 Personal Number" and "Easy Reach" services is GRANTED, effective upon the discontinuation of such federally tariffed services by the Federal Communications Commission.

(2) This matter is DISMISSED.

CASE NO. PUC990195
FEBRUARY 29, 2000

APPLICATION OF
IG2, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On December 2, 1999, IG2, Inc. ("IG2" or "Applicant"), completed an application for certificates of public convenience and necessity ("certificates") requesting authority 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 January 10, 2000, 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 IG2's application. On February 9, 2000, the Staff filed its report finding that IG2's application was in compliance with 20 VAC 5-400-180, the Rules for Local Exchange Telephone Competition ("Local Rules"), and 20 VAC 5-400-60, the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"). Based upon its review of IG2's application and audited financial statements, the Staff determined it would be appropriate to grant both local and interexchange certificates to the Company.

A hearing was conducted on February 23, 2000. IG2 submitted its proof of publication and proof of notice as required by the January 10, 2000, 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 IG2's application should be granted. Having considered § 56-481.1 of the Code of Virginia, the Commission also finds that IG2 may price its interexchange services competitively. Accordingly,

IT IS ORDERED THAT:

(1) IG2, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-87A, 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.

(2) IG2, Inc., is hereby granted a certificate of public convenience and necessity, No. T-481, 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, and the provisions of this Order.

(3) IG2 shall provide tariffs to the Division of Communications that conform with all applicable Commission rules and regulations.

(4) Pursuant to § 56-481.1 of the Code of Virginia, IG2 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. PUC990199
JUNE 22, 2000

APPLICATION OF
LD TOTAL CONNECT, INC.

For certificate of public convenience and necessity to provide interexchange telecommunications services

FINAL ORDER

On February 23, 2000, LD Total Connect, Inc. ("LDTC" or "the Company"), completed an application for a certificate of public convenience and necessity ("certificate") to provide interexchange telecommunications services throughout the Commonwealth of Virginia.[1] As part of its application, LDTC requested authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated March 16, 2000, 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. LDTC filed its proof of publication and notice on April 14, 2000, and no comments or requests for hearing were received. LDTC amended its application on June 1, 2000, providing updated information regarding the source from which the Company will receive funding for its Virginia operations.

On June 8, 2000, the Staff filed a report finding that LDTC's application was in compliance with the Commission's Rules Governing the Certification of Interexchange Carriers.[2] Based upon its review of LDTC's application and the Company's responses to Staff data requests, the Staff determined it would be appropriate to grant an interexchange certificate to the Company.

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[1] A sister company of LDTC, Connect CCCVA, Inc., currently has an application pending before the Commission for a certificate to provide local exchange telecommunications services, Case No. PUC990178.

[2] 20 VAC 5-400-60.

NOW THE COMMISSION, having considered LDTC's application and the Staff Report, is of the opinion and finds that the Company should be granted a certificate to provide interexchange telecommunications services. Having considered § 56-481.1, the Commission further finds that LDTC may price its interexchange services competitively.

Accordingly, IT IS ORDERED THAT:

(1) LD Total Connect, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-98A, 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) LDTC 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, LDTC 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.

CASE NO. PUC990201
NOVEMBER 8, 2000

APPLICATION OF
ESSENTIAL.COM OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On June 30, 2000, essential.com of Virginia, inc. ("essential" or the "Company"), completed an application for a certificate of public convenience and necessity with the State Corporation Commission ("Commission") to provide local exchange telecommunications services throughout the Commonwealth of Virginia. The Company's original application requested both local exchange and interexchange authority; however, essential later clarified that it only desired authority to provide local exchange telecommunications services.

By Order dated July 26, 2000, as amended August 16, 2000, the Commission directed essential 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 essential's application.

On October 4, 2000, the Staff filed its Report finding that essential's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules"). Based upon its review of essential's application, the Staff determined it would be appropriate to grant the Company a certificate to provide local exchange telecommunications services.

A hearing was conducted on October 23, 2000. The Company had filed proof of publication on September 28, 2000, and counsel filed proof of service at the October 23, 2000, hearing. At the hearing, the application and accompanying attachments and the Staff Report were entered into the record without objection. No public witnesses appeared.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that essential should be granted a certificate to provide local exchange telecommunications services.

Accordingly, IT IS ORDERED THAT:

(1) essential.com of Virginia, inc., is hereby granted a certificate of public convenience and necessity, No. T-515, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Offering of Competitive Local Exchange Telephone Service, 20 VAC 5-400-180, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) essential.com of Virginia, inc. shall provide tariffs to the Division of Communications that 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 filed herein placed in the file for ended causes.

CASE NO. PUC990209
FEBRUARY 15, 2000

APPLICATION OF
QWEST COMMUNICATIONS CORPORATION OF VIRGINIA

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On November 5, 1999, Qwest Communications Corporation of Virginia ("Qwest" 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. Qwest initially intends to provide only data services.

By Order dated December 9, 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 Qwest's application. On January 19, 2000, Staff filed its Report finding that Qwest'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.

A hearing was conducted on February 9, 2000,[1] at which time Qwest filed all proofs of publication and proof of service as required by the December 9, 1999, Scheduling Order. At the hearing, the application and accompanying attachments, and the Staff Report were entered into the record without objection. Qwest agreed to the recommendations contained in the Staff Report.

Having considered the application and the Staff Report, the Commission finds that Qwest should be granted a certificate to provide local exchange telecommunications services throughout Virginia. Accordingly,

IT IS ORDERED THAT:

(1) Qwest Communications Corporation of Virginia hereby is granted a certificate of public convenience and necessity, No. T-476, 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) Qwest shall provide tariffs to the Division of Communications that conform with all applicable Commission rules and regulations.

(3) At such time as voice services are initiated by the Applicant, Qwest shall comply with all requirements of § C of the Local Rules.

(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.

[1] By Order of January 28, 2000, the Commission rescheduled the hearing on Qwest's application from January 26, 2000. The Commission's offices were closed that day due to inclement weather.

CASE NO. PUC990210
MARCH 3, 2000

APPLICATION OF
GCR TELECOMMUNICATIONS, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On December 13, 1999, GCR Telecommunications, Inc. ("GCR" or "the 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. By Order dated January 10, 2000, 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 February 8, 2000, Staff filed its report finding that GCR's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service, 20 VAC 5-400-180 ("Local Rules"). Based upon its review of GCR's application, the Staff determined it would be appropriate to grant a local exchange certificate to GCR subject to two conditions: (i) 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 (ii) 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 the Company's initial tariff.

A hearing was conducted on February 23, 2000. GCR filed proof of publication and proof of service as required by the January 10, 2000, Order. At the hearing, the Company's application 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. Accordingly,

IT IS ORDERED THAT:

(1) GCR Telecommunications, Inc., is hereby granted a certificate of public convenience and necessity, No. T-483, 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, and the provisions of this Order.

(2) GCR Telecommunications, Inc., shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(3) Should GCR Telecommunications, Inc., 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 until such time as the Staff or the Commission determines it is no longer necessary.

(4) GCR Telecommunications, Inc., shall provide audited financial statements to the Division of Economics and Finance no later than one year from the effective date of its initial tariff.

(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. PUC990211
NOVEMBER 9, 2000

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

For authority to provide notice to its Konnarock customers of revised ELS proposal

FINAL ORDER

On May 12, 1998, telephone customers in United Telephone-Southeast, Inc.'s ("United") Konnarock exchange petitioned this Commission for local service to the Sugar Grove, Marion, Chilhowie, and Saltville exchanges. United polled the Konnarock exchange customers and determined that a majority of those customers were willing to pay an increase in monthly rates for local service to those exchanges. United then conducted a cost study to ascertain the cost for each exchange to have local calling with the Konnarock exchange. Because of the magnitude of the increase in costs for the Sugar Grove customers, those customers were polled, and it was determined that they were unwilling to pay the indicated increase in monthly rates for local calling to Konnarock. Marion, Chilhowie, and Saltville customers were provided public notice of the proposal, and one Marion and one Chilhowie customer filed comments opposing the proposal.

On November 12, 1999, United filed an application requesting that notice be provided to Konnarock customers stating that (1) Sugar Grove customers rejected calling to Konnarock; (2) the earlier local service proposal will be modified to remove Sugar Grove; and (3) the revised rates will reflect this change. On December 21, 1999, the Commission issued an Order Prescribing Notice in which it also permitted customers to file comments and request a hearing. Based on customer comments and requests for hearing, on March 13, 2000, the Staff filed a report suggesting a public hearing on the matter. On April 4, 2000, the Commission issued its Procedural Order, assigned this matter to a Hearing Examiner, and directed the scheduling of a local public hearing.

The Hearing Examiner scheduled local hearings for 2:00 p.m. and 7:00 p.m. on June 7, 2000, in the Smyth County Circuit Court located in Marion, Virginia. The Hearing Examiner also directed the Commission's Division of Communications to publish notice of the local hearings in newspapers of general circulation within United's Konnarock, Marion, Chilhowie, and Saltville exchanges.

On June 7, 2000, hearings were held in the Smyth County Circuit Court. Forty-one witnesses appeared during the 2:00 p.m. session, and another 17 witnesses testified during the 7:00 p.m. session. Of the 58 persons that testified, 40 were in favor of extended local service, 11 were opposed, and seven took no specific position. In addition, approximately 175 letters and petitions bearing 1,081 names have been forwarded to the Commission regarding United's proposed expansion of local calling to and from the Konnarock exchange.

On August 30, 2000, the Hearing Examiner issued his Report. He found that United's application to implement extended local service between Konnarock and the Marion, Chilhowie, and Saltville exchanges is in the public interest and should be granted.

In considering whether the implementation of extended local service between these exchanges was in the public interest, the Hearing Examiner found that public support for the proposed extended local service area for Konnarock was strong within the Konnarock exchange. The majority of public witnesses who appeared from this exchange supported the proposal, and the majority of letters and petitions filed from customers in Konnarock were in favor of extended local service.

The Hearing Examiner also found that customer confusion regarding the rates for the Marion, Chilhowie, and Saltville exchanges raised doubts as to the usefulness of letters and petitions submitted by those customers and made it difficult to gauge true public sentiment. Most of the petitions in opposition to the proposed extended local service were opposed to an increase in monthly base rates of approximately $2.50; however, the actual change in monthly base rates for these customers would be an increase ranging between 27¢ and 39¢. Therefore, because this was explained at the public hearings, the Hearing Examiner found that the public hearings provided the best measure of public sentiment in these exchanges. At the public hearings, 19 witnesses appeared from the Marion, Chilhowie, and Saltville exchanges – 16 during the afternoon session, and three during the evening session. Of these, five spoke in favor of the proposal, nine opposed, and five took no specific position. The Hearing Examiner attributed the drop-off in participation between the two sessions to a weakening of opposition as the true rate effect became known.

NOW THE COMMISSION, upon consideration of the record, the Hearing Examiner's Report, and the applicable statutes, is of the opinion and finds that the Hearing Examiner's findings and recommendations should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations in the Hearing Examiner's August 30, 2000, Report are hereby adopted, and United's application is granted.

(2) This case shall be dismissed and the papers placed in the file for ended causes.

CASE NO. PUC990212
FEBRUARY 16, 2000

APPLICATION OF
BROADBAND OFFICE COMMUNICATIONS - VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On November 12, 1999, BroadBand Office Communications -Virginia, Inc. ("BroadBand" or "the Company"), filed an application for certificates of public convenience and necessity ("certificates") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. As part of its application, BroadBand requested a temporary waiver of § B 5 a of the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules") requiring audited financial statements to be filed with the application. In addition, BroadBand 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 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 Staff Report, and scheduled a public hearing to receive evidence relevant to BroadBand's application. On January 18, 2000, the Staff filed its report finding that BroadBand's application was in compliance with the Local Rules and the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"), except that BroadBand did not provide audited financial statements.

Based upon its review of BroadBand's application and its requested waiver of Local Rule § B 5 a, 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 until such time as the Staff or Commission determines it is no longer necessary; and (2) the Company shall provide audited financial statements of the parent, BroadBand Office, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of the Company's initial tariff.

A hearing was conducted on February 9, 2000.[1] BroadBand filed proof of publication and proof of service as required by the December 15, 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 BroadBand should be granted certificates to provide local exchange and interexchange telecommunications services. We also find the Company's request for a waiver of § B 5 a of the Local Rules, as it relates to filing audited financial statements with the application, should be granted. Having considered § 56-481.1, the Commission further finds that BroadBand may price its interexchange services competitively. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) BroadBand Office Communications - Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-86A, to provide interexchange 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) BroadBand Office Communications - Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-479, 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) BroadBand shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) BroadBand shall provide to the Division of Economics and Finance audited financial statements of its parent, BroadBand Office, Inc., no later than one (1) year from the effective date of BroadBand's initial tariff.

(5) Should BroadBand collect customer deposits, it shall establish and maintain an escrow account, held by a third-party, to hold such funds, and shall notify the Division of Economics and Finance 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, BroadBand 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.

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[1] By Order of January 28, 2000, the Commission rescheduled the hearing on BroadBand's application from January 26, 2000. The Commission's offices were closed that day due to inclement weather.

CASE NO. PUC990213
APRIL 20, 2000

APPLICATION OF
GTE SOUTH INCORPORATED

To implement extended local service from its Lorton and Lorton Metro exchanges to its Arcola exchange

FINAL ORDER

On November 17, 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 customers in the Lorton and Lorton Metro exchanges of the increases in monthly rates that would be necessary to extend their local service to include its Arcola exchange. The application stated that telephone customers in GTE's Arcola exchange had previously petitioned the Commission for local calling to the Company's Lorton and Lorton Metro exchanges. In a poll conducted in response to the petition, a majority of Arcola customers responding supported paying higher rates for local calling to Lorton and Lorton Metro. A poll of Lorton and Lorton Metro 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 December 17, 1999, the Commission directed GTE to publish notice of the proposed increase. Affected telephone customers were given until March 3, 2000, to file comments or to request a hearing on the proposal. No comments or requests for a hearing were received. On March 3, 2000, GTE filed proof of notice as required by the Commission's Order of December 17, 1999.

On March 17, 2000, 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 GTE's Lorton and Lorton Metro exchanges to its Arcola exchange shall be implemented.

(2) GTE shall file the tariff revisions necessary for the proposed extension of 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. PUC990220
JANUARY 20, 2000

APPLICATION OF
MCI TELECOMMUNICATIONS CORPORATION OF VIRGINIA,
WORLDCOM TECHNOLOGIES OF VIRGINIA, INC.,
and
VIRGINIA WORLDCOM, INC.

For changes in certificates of public convenience and necessity following corporate restructuring

ORDER

On December 6, 1999, MCI Telecommunications Corporation of Virginia ("MCIT"), WorldCom Technologies of Virginia, Inc. ("WTVA"), and Virginia WorldCom, Inc. ("VWC") ("Applicants"), filed an application requesting the cancellation and reissuance of certain certificates of public convenience and necessity following corporate restructuring.

By Order entered August 22, 1984, the Commission issued Certificate No. TT-3A to MCIT. On July 14, 1995, the Commission issued Certificate No. TT-19B to VWC. Finally, on January 26, 1998, Certificate No. T-359a was issued to WTVA. MCIT and VWC are certified as interexchange carriers, while WTVA is certified as a local exchange carrier.

On July 27, 1999, the Commission entered Certificates of Amendment granting the request of MCIT and WTVA to change their corporate names to, respectively, MCI WORLDCOM Network Services of Virginia, Inc. ("MWNS-VA"), and MCI WORLDCOM Communications of Virginia, Inc. ("MWC-VA). On November 9, 1999, the Commission issued a Certificate of Merger granting the request of VWC to merge into MWNS-VA.

Following this restructuring, the Applicants have requested the cancellation of the certificates referenced above and their reissuance in the names of the successor companies. Specifically, they ask that Certificate No. TT-3A and Certificate No. TT-19B be reissued to MWNS-VA and Certificate No. T-359a be reissued to MWC-VA.

The Commission is of the opinion that revised certificates of public convenience and necessity should be granted for the certificates held by MCIT and WTVA. However, Certificate No. TT-19B, now held by VWC will be cancelled and not reissued. VWC has not changed its corporate name, but has merged into MWNS-VA and, accordingly, has ceased to exist. Further, MWNS-VA needs only one certificate of public convenience and necessity in order to furnish interexchange telecommunications services. Accordingly,

IT IS ORDERED THAT:

(1) This matter be docketed and assigned Case No. PUC990220.

(2) Certificate No. TT-3A is hereby cancelled and shall be reissued as Certificate No. TT-3B in the name of MCI WORLDCOM Network Services of Virginia, Inc.

(3) Certificate No. TT-19B is hereby cancelled.

(4) Certificate No. T-359a shall be cancelled and reissued as Certificate No. T-359B in the name of MCI WORLDCOM Communications of Virginia, Inc.

(5) All tariffs currently on file with the Commission's Division of Communications reflecting the name of either MCI Telecommunications Corporation of Virginia, WorldCom Technologies of Virginia, Inc., or Virginia WorldCom, Inc., are hereby cancelled upon the filing, within sixty (60) days of the date of this Order, of replacement tariffs bearing the name of MCI WORLDCOM Communications of Virginia, Inc., and MCI WORLDCOM Network Services of Virginia, Inc., as appropriate for the respective remaining certificates.

(6) There being nothing further to come before the Commission, this matter is dismissed.

CASE NO. PUC990221
JUNE 23, 2000

APPLICATION OF
AMERICAN FIBER NETWORK OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On April 25, 2000, American Fiber Network of Virginia, Inc. ("AFN" 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.

By Order dated April 27, 2000, 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 AFN's application.

On June 6, 2000, the Staff filed its Report finding that AFN'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. Based upon its review of AFN's application and unaudited financial statements, the Staff determined it would be appropriate to grant a local exchange certificate to AFN subject to two conditions: (1) any customer deposits collected by AFN 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 Applicant shall provide audited financial statements of its parent, American Fiber Network, Inc., to the Staff of the Division of Economics and Finance no later than one year from the effective date of AFN's initial tariff.

A hearing was conducted on June 21, 2000, at which time AFN filed all proofs of publication and service as required by the April 27, 2000, Scheduling Order. At the hearing, the application and accompanying attachments and the Staff Report were entered into the record without objection. AFN agreed to the recommendations and conditions contained in the Staff Report.

Having considered the application and the Staff Report, the Commission finds that AFN should be granted a certificate to provide local exchange telecommunications services throughout Virginia.

Accordingly, IT IS ORDERED THAT:

(1) American Fiber Network of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-493, 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, and the provisions of this Order.

(2) AFN shall provide tariffs to the Division of Communications that conform with all applicable Commission rules and regulations.

(3) Any customer deposits collected by AFN shall be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary.

(4) AFN shall provide to the Division of Economics and Finance audited financial statements of its parent, American Fiber Network, Inc., no later than one (1) year from the effective date of AFN's initial tariff.

(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. PUC990222
JANUARY 7, 2000

APPLICATION OF
VYVX OF VIRGINIA, INC.

To amend its certificate to reflect new corporate name

FINAL ORDER

On December 1, 1999, Vyvx of Virginia, Inc. ("Vyvx" or "Applicant") filed an application requesting that the Virginia State Corporation Commission amend the Applicant's interexchange certificate of public convenience and necessity to reflect the Applicant's new corporate name, Williams Communications of Virginia, Inc. Vyvx is a subsidiary of Williams Communications Inc., a Delaware corporation licensed to do business in Virginia, and holds a certificate to provide interexchange services, number TT-42A.

The Commission is of the opinion that a revised certificate of public convenience and necessity should be granted. Accordingly,

IT IS THEREFORE ORDERED:

(1) That Certificate of Public Convenience and Necessity No. TT-42A is hereby canceled and shall be reissued as Certificate No. TT-42B in the name of Williams Communications of Virginia, Inc.; and

(2) That there being nothing further to come before the Commission, this matter is dismissed, and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC990230
FEBRUARY 16, 2000

APPLICATION OF
SBC TELECOM, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

By Application filed on December 3, 1999, and amended on December 15, 1999, SBC Telecom, Inc. ("SBC" or "Applicant"), completed an application for certificates of public convenience and necessity ("certificates") to the State Corporation Commission ("Commission") 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 January 10, 2000, 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 SBC's application. On February 2, 2000, the Staff filed its report finding that SBC's application was in compliance with 20 VAC 5-400-180, the Rules for Local Exchange Telephone Competition ("Local Rules"), and 20 VAC 5-400-60, the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"). Based upon its review of SBC's application and audited financial statements, the Staff determined it would be appropriate to grant both local and interexchange certificates to the Company.

A hearing was conducted on February 9, 2000. SBC submitted its proof of publication and proof of notice as required by the January 10, 2000, 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 SBC's application should be granted. Having considered § 56-481.1 of the Code of Virginia, the Commission also finds that SBC may price its interexchange services competitively. Accordingly,

IT IS ORDERED THAT:

(1) SBC Telecom, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-85A, 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.

(2) SBC Telecom, Inc., is hereby granted a certificate of public convenience and necessity, No. T-478, 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, and the provisions of this Order.

(3) SBC Telecom, Inc., shall provide tariffs to the Division of Communications that conform with all applicable Commission rules and regulations.

(4) Pursuant to § 56-481.1 of the Code of Virginia, SBC 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. PUC990231
JANUARY 6, 2000

APPLICATION OF
GLOBAL CROSSING TELEMANAGEMENT VA, LLC

To amend its certificate to reflect new corporate name

FINAL ORDER

On December 7, 1999, Global Crossing Telemanagement VA, LLC ("Global Crossing" or "Applicant"), filed an application with supporting documents establishing that its corporate name has been changed from Frontier Telemanagement LLC ("Frontier"). Frontier holds a certificate of public convenience and necessity, No. T-399, to provide local exchange telecommunication services throughout the Commonwealth. Applicant seeks to amend its certificate of public convenience and necessity to reflect its new corporate name, Global Crossing Telemanagement VA, LLC.

The Commission is of the opinion that a revised certificate of public convenience and necessity should be granted.

Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) Certificate of Public Convenience and Necessity No. T-399 is hereby cancelled and shall be reissued as amended Certificate No. T-399a in the name of Global Crossing Telemanagement VA, LLC, formerly Frontier Telemanagement LLC;

(2) The revised Certificate No. T-399a shall grant Global Crossing authority to provide local exchange telecommunication services in accordance with § 56-265.4:4 of the Code of Virginia and the Commission's Rules for Local Exchange Telephone Competition; and

(3) There being nothing further to come before the Commission, this matter is dismissed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC990232
MARCH 3, 2000

APPLICATION OF
CONECTIV COMMUNICATIONS OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On December 8, 1999, Conectiv Communications of Virginia, Inc. ("Conectiv" or "Applicant"), filed an application for certificates of public convenience and necessity 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 January 7, 2000, 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 Conectiv's application.

On February 11, 2000, Staff filed its report finding that Conectiv's application was in compliance with the Commission's Rules Governing the Offering of Competitive Local Exchange Telephone Service, 20 VAC 5-400-180, and the Commission's Rules Governing the Certification of Interexchange Carriers, 20 VAC 5-400-60, subject to the following condition: at such time as any pole attachment agreement, right-of-way agreement, or any other contract or arrangement specified in § 56-77 of the Code of Virginia is entered into between Conectiv and its affiliate, Delmarva Power and Light Company, these entities must file for prior approval of such a contract or arrangement under the Affiliates Act, §§ 56-76 to –87 of the Code of Virginia.

A hearing was held on February 23, 2000. Conectiv provided proof of notice and service as directed by the Commission's January 7, 2000, 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 recommendation of the Staff.

NOW, having considered the application and the Staff Report, the Commission finds that Conectiv's application should be granted. Accordingly,

IT IS ORDERED THAT:

(1) Conectiv Communications of Virginia, Inc., hereby is granted a certificate of public convenience and necessity, No. TT-88A, 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) Conectiv Communications of Virginia, Inc., hereby is granted a certificate of public convenience and necessity, No. T-482, 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) Conectiv 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, Conectiv may price its interexchange services competitively.

(5) Since there is nothing further to come before the Commission, this case shall be and hereby is dismissed.

CASE NO. PUC990237
MAY 10, 2000

APPLICATION OF
GAMEWOOD TELECOM, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On February 2, 2000, Gamewood Telecom, Inc. ("GTI" or "Applicant"), completed an application for certificates of public convenience and necessity with the State Corporation Commission ("Commission") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. GTI 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 February 17, 2000, 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 GTI's application.

On April 11, 2000, the Staff filed its Report finding that GTI's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules") and the Rules Governing the Certification of Interexchange Carriers ("IXC Rules").

Based upon its review of GTI's application, the Staff determined it would be appropriate to grant the Applicant certificates to provide local exchange and interexchange telecommunications services subject to the following conditions: (1) any customer deposits collected by GTI shall be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary; (2) GTI 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; and (3) at such time as voice services are initiated by GTI, GTI shall provide/comply with all requirements of § C of the Local Rules.

A hearing was conducted on April 25, 2000. GTI filed proof of publication and proof of service as required by the February 17, 2000, Order. At the hearing, the application and accompanying attachments, and the Staff Report were entered into the record without objection.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that GTI should be granted certificates to provide local exchange and interexchange telecommunications services subject to certain conditions. Having considered § 56-481.1, the Commission further finds that GTI may price its interexchange services competitively. Accordingly,

IT IS ORDERED THAT:

(1) Gamewood Telecom, Inc., is hereby granted a certificate of public convenience and necessity, No. TT 93A, 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) Gamewood Telecom, Inc., is hereby granted a certificate of public convenience and necessity, No. T-486, 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) Should GTI collect customer deposits, it shall establish and maintain an escrow account, held by a third party, to hold such funds and shall notify the Division of Economics and Finance 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) GTI shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(5) GTI shall provide audited financial statements to the Division of Economics and Finance no later than one (1) year from the effective date of GTI's initial tariff.

(6) Once voice services are initiated by the Company, GTI shall provide/comply with all requirements of § C of the Local Rules.

(7) Pursuant to § 56-481.1 of the Code of Virginia, GTI may price its interexchange services competitively.

(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. PUC990238
APRIL 28, 2000

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.

To implement extended local service from the Blacksburg exchange to the Dublin exchange

FINAL ORDER

On December 14, 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 Blacksburg exchange customers of the increases in monthly rates that would be necessary to extend their local service to include the Dublin exchange. Customers in Dublin had previously petitioned the Commission for local calling to Blacksburg. In a poll conducted in response to the petition, a majority of Dublin customers responding to the poll supported paying higher rates for local calling to Blacksburg. A poll of Blacksburg 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 February 8, 2000, the Commission directed BA-VA to publish notice of the proposed increase. Affected telephone customers were given until April 3, 2000, to file comments or to request a hearing on the proposal. There were no comments and no requests for hearing filed in this proceeding. On March 31, 2000, BA-VA filed proof of notice as required by the Commission's February 8, 2000, Order.

On April 14, 2000, 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 Blacksburg exchange to its Dublin exchange be approved. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) The proposed extension of local service from BA-VA's Blacksburg 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) 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. PUC990244
JUNE 9, 2000

PETITION OF
MCI WORLDCOM, INC.
and
SPRINT CORPORATION

For approval to transfer control of Sprint Corporation's Virginia Operating Subsidiaries to MCI WorldCom, Inc.

FINAL ORDER

On December 17, 1999, MCI WorldCom, Inc. ("MCI WorldCom"), and Sprint Corporation ("Sprint") (collectively referenced as "Joint Petitioners") filed a joint petition with the Virginia State Corporation Commission ("Commission") pursuant to the Utility Transfers Act requesting authority for MCI WorldCom to acquire indirect control of the regulated telecommunications operations of Sprint in Virginia.

On January 18, 2000, the Commission issued an Order extending the period of review to June 14, 2000,[1] directing the Joint Petitioners to publish notice of their petition and providing an opportunity for public comments and requests for hearing. On January 13, 2000, the Telecommunications Resellers Association ("TRA") filed a Motion for Leave to Intervene for the purpose of monitoring the proceeding. However, the TRA subsequently requested leave to withdraw its motion pursuant to its pleading filed on March 22, 2000. On January 31, 2000, the Town of South Hill filed comments wherein it stated that it had no objection to the merger as long as service quality did not diminish.

On February 22, 2000, both AT&T Communications of Virginia, Inc. ("AT&T"), and SBC Communications, Inc. ("SBC"), filed comments and requests for hearing. On March 8, 2000, the Commission issued an Order denying SBC's and AT&T's requests for a hearing.

Merging Parties

MCI WorldCom is a publicly traded Georgia corporation providing global telecommunications. Through various operating subsidiaries, MCI WorldCom is authorized to offer intrastate interexchange telecommunications services in 50 states and the District of Columbia, including intrastate services within Virginia. Other MCI WorldCom interexchange carrier ("IXC") subsidiaries are authorized by the Federal Communications Commission ("FCC") to offer nationwide domestic interstate services, international services, and nationwide paging, and to provide voice and data communications services to customers throughout the United States. MCI WorldCom has acquired multi-channel multi-point distribution services ("MMDS") frequency channels in a

[1] Pursuant to § 56-88.1 of the Code of Virginia, the Commission was required to either approve, disapprove, or extend the review period of the joint petition within sixty (60) days. The period of review may be extended for an additional 120 days under the statute.

number of markets and offers international public switched voice, private line, and data services to other carriers and to business, government, and consumer customers, including direct service to approximately 160 foreign countries.

MCI WorldCom subsidiaries are also qualified as competitive local exchange carriers ("CLECs") in all 50 states. In Virginia, MCI WorldCom is the parent of the following certificated operating subsidiaries: MCI WORLDCOM Communications of Virginia, Inc. ("MCI WORLDCOM VA"), MCImetro Access Transmission Services of Virginia, Inc. ("MCImetro VA"), MCI WORLDCOM Network Services of Virginia, Inc. ("MCI WORLDCOM Network VA"), MFN of VA, L.L.C. ("MFN"), Institutional Communications Company-Virginia ("Institutional"), and Virginia MetroTel, Inc. ("MetroTel").[2]

Sprint is a Kansas corporation with subsidiaries offering local exchange services in 18 states, including two incumbent local exchange companies ("ILECs") in Virginia. Sprint's Virginia ILEC subsidiaries are Central Telephone Company of Virginia ("Centel") and United Telephone-Southeast, Inc. ("United"), which together provide more than 414,000 access lines in 90 exchanges throughout 47 counties. Through various operating subsidiaries, Sprint also has authority to offer intrastate interexchange services in all 50 states and the District of Columbia. Centel and United hold multiple certificates in Virginia.[3] Sprint is also authorized by the FCC to offer nationwide domestic services and international services and to provide voice and data communications services throughout the United States. Sprint and its subsidiaries are also qualified as CLECs in 48 states, including Sprint Communications Company of Virginia, Inc.,[4] in Virginia.

Merger Agreement

Pursuant to the Agreement and Plan of Merger ("the Merger Agreement") executed October 4, 1999, Sprint will merge into MCI WorldCom and will cease to exist as a separate corporation. Each share of Sprint's common stock will be exchanged for one share of MCI WorldCom's stock. MCI WorldCom will be the surviving corporation, and the merged company will be named WorldCom. The wholly owned subsidiaries of the newly named WorldCom will continue to be the corporate parents of the certificated Virginia telecommunications providers identified above. The certificates held by Sprint subsidiaries will continue to be held by those subsidiaries and will be indirectly controlled by WorldCom.

Joint Petitioners' Statement of Impact Upon Service and Rates

Joint Petitioners state that they wish to merge to continue to be competitive in the global telecommunications market, which will require providing integrated offerings combining local telephone service with long distance, wireless, and related services. The Joint Petitioners state that the proposed merger will result in a new entity with an aggregation of assets, expertise, scale, and scope to expand its local and broadband services without any adverse impact on Sprint's existing regulated operations in Virginia.

Joint Petitioners represent in filed affidavits that the merger will not jeopardize the provision of adequate service to the public in Virginia at just and reasonable rates. MCI WorldCom and Sprint state that the merger will have no adverse impact on Sprint's ILEC operations in Virginia.[5] The Sprint ILECs will remain obligated under the Telecommunications Act of 1996 to continue to negotiate in good faith and to enter into interconnection and resale agreements with competitors and offer nondiscriminatory access to unbundled network elements. Joint Petitioners further represent that the merger will not adversely affect in any way the wholesale or retail rates to customers, including competitors.

With regard to competitive services, Joint Petitioners represent that the merger will have no adverse impact on the competitive long distance marketplace. In addition, Joint Petitioners state that the merger will not adversely affect current CLEC operations, both in terms of service quality and rates. Joint Petitioners also represent that they plan no reductions in previously planned investment in existing local telephone operations in Virginia, thereby assuring that adequate service will be maintained.

Staff Report

As directed by the Commission's January 18, 2000, Order, the Staff filed its Report on March 28, 2000. The Staff did not object to the proposed merger, subject to the tracking and reporting requirements recommended therein. Specifically, the Staff recommended that:

> Joint Petitioners should be directed to track actual costs and savings for five years after the merger is complete and submit an annual report to the Division of Public Utility Accounting detailing the merger costs, merger implementation costs, and merger savings along with detailed explanations and documentation of allocations made for all Virginia entities.

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[2] MCI WORLDCOM VA is a CLEC, which is authorized to provide local exchange services under Certificate T-359b, as most recently revised January 20, 2000. MCImetro VA is a CLEC and interexchange carrier ("IXC"), which is authorized to provide local exchange services under Certificate T-360 and interexchange services under Certificate TT-22B, as most recently revised September 28, 1995. MCI WORLDCOM Network VA is authorized to provide interexchange services under Certificate TT-3B, as most recently revised January 20, 2000. MFN is both a CLEC and IXC, which is authorized to provide local exchange services under Certificate T-413 and interexchange services under Certificate TT-53A. Institutional and MetroTel are both authorized to provide interexchange services under Certificates TT-13A and TT-20A, respectively.

[3] Centel is an ILEC that holds multiple certificates for its service territories in the central corridor of Virginia and provides interexchange services under Certificate TT-16B, as most recently revised December 16, 1996. United is also an ILEC that holds multiple certificates for its local service territories in the western part of Virginia and provides interexchange services under Certificate TT-31A.

[4] Sprint Communications Company of Virginia, Inc., is both a CLEC and an IXC, providing local exchange services under Certificate T-367 and interexchange services under Certificate TT-12B, as most recently revised March 4, 1992.

[5] Sprint's Affiant Parrott (Joint Petition, Exhibit 6) states that the Sprint ILECs will continue to be subject to the provisions of the Alternative Regulatory Plan ("Plan") approved by the Commission's Order of October 18, 1994, in Case No. PUC930036, as amended by Order of November 29, 1999, in Case No. PUC970174, 20 VAC 5-401-70. The Sprint ILECs will also remain subject to this Commission's regulation of affiliate transactions as provided in Chapter 4 of Title 56 of the Code of Virginia and the Commission's Order of March 28, 1997, in Case Nos. PUA960046 and PUA960047. Finally, the Sprint ILECs will remain subject to the reporting requirements and regulations as to the level of service quality.

The Joint Petitioners argue in their Response to the Staff Report that the five-year reporting period is unreasonably long, given the expected integration of operations and the probability of future mergers. The Joint Petitioners also question whether the Staff's recommended reporting requirements apply to entities other than Centel and United.

In its Report, the Staff identifies and assesses the appropriate service and rate standards, evaluates the actual and/or potential effects of the merger on both the long distance and local exchange competitive markets, discusses the merger's financial implications, and assesses the potential for new savings and affiliate issues.

The Staff concludes that the requirements in the Rules Governing the Certification of Interexchange Carriers (20 VAC 5-400-60) ("IXC Rules") and the Rules Governing the Offering of Competitive Local Exchange Telephone Service (20 VAC 5-400-180) ("Local Rules"), along with United/Centel's Plan, establish the standards for determining adequate service to the public at just and reasonable rates, as required by § 56-90 of the Code of Virginia.[6] The Staff notes that the definition of just and reasonable rates in the interexchange marketplace in Virginia is "market based" or "competitively determined."

The Staff further notes that the Commission has never established specific service quality standards for IXCs. However, the Commission does monitor IXC consumer complaints and may investigate excessive complaint levels and take appropriate action.[7] In the competitive interexchange market, consumers in Virginia may always choose service from one of the numerous other carriers if they are dissatisfied with the rates, services, or service quality provided by a specific carrier.

The Staff reports that, overall, it does not believe that the merger would have a direct impact on the rates and/or service quality currently provided by either the Centel or United ILEC subsidiaries that continue to be regulated under their alternative regulatory plan.

Comments by AT&T and SBC

AT&T argues that the merger should not be approved "because it will perpetuate and exacerbate the price-affecting and competition-distorting consequences of Sprint's exceedingly high intrastate access charges." (AT&T Comments at p. 2). As AT&T recognizes in its Comments, the Commission is currently investigating Sprint's intrastate access charges. AT&T seeks to interrupt this merger review until our investigation of Sprint's access charges is completed. We decline to dismiss the joint petition herein with directions to refile after the conclusion of our investigation of Sprint's intrastate access charges in Case No. PUC000003, as AT&T requests. AT&T next argues that competition will be distorted when WorldCom, the surviving carrier, will be able to avoid paying (i.e., internalize) access charges for calls originating or terminating on access lines provided by Centel and United. As an alternative to first setting access charges at cost before approving the merger, AT&T also proposes that Sprint's intrastate access charges be reduced to match interstate access rates. The Commission declines to condition this merger approval upon this request. However, we will proceed with our investigation of Sprint's intrastate access charges in Case No. PUC000003.

SBC opposes the proposed merger as threatening to diminish competition in the markets for long distance, local, and Internet services. SBC uses the Herfindahl-Hirschman Index, a measure of market concentration, to describe the anti-competitive effects of the proposed merger on the long distance market. With respect to the local market, SBC states that the merger will lead to decreased competition through diminished investment in local facilities. The combination of Internet backbone facilities owned by MCI WorldCom and Sprint will create a dominant provider, also making competition difficult or even impossible, according to SBC.

Findings

We find that the proposed merger will not impair or jeopardize adequate service at just and reasonable rates. The potential anti-competitive effect raised by the commenting parties is alleviated by our continued oversight of the long distance market through our IXC Rules and the development of further competition as described in Part B of the Staff Report.

With regard to the Staff's reporting recommendation, we find that it should be accepted; however, it should apply to United and Centel only. In the event that future mergers make such reporting requirements unreasonable, the Joint Petitioners may apply for relief at that time.

Accordingly, IT IS HEREBY ORDERED THAT:

(1) The Joint Petition is hereby approved.

(2) The Joint Petitioners are hereby ordered to comply with the Staff's recommendation to track and report annually for the next five (5) consecutive years after merger completion the details of actual merger costs, merger implementation costs, and merger savings, along with detailed explanations and documentation of allocations made for Centel and United.

(3) The Joint Petitioners shall remain regulated under the laws of the Commonwealth and Commission Orders and Rules, the same after completion of the merger as before.

(4) There being nothing further to come before the Commission, this matter is dismissed.

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[6] Section 56-90 requires that the Commission be satisfied "that adequate service to the public at just and reasonable rates will not be impaired or jeopardized" by granting the proposed merger.

[7] See 20 VAC 5-400-60, § H.

CASE NO. PUC990245
MAY 26, 2000

APPLICATION OF
CONCENTRIC CARRIER SERVICES OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On January 24, 2000, Concentric Carrier Services of Virginia, Inc. ("CCSV" or Applicant"), completed an application for certificates of public convenience and necessity ("certificates") with the State Corporation Commission ("Commission") to provide resold and facilities-based 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 February 18, 2000, the Commission docketed the application; directed CCSV to give notice to the public of its application; required the Commission Staff to conduct an investigation into the reasonableness of the application and present its findings in a Staff Report; and scheduled a public hearing for April 25, 2000, to receive evidence relevant to CCSV's application.

On April 13, 2000, the Commission issued an Order granting the Commission Staff's April 12, 2000, motion requesting suspension of the procedural schedule in this case pending the anticipated June 2000 merger of CCSV's ultimate parent company and NEXTLINK Communications, Inc., into NM Acquisition Corp. The Order suspended all procedural deadlines for ninety (90) days or until the merger is consummated.

On April 25, 2000, a hearing was held for the purpose of receiving comments from public witnesses about CCSV's application, but no public witnesses appeared. The matter was continued until further order of the Commission.

On May 9, 2000, CCSV filed a letter with the Commission requesting withdrawal of its application without prejudice.

NOW UPON CONSIDERATION, we are of the opinion and find that CCSV's request for withdrawal without prejudice is reasonable and should be granted.

Accordingly, IT IS ORDERED THAT:

(1) CCSV's request for withdrawal of its application for certificates of public convenience and necessity to provide resold and facilities-based local exchange and interexchange telecommunications services is hereby granted.

(2) There being nothing further to come before the Commission, this case is dismissed without prejudice, and the papers filed herein placed in the file for ended causes.

CASE NO. PUC000001
NOVEMBER 2, 2000

APPLICATION OF
VERIZON SOUTH INC. f/k/a GTE SOUTH INCORPORATED

For Exemption from Providing Physical Collocation

FINAL ORDER

As supplemented in a filing on March 16, 2000, Verizon South Inc. ("Verizon South" or "the Company") f/k/a GTE South Incorporated filed a request for exemption from providing physical collocation, pursuant to § 251(c)(6) of the Telecommunications Act of 1996 and the Commission's regulations,[1] for its Dale City, Lorton, Dulles, Arcola, Shipps Corner, and Hickory central offices.

On April 12, 2000, Verizon South filed a withdrawal of its request for exemption from providing physical collocation at its Dale City office. The Company stated that space would be available for collocation in that office within 120 days of the filing. The Commission accepted this withdrawal in an Order of April 25, 2000. This Order further invited comments from interested parties on the Company's remaining requests and directed the Staff to file a report.

Cox Virginia Telcom, Inc. ("Cox"), filed comments on Verizon South's exemption requests on May 18, 2000. Cox stated that it is "more concerned with procedures than with specifics," noting that it is not currently seeking collocation at any of the central offices for which Verizon South is seeking exemptions in this case.

The Staff filed its report on June 8, 2000. Its investigation included reviewing the floor plans of the central offices and touring the offices.

The Staff determined that there is no available space in the Arcola, Hickory, and Lorton central offices that can be used for physical collocation.

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[1] Procedural Rules Governing Exemption From Providing Physical Collocation Pursuant To § 251(c)(6) Of The Telecommunications Act Of 1996, 20 VAC 5-400-200.

The Staff did not object to the requested exemption for the Dulles office because it believed Verizon South sufficiently justified the quantity of space the Company was reserving for switching equipment bays based upon forecasted growth of access lines and the Company's switch replacement plans.

The Staff toured the Shipps Corner office on April 10, 2000. The Staff determined that space was unavailable for physical collocation at that time; however, a 2,144 square foot building addition was underway and scheduled for completion around August 2000. The Staff recommended that Verizon South start accepting applications for physical collocation with the normal response and provisioning intervals outlined in the Company's tariff and that any exemption be terminated upon completion of the building addition.

Verizon South filed a letter on June 23, 2000, stating that it had no comments on the Staff report. Cox also filed a response to the Staff report on June 23, 2000. Cox noted its agreement with the Staff's findings and conclusions.

On August 25, 2000, Verizon South filed a withdrawal of its request for an exemption from providing physical collocation for the Shipps Corner central office. The Company stated that its building addition at that office was nearing completion and space would be available for collocation by September 15, 2000.

NOW THE COMMISSION, upon consideration of the Company's supplemented application, the relevant statutes and regulations, Cox's comments, the Staff's report, and the Company's withdrawal of its exemption request for Shipps Corner, is of the opinion and finds Verizon South's request for exemption from the requirement to provide physical collocation at its Arcola, Dulles, Hickory, and Lorton central offices should be granted, and the Company's withdrawal of its request for an exemption for the Shipps Corner office should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) Verizon South's request for exemption from the requirement to provide physical collocation at its Arcola, Dulles, Hickory, and Lorton central offices is granted.

(2) Verizon South's withdrawal of its request for exemption from the requirement to provide physical collocation at its Shipps Corner central office is accepted.

(3) The exemptions granted herein shall be terminated if space for physical collocation becomes available through building additions or equipment removals.

(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 file for ended causes.

CASE NO. PUC000003
FEBRUARY 2, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, In re: Investigation of the appropriate level of intrastate access service prices

ORDER ESTABLISHING INVESTIGATION

By Order dated November 29, 1999, the Commission approved the merger of Bell Atlantic Corporation and GTE Corporation,[1] in Case No. PUC990100. In that Order, the Commission stated:

> [T]he 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.

The Commission has concluded that it should establish a new docket in which to consider access charge issues raised in Case Nos. PUC960021[2] and PUC990043.[3] The Commission has further concluded that it should at this time also establish the appropriate level of intrastate access charges for GTE South and for the Sprint companies, United Telephone-Southeast, Inc. ("United") and Central Telephone Company of Virginia ("Centel").[4]

In Case No. PUC960021, BA-VA filed amended tariffs to revise its switched access rates for transport and local switching and directory assistance transport services. The revised rates contained in the amended tariffs were put into effect, subject to refund, on August 22, 1996, and that case has

[1] The parent companies of, respectively, Bell Atlantic-Virginia, Inc. ("BA-VA") and GTE South Incorporated ("GTE South").

[2] Application of Bell Atlantic-Virginia, Inc. For a change in access rates for switched access service.

[3] Commonwealth of Virginia, ex rel., AT&T Communications of Virginia, Inc., v. Bell Atlantic-Virginia, Inc.

[4] Collectively, we will refer to BA-VA, GTE South, United and Centel as the "LECs," the usual acronym for "local exchange companies." The Commission may consider the appropriate level of intrastate access charges for other Virginia local exchange companies in separate proceedings.

remained pending. In Case No. PUC990043, AT&T Communications of Virginia, Inc. ("ATT-VA") filed a formal complaint against BA-VA, asserting that the access rates that BA-VA charges are too high and should be reduced. BA-VA has filed a Motion to Dismiss the complaint, and ATT-VA has responded.

By this Order we will initiate a procedural schedule and set a public hearing to address the issue of the appropriate prices for access services provided by BA-VA, GTE South, United, and Centel.

In its complaint, ATT-VA notes that the Commission, more than 10 years ago, found BA-VA's access rates to be "significantly above cost," in Case No. PUC870012.[5] In that case, the Commission also emphasized that it did not intend to suggest "that prices should equal incremental costs. Though incremental costs are the absolute floor for access service prices, other factors, including contribution to common costs, value of service, and competitive forces in the access service market must be analyzed when making a pricing decision."[6]

In Case No. PUC930036,[7] the Commission established alternative plans of regulation, which BA-VA, GTE South, United and Centel have adopted. Each such plan provides that pricing for access services will be considered in accordance with the procedures adopted in Case No. PUC870012, referenced earlier, and as implemented in Case No. PUC880042.[8]

The Commission ordered in Case No. PUC870012, among other things:

> (1) That long-run incremental costing methodology shall be used by all LECs in the future to determine intrastate, interLATA access service costs for the purpose of ascertaining the minimum level of cost recovery necessary for such services;
>
> (2) That local loop and central office termination costs shall be included in the incremental costs of both switched and special access;
>
> (3) That WATS and WATS-like services shall be considered switched access services; [and]
>
> (4) That a special access incremental cost study shall be prepared by each of the [] large LECs in Virginia and filed with the Commission within four months from the date of [the] order[.]

In that case, the Commission Staff had conducted a study of switched access incremental costs. Based on this study, we found that since there was "no immediate prospect that switched access rates will fall below incremental costs, switched access cost studies need not be conducted by the LECs at this time." The Commission did order the LECs to file cost studies for special access, as indicated above.

The Order in Case No. PUC870012 was issued more than a decade ago, and the case has been closed since 1988. We believe that it is appropriate, given the passage of time and the rapidity of technological development in the intervening years, that the 1988 Staff cost study of the LEC access charges be replaced. Therefore, current cost studies for both switched and special access services shall be conducted and filed by the four largest local exchange companies, BA-VA, GTE South, United, and Centel. These studies are to use the long-run incremental costing methodology approved in Case No. PUC870012. If any LEC believes that we should consider another costing methodology, it may file and serve copies of such alternative studies in addition to, and not as replacement of, the long-run incremental costing methodology ordered in Case No. PUC870012. We will also invite other interested parties to file cost studies. We will use these cost studies, as we did in the earlier case, to establish "the absolute floor for access service prices."

As we cautioned a decade ago, we again emphasize that other factors will be considered in making our pricing decisions. Therefore, in addition to the cost studies, we will direct the LECs and invite other interested parties to file testimony and evidence as to all factors they believe the Commission should consider in making any access pricing decisions. Parties should also discuss the weighting(s) they believe the Commission should give such factor(s) in reaching our decision.

Further, we will direct any interexchange carrier that wishes to participate in the proceedings to file testimony and evidence to demonstrate whether and to what extent Virginia consumers will benefit from any changes we may order in the level of LEC access charges. We will invite testimony and evidence from the LECs and others on this point as well.

The Commission Staff will investigate and file a report, which may take the form of prefiled testimony, on these matters after the cost studies, direct testimony, and evidence of the parties are filed. After the Staff report is issued, we will permit all parties to file testimony and evidence to rebut the Staff report or the position of any other party. Thereafter, we will conduct a public hearing to receive evidence on the issues discussed herein. Accordingly,

IT IS ORDERED THAT:

(1) On or before March 31, 2000, BA-VA, GTE South, United, and Centel shall file an original and twenty (20) copies of cost studies, using the costing methodology described above, demonstrating their costs for providing switched and special access services, and may file an original and twenty (20) copies of cost studies using any other methodology they believe we should consider.

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[5] Commonwealth of Virginia, ex rel. State Corporation Commission Ex Parte, In Re: Investigation of the appropriate methodology to determine intrastate access service costs, 1988 S.C.C. Ann. Rep. 232, 233 (1988).

[6] Id.

[7] 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., 1994 S.C.C. Ann. Rep. 262 (October 18, 1994).

[8] Commonwealth of Virginia ex rel. State Corporation Commission Ex Parte, In Re: Investigation of pricing methodologies for intrastate access service, 1989 S.C.C. Ann. Rep. 210 (April 3, 1989).

(2) On or before March 31, 2000, the LECs shall also file an original and twenty (20) copies of all testimony and exhibits they intend to introduce at the hearing of this matter. Such testimony and exhibits shall address cost studies and other factors the Commission should consider in addition to cost when making its pricing decision.

(3) On or before February 29, 2000, any other interested party wishing to participate as a Protestant shall file an original and twenty (20) copies of a notice of protest and protest.

(4) On or before May 1, 2000, each Protestant shall file an original and twenty (20) copies of all testimony and exhibits it intends to introduce at the hearing of this matter. An original and twenty (20) copies of any cost study to be offered by any Protestant shall be filed at this time. Protestants are not obligated to file cost studies but must file testimony and exhibits. Any interexchange carrier filing testimony and exhibits shall address in such testimony whether and to what extent Virginia consumers will benefit from any changes we may order in the level of LEC access charges.

(5) On or before June 30, 2000, the Commission Staff shall file an original and twenty (20) copies of a report, which may take the form of prefiled testimony, addressing the results of its investigation of the matters discussed herein.

(6) On or before July 28, 2000, any party may file an original and twenty (20) copies of any rebuttal testimony they intend to introduce at the hearing of this matter.

(7) All items required to be filed shall be contemporaneously served on counsel for each LEC and counsel for each Protestant.

(8) Pursuant to Rule 7:1 of the Commission's Rules of Practice and Procedure, 5 VAC 5-10-10 et seq. ("Rules"), we will appoint a Hearing Examiner to conduct all further proceedings in this matter.

(9) Responses to discovery requests shall be made within fourteen (14) calendar days of their service upon counsel. Objections to discovery requests shall be made within seven (7) calendar days of their service upon counsel. Discovery or objections to discovery may be served on counsel by telefax or e-mail, and counsel for each LEC and each Protestant shall establish fax numbers and e-mail addresses for the receipt of discovery requests. Discovery will not be served on any Saturday, Sunday, or Virginia holiday. Any discovery served by telefax or e-mail after 5:30 p.m. EST shall be considered served on the next calendar day on which discovery may be served. Otherwise, discovery shall be conducted in accordance with Part VI of the Rules.

(10) On September 6, 2000, beginning at 10:00 a.m., a public hearing shall be convened in the Commission's courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia, to receive evidence on the issues.

(11) Forthwith, the Division of Communications shall cause to be published in the Virginia Administrative Register and in newspapers of general circulation throughout the Commonwealth the following notice:

NOTICE BY THE STATE CORPORATION COMMISSION
OF INVESTIGATION INTO THE APPROPRIATE LEVEL OF
INTRASTATE ACCESS SERVICES PRICES

On February 2, 2000, the State Corporation Commission, by Order, established Case No. PUC000003, to investigate and establish the appropriate prices for intrastate access services. Access prices are the rates paid by interexchange (long distance) companies for their use of the local exchange telephone network to complete toll calls. These prices are reflected in the rates customers pay for long distance services. A public hearing to receive evidence pertinent to these matters will be held in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia, beginning at 10:00 a.m. EDT, September 6, 2000.

A copy of the Order Establishing Investigation is available for inspection in the Office of the Clerk of the Commission, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia, and on the Commission's website at http://dit1.state.va.us/scc/orders.htm. Persons interested in participating in this investigation as Protestants are directed promptly to obtain a copy of this Order for detailed instructions on how to participate. The Order establishes the dates for filing various documents.

Persons interested in submitting written comments on the appropriate level of intrastate access prices may do so by submitting such comments, making reference to Case No. PUC000003, to the Clerk of the Commission, P.O. Box 1197, Richmond, Virginia 23218. Persons interested in making a statement at the hearing may do so by appearing on the first day of the hearing, before 9:45 a.m., and indicating such interest to the Commission's bailiff on forms the bailiff will supply.

VIRGINIA STATE CORPORATION COMMISSION

(12) This matter is continued for further orders of the Commission.

CASE NO. PUC000010
MAY 5, 2000

APPLICATION OF
NET2000 COMMUNICATIONS OF VIRGINIA, LLC

For a certificate of public convenience and necessity to provide facilities-based interexchange telecommunications services

FINAL ORDER

On January 7, 2000, Net2000 Communications of Virginia, LLC ("Net2000" or "Applicant"), filed an application for a certificate of public convenience and necessity ("certificate") with the State Corporation Commission ("Commission") to provide facilities-based interexchange telecommunications services within the Commonwealth of Virginia.[1] Net2000 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 March 14, 2000, the Commission directed the Applicant 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.

Net2000 filed its proof of publication and notice on April 13, 2000, and no comments or requests for hearing were received.

On April 26, 2000, Commission Staff filed a report finding that Net2000's application was in compliance with the Commission's Rules Governing the Certification of Interexchange Carriers ("Interexchange Rules").[2]

The Staff report did not object to the granting of the application for interexchange certification, but brought one area of concern to the Commission's attention. Net2000 consistently has been deficient in providing information required pursuant to § E of the Rules Governing the Offering of Competitive Local Exchange Telephone Services ("Local Rules").[3] The Staff report highlighted that, in seeking the interexchange certificate, Net2000 agrees to abide by all applicable sections of the Virginia Code as well as the rules and regulations of the Commission, including the Local Rules. Based upon its review of Net2000's application and the Applicant's responses to Staff data requests, the Commission Staff determined it would be appropriate to grant an interexchange certificate to Net2000.

The Commission finds that Net2000 remains under a duty to comply fully with the Local Rules as well as the Interexchange Rules.

NOW THE COMMISSION, having considered Net2000's application and the Staff Report, is of the opinion and finds that Net2000 should be granted a certificate to provide interexchange telecommunication services. Having considered § 56-481.1, the Commission further finds that Net2000 may price its interexchange services competitively. Accordingly,

IT IS ORDERED THAT:

1) Net2000 Communications of Virginia, LLC is hereby granted a certificate of public convenience and necessity, No. TT-92A, 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) Net2000 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, Net2000 may price its interexchange services competitively.

4) Net2000 shall abide by all the rules and regulations of the Commission.

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.

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[1] Net2000 also holds a certificate to provide local exchange services, Certificate No. T-405a.

[2] 20 VAC 5-400-60.

[3] 20 VAC 5-400-180. Previous compliance only was brought about by Case No. PUA980052.

CASE NO. PUC000011
JANUARY 14, 2000

APPLICATION OF
ADELPHIA BUSINESS SOLUTIONS OF VIRGINIA, INC.

For changes in certificates of public convenience and necessity following merger of subsidiaries and corporate name change of parent

ORDER

On January 6, 2000, Adelphia Business Solutions of Virginia, L.L.C. ("Adelphia") filed a letter application requesting the cancellation and re-issuance of certain certificates of public convenience and necessity to reflect corporate name changes as a result of corporate restructuring.

On March 24, 1999, the Commission entered its Order Granting Approval of a transaction in which the assets of Hyperion Telecommunications of Virginia, Inc. ("HTVA"), Continental Telecommunications Corporation of Virginia, Inc. ("Continental"), and MediaOne of Virginia ("MediaOne") were transferred to Hyperion Communications of Virginia, LLC ("Hyperion Virginia").

As a result of the transaction, MediaOne ceased to exist. MediaOne was the holder of two certificates of public convenience and necessity. The first, No. TT-21C, was issued July 31, 1997, authorizing it to furnish interexchange telecommunications services throughout the Commonwealth. The second, No. T-372a, was issued July 31, 1997, authorizing MediaOne to furnish intrastate local exchange telephone service throughout the Commonwealth. As MediaOne is no longer in existence, these certificates will be cancelled. Any tariffs of MediaOne currently on file with the Commission's Division of Communications shall also be cancelled.

As a further result of the transaction, HTVA transferred all its assets to Hyperion Virginia and agreed to surrender its certificates. Accordingly, Certificate No. T-379, issued to HTVA on June 20, 1997, authorizing it to furnish intrastate local exchange telephone service, will be cancelled. Certificate No. TT-23B, issued May 20, 1997, authorizing HTVA to furnish interexchange telecommunications services will also be cancelled. Any tariffs of HTVA currently on file with the Commission's Division of Communications shall also be cancelled.

Hyperion Virginia also possesses certificates of public convenience and necessity authorizing it to furnish local exchange telecommunications services throughout the Commonwealth (No. T-433, issued February 18, 1999) and to furnish interexchange telecommunications services throughout the Commonwealth (No. TT-63A, issued February 18, 1999).

On September 20, 1999, the Commission entered an order approving the amendment of the articles of incorporation of Hyperion Virginia, reflecting its corporate name change to Adelphia Business Solutions of Virginia, LLC ("Adelphia"). The Commission is of the opinion that revised certificates of public convenience and necessity should be issued, reflecting the corporate name change of Hyperion Virginia.

Accordingly, IT IS ORDERED THAT:

(1) This matter should be docketed and assigned Case No. PUC000011.

(2) Certificate Nos. TT-21C, TT-23B, T-372a and T-379 are cancelled.

(3) Any tariffs on file with the Commission's Division of Communications in the name of either MediaOne of Virginia or Hyperion Telecommunications of Virginia, Inc., are cancelled.

(4) Certificate No. T-433 is hereby cancelled and shall be reissued as Certificate No. T-433a in the name of Adelphia Business Solutions of Virginia, Inc.

(5) Certificate No. TT-63A is hereby cancelled and shall be reissued as Certificate No. TT-63B in the name of Adelphia Business Solutions of Virginia, Inc.

(6) Adelphia Business Solutions of Virginia, Inc. shall file tariffs with the Commission's Division of Communications reflecting its correct corporate name within sixty (60) days of the date of this Order.

(7) There being nothing further to come before the Commission, this matter is dismissed.

CASE NO. PUC000014
APRIL 27, 2000

APPLICATION OF
ONSITE ACCESS LOCAL LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On January 18, 2000, OnSite Access Local LLC ("OnSite" or "Applicant"), filed an application for certificates of public convenience and necessity ("certificates") with the State Corporation Commission ("Commission") 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 February 18, 2000, 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 OnSite's application. On April 11, 2000, the Staff filed its report finding that OnSite's application was in compliance with 20 VAC 5-400-180, the Rules for Local Exchange Telephone Competition ("Local Rules"), and 20 VAC 5-400-60, the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"). Based upon its review of OnSite's application and audited financial statements, the Staff determined it would be appropriate to grant both local and interexchange certificates to the Applicant.

A hearing was conducted on April 25, 2000. OnSite submitted its proof of publication and proof of notice as required by the February 18, 2000, 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 OnSite's application should be granted. Having considered § 56-481.1 of the Code of Virginia, the Commission also finds that OnSite may price its interexchange services competitively. Accordingly,

IT IS ORDERED THAT:

(1) OnSite Access Local LLC is hereby granted a certificate of public convenience and necessity, No. TT-90A, to provide interexchange services subject to the restrictions set forth in the IXC Rules and § 56-265.4:4 of the Code of Virginia.

(2) OnSite Access Local LLC is hereby granted a certificate of public convenience and necessity, No. T-485, to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules and § 56-265.4:4 of the Code of Virginia.

(3) Pursuant to § 56-481.1 of the Code of Virginia, OnSite may price its interexchange services competitively.

(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. PUC000017
SEPTEMBER 8, 2000

APPLICATION OF
INTERNATIONAL TELEPHONE GROUP OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On May 1, 2000, INTERNATIONAL TELEPHONE GROUP OF VIRGINIA, INC. ("INTERNATIONAL TELEPHONE" 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.

By Order dated May 12, 2000, 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 INTERNATIONAL TELEPHONE's application.

On July 10, 2000, the Staff filed its Report finding that INTERNATIONAL TELEPHONE's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules"), 20 VAC 5-400-180. Based upon its review of INTERNATIONAL TELEPHONE's application, the Staff determined that it would be appropriate to grant the Applicant a certificate to provide local exchange telecommunications services in the Commonwealth of Virginia.

By Order dated July 14, 2000, the Commission extended the time for INTERNATIONAL TELEPHONE to provide notice in two Virginia newspapers to July 25, 2000, and extended the date for filing comments and notices of protest to August 8, 2000. The Commission retained July 20, 2000, as the date for the evidentiary hearing on the application and scheduled a hearing on September 7, 2000, for the limited purpose of hearing public witnesses.

A hearing was conducted on July 20, 2000. INTERNATIONAL TELEPHONE filed proof of publication and proof of service as required by the Commission's Order dated May 12, 2000. At the hearing, the application and accompanying exhibits, and the Staff Report were entered into the record without objection.

At the September 7, 2000, hearing, INTERNATIONAL TELEPHONE filed proof of publication for the two newspapers not included in its original publication of notice.

There were no written comments or notices of protest filed in this proceeding. No public witnesses appeared at either the July 20 or the September 7, 2000, hearings.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that INTERNATIONAL TELEPHONE should be granted a certificate to provide local exchange telecommunications services in Virginia.

Accordingly, IT IS ORDERED THAT:

(1) INTERNATIONAL TELEPHONE GROUP OF VIRGINIA, INC., is hereby granted a certificate of public convenience and necessity, No. T-503, 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, and the provisions of this Order.

(2) INTERNATIONAL TELEPHONE shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(3) 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. PUC000019
SEPTEMBER 13, 2000

PETITION OF
AT&T COMMUNICATIONS OF VIRGINIA, INC.
v.
VERIZON VIRGINIA INC. f/k/a BELL ATLANTIC-VIRGINIA, INC.

For Order Directing Verizon Virginia To Stop Its Anti-Competitive IntraLATA Toll Marketing Practices

FINAL ORDER

On January 27, 2000, AT&T Communications of Virginia, Inc. ("AT&T"), filed its Petition in the above-captioned case. A Preliminary Order was issued on May 18, 2000, which called for a response from Verizon Virginia Inc. ("Verizon Virginia"). On June 27, 2000, Verizon Virginia filed its Answer and Motion To Dismiss. On June 27, 2000, AT&T filed its Opposition to the Motion To Dismiss. Again, on July 21, 2000, Verizon Virginia renewed its Motion To Dismiss.[1]

Based upon the pleadings filed herein and the applicable law, the Commission finds that Verizon Virginia's Motion To Dismiss should be granted and that this case should be dismissed, with prejudice.

Accordingly, IT IS ORDERED THAT:

(1) The Petition filed by AT&T against Verizon Virginia is hereby dismissed, with prejudice.

(2) There being nothing further to come before the Commission, this case is closed.

[1] While AT&T has propounded discovery upon Verizon Virginia in this case and filed a motion to compel discovery responses, we need not address the discovery issue in this Order.

CASE NO. PUC000026
MARCH 2, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: Establishment of a Collaborative Committee to Investigate Market Opening Measures

ORDER ESTABLISHING
COLLABORATIVE COMMITTEE

Pursuant to the Commission's Order Approving Petition, issued November 29, 1999, in Case No. PUC990100, which approved the merger of Bell Atlantic Corporation and GTE Corporation, the Commission directed that a Collaborative Committee be established to consider and recommend what specific market opening measures should be further ordered.[1]

We further direct that Bell Atlantic-Virginia, Inc. ("BA-VA") and GTE South Incorporated ("GTE South") fully participate in the Collaborative Committee established by this Order. BA-VA and GTE South shall designate their representatives to the Collaborative Committee as directed by the Director of the Division of Communications ("Director"). Other interested parties may participate and shall also be required to designate their representatives to the Director. The Commission intends the process to be inclusive; however, we recognize the composition and/or representatives of the Collaborative Committee and/or subcommittees may subsequently change as various issues are considered.

The Director will invite interested parties to participate; and once representatives are designated, he shall convene the Collaborative Committee. The Director will have the authority to structure the Collaborative Committee as he deems appropriate, including but not limited to, the assignment of smaller working groups within the Collaborative Committee to address specific subjects for resolution.

The Commission finds that the Collaborative Committee should undertake establishing Virginia-specific performance standards and remedies for BA-VA and GTE South. Additionally, to further assist the Director in organizing and assigning priorities to the efforts of the Collaborative Committee, we are requesting comments from interested parties. Comments may suggest procedures for conducting the Collaborative Committee and identify issues and priorities for its consideration. Of particular interest to the Commission and the Director are responses to the questions set forth below:

1. What additional issues and/or methods to identify further issues should the Collaborative Committee consider?

2. Should the establishment of carrier performance standards and remedies be addressed first?

[1] "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." (Order Approving Petition, issued November 29, 1999, Case No. 990100, at p. 5)

3. Do the performance standards and/or remedies need to be the same for BA-VA and GTE South?

4. How should the Collaborative Committee assign priorities to issues in this investigation? To the extent possible, identify issues by preferred priority.

5. Should the Collaborative Committee utilize performance standards adopted in any other state or other proceeding as a starting point in Virginia? If so, what initial performance standards should be considered for BA-VA and/or GTE South?

6. Should United Telephone-Southeast, Inc. and Central Telephone Company of Virginia be required to participate in the Collaborative Committee? Should other incumbent local exchange carriers be required to participate?

7. What correlation, if any, should exist between the Collaborative Committee issues and testing BA-VA's Operation Support Systems in Case No. PUC000035?

8. Should the Collaborative Committee address current operational disputes between companies before (or separate from) addressing more generic market opening issues, i.e., line sharing?

9. Should the Collaborative Committee consider including certain non-pricing tariff provisions from BA-VA's collocation tariff as the negotiation vehicle suggested in the Staff Report filed in PUC990101 on October 27, 1999?

10. Should the Commission consider adopting alternative dispute procedures for carrier- to-carrier complaints? And, if so, should the Collaborative Committee determine and recommend such procedures?

11. What methods should the Collaborative Committee consider to gather information, i.e., informal reports, technical papers, workshops, legislative hearings?

12. How should the Collaborative Committee treat information deemed to be proprietary by one or more parties?

13. Should pricing issues be considered in the Collaborative Committee?

14. If the Collaborative Committee is unable to fully resolve issue(s) between the parties, how should such disputes be resolved?

In addition, the Commission is interested in comments drawn from the parties' experiences with collaborative processes in other states. We invite parties to discuss procedures, processes, and/or organizational structures that have been both successful and not as successful in other collaboratives. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) BA-VA and GTE South are hereby directed to fully participate in the Collaborative Committee established herein, consistent with the findings above.

(2) Leave is hereby given to all interested parties to file comments in this case no later than March 24, 2000, consistent with the findings above.

(3) The Director of the Division of Communications is hereby empowered to convene the Collaborative Committee and manage its work as provided above.

(4) This cause is hereby continued generally.

CASE NO. PUC000027
FEBRUARY 29, 2000

APPLICATION OF
GTE SOUTH INCORPORATED

For approval of its Tariff Filing to Introduce Collocation Service

ORDER ACCEPTING COLLOCATION SERVICE TARIFF ON INTERIM BASIS AND OPENING INVESTIGATION

On February 4, 2000, GTE South Incorporated ("GTE South" or "the Company") filed with the Commission's Division of Communications a proposed tariff to introduce Collocation service ("Collocation tariff").[1] The proposed effective date is March 5, 2000. On February 22, 2000, the

[1] The tariff filing is identified as "Facilities For Intrastate Access, Section 19" (pages 1-53).

Commission's Staff ("the Staff") filed its Motion to Accept Tariff on Interim Basis and to Open Investigation. Upon reviewing the proposed tariff filing by GTE South, the Staff's motion, and the applicable law, the Commission is of the opinion that the Staff motion should be granted.

We find that the Collocation tariff should be permitted to go into effect on an interim basis, with rates and terms subject to refund and/or modification, and we will request comments from the Company and interested parties on various matters relating to the tariff.

GTE South and any interested party participating in this proceeding should comment on the following:

- Whether GTE South's Collocation tariff complies with the Telecommunications Act of 1996 ("the Act") and the Federal Communications Commission's ("FCC") "Advanced Services Order".[2]
- Whether GTE South's Collocation tariff, reviewed outside of an arbitration proceeding initiated under § 252 of the Act (as in this investigation), must or should comply with the Act and the FCC requirements.
- If the Collocation tariff must or should comply with the Act and FCC requirements, how should rates be addressed? Should the Commission review the proposed rates on a stand alone basis in this proceeding or should they be brought forth in a future arbitration request and/or a GTE South pricing case for unbundled network elements?
- Whether the terms and conditions of the Collocation tariff should be addressed by the Collaborative Committee.[3]

We further encourage interested parties to identify any prices, terms and/or conditions of the Collocation tariff to which they object and suggest alternative tariff language in their comments as they deem appropriate. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUC000027;

(2) GTE South's Collocation tariff (Facilities For Intrastate Access, Section 19, pages 1-53) is approved for implementation on an interim basis, subject to refunds of collocation charges and/or modifications in collocation terms and conditions, effective March 5, 2000;

(3) GTE shall promptly furnish a copy of its proposed Collocation tariff to any person requesting a copy. Requests should be directed to: Stephen C. Spencer, Assistant Vice President, Regulatory and Governmental Affairs, GTE Service Corporation, Three James Center, Suite 1200, 1051 East Cary Street, Richmond, Virginia 23219;

(4) On or before April 3, 2000, GTE South shall file comments on the issues identified in this Order; and

(5) On or before April 3, 2000, any interested party is granted leave to file comments and a request for hearing on GTE South's Collocation tariff and the issues identified in this Order. Any request for hearing shall provide an explanation of why the issues cannot be adequately addressed in written comments.

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[2] First Report and Order and Further Notice of Proposed Rulemaking, FCC 99-48. In re: Deployment of Wireline Services Offering Advanced Telecommunications Capability, CC Docket No. 98-147 (March 31, 1999).

[3] The Collaborative Committee will be established pursuant to the Commission's Order of November 29, 1999, in Case No. PUC000026.

CASE NO. PUC000027
JULY 12, 2000

APPLICATION OF
GTE SOUTH INCORPORATED

For approval of its Tariff Filing to Introduce Collocation Service

ORDER ACCEPTING REVISION TO COLLOCATION SERVICE TARIFF ON INTERIM BASIS AND PROVIDING FOR FURTHER COMMENT

On February 29, 2000, the Commission issued its Order accepting the collocation service tariff filed by GTE South Incorporated ("GTE South"). The Commission granted tariff approval on an interim basis while opening an investigation of the tariff and inviting comments. Comments were filed by GTE South, Cox Virginia Telecom, Inc. ("Cox"), AT&T Communications of Virginia, Inc. ("AT&T"), Sprint Communications Company of Virginia, Inc., and joint comments were filed on behalf of Rythms Links, Inc. – Virginia and DIECA Communications d/b/a Covad Communications of Virginia, Inc.

On June 7, 2000, GTE South submitted a revision to its collocation service tariff ("tariff revision"). On June 28, 2000, the Staff filed its Motion to Accept Tariff Revisions on Interim Basis, Require GTE to File Cost Support and Receive Additional Comments.

The Commission has reviewed GTE South's tariff revision and all pleadings of record and finds that Staff's Motion should be granted.

Accordingly, IT IS ORDERED THAT:

(1) GTE South's tariff revision is hereby approved on an interim basis, effective July 7, 2000, subject to refunds of collocation charges and/or modifications in terms and conditions.

(2) GTE South shall file in this case, within fifteen (15) days from the date of this Order, its cost support and rate development data for all rates in the collocation service tariff.

(3) GTE South shall serve upon all commenters and the Attorney General copies of its tariff revision within seven (7) days from the date of this Order. GTE South shall promptly furnish a copy of its tariff revision to any person requesting a copy. Requests may be directed to: Stephen C. Spencer, Assistant Vice President, Regulatory and Governmental Affairs, GTE Service Corporation, Three James Center, Suite 1200, 1051 East Cary Street, Richmond, Virginia 23219.

(4) On or before July 21, 2000, any interested party is granted leave to file comments on GTE South's collocation tariff revisions.

(5) This matter is continued generally.

CASE NO. PUC000027
DECEMBER 19, 2000

APPLICATION OF
VERIZON SOUTH INC. f/k/a GTE SOUTH INCORPORATED

For approval of its Tariff Filing to Introduce Collocation Service

ORDER ACCEPTING REVISION FILED NOVEMBER 21, 2000, TO COLLOCATION SERVICE TARIFF ON INTERIM BASIS AND PROVIDING FOR FURTHER COMMENT

The collocation service tariff filed by Verizon South Inc. (f/k/a GTE South Incorporated and hereinafter, "Verizon South") and approved by the State Corporation Commission ("Commission") on an interim basis on February 29, 2000, and further approved in its first revision on July 12, 2000, has been revised again pursuant to a tariff filing by Verizon South on November 21, 2000 ("November 21, 2000, Tariff Revision"). The effective date of the November 21, 2000, Tariff Revision is December 21, 2000.

According to the Company's filing, Verizon South's collocation tariff is being amended to bring the tariff in compliance with the Federal Communications Commission ("FCC's") Order No. FCC 00-297 on Reconsideration in CC Docket No. 98-147 and the FCC's Memorandum Opinion and Order No. DA 00-2528 in CC Docket No. 98-147, and updates to Title 47 of the Code of Federal Regulations ("CFR").[1]

The Commission finds that the November 21, 2000, Tariff Revision should be accepted on an interim basis and that further comments should be accepted on the limited matter of whether the November 21, 2000, Tariff Revision complies with the FCC Orders above.

Accordingly, IT IS ORDERED THAT:

(1) Verizon South's November 21, 2000, Tariff Revision is hereby approved on an interim basis, effective December 21, 2000, subject to refunds of collocation charges and/or modifications in terms and conditions.

(2) Verizon South shall serve upon all parties having previously filed comments, as well as the Attorney General, copies of its November 21, 2000, Tariff Revision within ten (10) days from the date of this Order. Verizon South shall promptly furnish a copy of its November 21, 2000, Tariff Revision to any person requesting a copy. Requests may be directed to Lydia R. Pulley, Vice President and General Counsel, Verizon South Inc., 600 East Main Street, Suite 1100, Richmond, Virginia 23219-2441.

(3) On or before February 2, 2001, any interested party is granted leave to file comments on the November 21, 2000, Tariff Revision, consistent with the findings above. The scope of the comments should be limited to the tariff revisions and their compliance with the FCC rules.

(4) This matter is continued generally.

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[1] Verizon South further states that the amendments are being filed to update tariff language across the Verizon footprint. (See November 21, 2000, Tariff Revision, p. 2.)

CASE NO. PUC000028
NOVEMBER 17, 2000

APPLICATION OF
O1 COMMUNICATIONS OF VIRGINIA, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On February 8, 2000, O1 Communications of Virginia, LLC ("O1 Communications" or "Applicant"), filed an application with the State Corporation Commission ("Commission") for certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. The Applicant also requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated March 22, 2000, 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 O1 Communications' application. On April 26, 2000, the Staff filed its report finding that O1 Communications' application was acceptable and in compliance with 20 VAC 5-400-180, the Rules for Local Exchange Telephone Competition ("Local Rules"), and 20 VAC 5-400-60, the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"). The Staff recommended that the Commission grant certificates to O1 Communications to provide both local and interexchange telecommunications services in Virginia subject to the conditions enumerated in the report.

On April 27, 2000, O1 Communications filed a Motion to Extend Procedural Dates stating that its parent company, O1 Communications, Inc., was negotiating a transaction in which the ownership of the Applicant would be transferred to another corporation. O1 Communications requested that the procedural schedule be suspended until it could supplement its application so as to provide the Commission with complete information regarding O1 Communications' ownership and the assets available to the Applicant for its business.

In an Order dated April 28, 2000, the Commission granted the Applicant's motion to suspend the procedural schedule but retained the May 11, 2000, hearing date for the purpose of hearing testimony from any public witnesses. At the May 11, 2000, hearing, no public witnesses appeared, and the Applicant's proof of notice and publication was entered into the record.

On July 25, 2000, O1 Communications filed an Amendment to the Application. The Amendment stated that O1 Communications is now a subsidiary of, and is wholly owned by, its sole member company, SpectrumLink Networks, Inc. The Applicant's name, proposed service territory, and proposed services have not changed.

On August 15, 2000, the Commission entered an Order Setting New Procedural Dates that directed the Staff to file a supplemental report and scheduled a public hearing to receive evidence relevant to O1 Communications' application. On October 16, 2000, the Staff filed its supplemental report finding that O1 Communications' application was in compliance with the Local and IXC Rules. Based upon its review of O1 Communications' amended application and unaudited financial statements, the Staff determined it would be appropriate to grant both local exchange and interexchange certificates to the Applicant subject to two conditions: (1) any customer deposits collected by O1 Communications 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) O1 Communications shall provide audited financial statements of its parent, SpectrumLink Networks, Inc., 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 November 1, 2000. At the hearing, the application and accompanying attachments, the amended application, and the Staff Report and the supplemental Staff Report were entered into the record without objection. O1 Communications agreed to the recommendations and conditions contained in the Staff Reports.

NOW UPON CONSIDERATION of the application as amended and the Staff Reports, the Commission finds that O1 Communications' application should be granted. Having considered § 56-481.1 of the Code of Virginia, the Commission also finds that O1 Communications may price its interexchange telecommunications services competitively.

Accordingly, IT IS ORDERED THAT:

(1) O1 Communications of Virginia, LLC, is hereby granted a certificate of public convenience and necessity, No. TT-114A, to provide interexchange telecommunications 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.

(2) O1 Communications of Virginia, LLC, is hereby granted a certificate of public convenience and necessity, No. T-519, 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, and the provisions of this Order.

(3) Pursuant to § 56-481.1 of the Code of Virginia, O1 Communications may price its interexchange telecommunications services competitively.

(4) O1 Communications shall provide tariffs to the Division of Communications that conform with all applicable Commission rules and regulations.

(5) Should O1 Communications 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 Division of Economics and Finance of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained for such time as the Staff or Commission determines is necessary.

(6) O1 Communications shall provide audited financial statements of its parent, SpectrumLink Networks, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of O1 Communications' initial tariff.

(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. PUC000033
JULY 7, 2000

APPLICATION OF
BELL ATLANTIC-VIRGINIA, INC.
and
AFFINITY NETWORK INCORPORATED

For approval of an interconnection agreement under § 252(e) of the Telecommunications Act of 1996

DISMISSAL ORDER

On February 9, 2000, Bell Atlantic-Virginia, Inc. ("BA-VA"), filed an application requesting approval of a Resale Agreement between itself and Affinity Network Incorporated ("Affinity"). That application was docketed as Case No. PUC000033 and subsequently amended on April 14, 2000.

On June 29, 2000, BA-VA filed a new application requesting approval of a revised Resale Agreement between itself and Affinity. That application, currently docketed as Case No. PUC000187, is designed to correct certain deficiencies in the above-referenced amended application. In its new application, BA-VA also requests permission to withdraw the application previously filed on February 9, 2000, and amended on April 14, 2000.

NOW THE COMMISSION, having considered the matter, is of the opinion and finds that BA-VA's request is reasonable and should be granted.

Accordingly, IT IS ORDERED THAT:

(1) BA-VA's request to withdraw the amended application filed in this proceeding is hereby granted.

(2) This matter is hereby dismissed and the papers placed in the file for ended causes.

CASE NO. PUC000037
AUGUST 29, 2000

APPLICATION OF
FAIRPOINT COMMUNICATIONS CORP. – VIRGINIA

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On May 2, 2000, FairPoint Communications Corp. – Virginia ("FairPoint" or "Applicant") completed an application for certificates of public convenience and necessity ("certificates") with the State Corporation Commission ("Commission") 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 May 15, 2000, 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 FairPoint's application. On July 11, 2000, the Staff filed its report, finding that FairPoint had adequately demonstrated its financial, managerial, and technical ability to provide local exchange and interexchange services in accordance with 20 VAC 5-400-180, the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules"), and 20 VAC 5-400-60, the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"). The Staff recommended that FairPoint be granted certificates to provide local exchange and interexchange telecommunications services.

On July 10, 2000, FairPoint filed a Motion Requesting Extension for Notice ("Motion"), stating that it had learned that some or all of the local exchange and interexchange telephone carriers may not have been sent notice in accordance with the Commission's May 15, 2000, Order for Notice and Hearing. By Order dated July 12, 2000, the Commission granted FairPoint's Motion. The July 12, 2000, Order provided a deadline of July 19, 2000, for FairPoint to complete notice to each local exchange and each interexchange telephone carrier certificated in Virginia. The Order also provided that these entities could file comments or objections or requests for hearing on FairPoint's application on or before August 9, 2000.

A hearing was conducted on July 20, 2000. FairPoint provided proof of publication of newspaper notice as directed by the Commission's May 15, 2000, Order.[1] FairPoint also provided an Affirmation as to Notice, stating that each local exchange and each interexchange telephone carrier in

[1] At the hearing, FairPoint moved for the acceptance of late publication in one newspaper. Publication had been timely made in all other newspapers, and the Commission sustained FairPoint's motion, stating that the publication made would be deemed sufficient.

Virginia had been provided notice in accordance with the Commission's July 12, 2000, Order. To allow for the consideration of any objections, comments, or requests for hearing filed by any local exchange or interexchange carrier in Virginia, the case was continued until September 7, 2000. However, the Commission provided that if no objections, comments, or requests for hearing were received on or before August 9, 2000, then an order granting the certificates could be entered and there would be no need for further hearing. No such comments, objections, or requests for hearing were received.

NOW UPON CONSIDERATION of the application and the Staff Report, the Commission finds that FairPoint's application should be granted. We also find that we should grant FairPoint's request for authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

Accordingly, IT IS ORDERED THAT:

(1) FairPoint Communications Corp. – Virginia hereby is granted a certificate of public convenience and necessity, No. T-502, to provide local exchange telecommunications services subject to the restrictions set forth in the Commission's Local Rules, § 56-265.4:4 of the Code of the Virginia, and the provisions of this Order.

(2) FairPoint Communications Corp. – Virginia hereby is granted a certificate of public convenience and necessity, No. TT-107A, to provide interexchange telecommunications services subject to the restrictions set forth in the Commission's IXC Rules, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order. FairPoint also is granted authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

(3) FairPoint shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations. FairPoint shall not provide any local exchange or interexchange telecommunications services until the Company's final tariffs have been reviewed and accepted by the Division of Communications.

(4) The hearing currently set for September 7, 2000, hereby is canceled.

(5) Since there is nothing further to come before the Commission, this case hereby is dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC000038
JULY 26, 2000

APPLICATION OF
SASNET, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

DISMISSAL ORDER

On February 15, 2000, SASNET, Inc. ("SASNET" 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 March 6, 2000, SASNET filed an Amended Application that made the application complete. On April 17, 2000, the Commission issued an Order for Notice and Hearing requiring SASNET to publish public notice of its application in newspapers having general circulation throughout the Commonwealth of Virginia on or before May 1, 2000, and to appear for a public hearing on June 7, 2000.

On May 8, 2000, SASNET filed a Motion to Reschedule Public Hearing due to Applicant's failure to publish notice of the application due to administrative error. On May 23, 2000, the Commission issued its Amended Order for Notice and Hearing in the above-captioned case.

On July 18, 2000, SASNET filed a Motion to Extend Time Period for Public Notice and/or Reschedule Public Hearing wherein Applicant revealed that it had again failed to publish notice as directed, on or before June 19, 2000, due to administrative error.

The Commission finds that Applicant's failure to comply with the published notice requirements of both the Order For Notice and Hearing and the Amended Order For Notice and Hearing prevents this Commission from issuing a final order within one hundred and eighty (180) days from the date of filing, as required by Section 56-265.4:4 C 2 of the Code of Virginia.

Accordingly, this matter is dismissed without prejudice to Applicant to refile when it is able to assure this Commission of its ability and willingness to comply with its statutory obligation to provide notice of its application.

IT IS THEREFORE ORDERED THAT:

(1) The application filed by SASNET herein is hereby dismissed without prejudice.

(2) There being nothing further to come before the Commission, this matter is dismissed from the docket, and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUC000040
MARCH 3, 2000

APPLICATION OF
BROADWING COMMUNICATIONS SERVICES OF VIRGINIA, INC., f/k/a IXC COMMUNICATIONS SERVICES OF VIRGINIA INC.

To cancel existing certificate and issue certificate reflecting new name

FINAL ORDER

By letter dated February 18, 2000, IXC Communications of Virginia Inc. ("IXC") notified the State Corporation Commission ("Commission") that it had changed its name to Broadwing Communications Services of Virginia Inc. ("Broadwing"). Attached to that letter was a certificate dated January 6, 2000, amending IXC's articles of incorporation to reflect that entity's new name. In that letter, Broadwing requests that the Commission make the appropriate changes to its certificate of public convenience and necessity to reflect its current name.

NOW THE COMMISSION, having considered the matter, is of the opinion that IXC's certificate (Certificate No. TT-70A) 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. TT-70A is hereby canceled.

(2) Certificate No. TT-70B is hereby issued to Broadwing Communications Services of Virginia Inc., formerly known as IXC Communications Services of Virginia Inc.

CASE NO. PUC000041
JUNE 30, 2000

APPLICATION OF
UNIVERSAL ACCESS OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On February 22, 2000, Universal Access of Virginia, Inc. ("Universal" 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 March 30, 2000, 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 Universal's application. On May 10, 2000, Staff filed its report finding that Universal'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.

A hearing was conducted on May 23, 2000. At the hearing, the application and accompanying attachments, and the Staff report were entered into the record without objection. However, Universal was unable to provide proof of the notice and service to each local exchange carrier certificated in Virginia as required by the Commission's March 30, 2000, Scheduling Order. Subsequent to the hearing, counsel for the Applicant notified Staff that Universal was unable to confirm that notice to the carriers had been provided.

On May 26, 2000, the Commission entered an Order directing that notice be given and continuing the dates for the filing of Comments, Notices of Protest, Protests, and Testimony. The Order also continued the hearing date to June 21, 2000.

A hearing was conducted on June 21, 2000, at which time Universal filed proof of the notice and service as required by the May 26, 2000, Order. No Comments, Notices of Protest, Protests, or Testimony were filed.

Having considered the application and the Staff Report, the Commission finds that Universal should be granted a certificate to provide local exchange telecommunications services throughout Virginia.

Accordingly, IT IS ORDERED THAT:

(1) Universal Access of Virginia, Inc., hereby is granted a certificate of public convenience and necessity, No. T-495, 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) Universal shall provide tariffs to the Division of Communications that 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. PUC000043
JUNE 30, 2000

APPLICATION OF
BELL ATLANTIC – VIRGINIA, INC.

For Exemption from Physical Collocation at its Midlothian and Dulles Corner Central Offices

FINAL ORDER

On February 8, 2000, Bell Atlantic – Virginia, Inc. ("BA-VA"), filed a supplement to its requests in Case No. PUC960164 for exemption from the requirement to provide physical collocation at its Midlothian and Dulles Corner central offices, as well as a withdrawal of its exemption requests for its Ashburn and Pentagon central offices. On February 25, 2000, the Commission entered an Order permitting the withdrawal of the Ashburn and Pentagon exemption requests and transferring the two remaining requests, Midlothian and Dulles Corner, to Case No. PUC000043. The February 25, 2000, Order permitted interested parties to file comments on the exemption requests for the Midlothian and Dulles Corner central offices and directed the Staff to investigate these requests and file a report.

On March 24, 2000, Cavalier Telephone, LLC ("Cavalier"), filed comments on BA-VA's exemption requests. Specifically, Cavalier requested that BA-VA explain its denial of physical collocation space and provide physical collocation in its Midlothian central office if any available space is identified by Staff or other parties.

On April 7, 2000, the Staff filed its report in this case. After its tour and review of the floor plans of the Midlothian central office, Staff stated that it believes there is a small amount of additional space in that office that could be used for physical collocation before an exemption is granted. Staff recommended that BA-VA make changes to its floor plan and build a cage around its own equipment to make additional physical collocation space available at the Midlothian central office. With regard to the Dulles Corner central office, Staff stated that it does not believe that additional physical collocation space is currently available.

Staff recommended that once the additional physical collocation space identified in its report at the Midlothian office is made available, the Commission grant the exemption from physical collocation for that central office. Staff also recommended that the Commission grant BA-VA's requested exemption from physical collocation for the Dulles Corner central office. Further, the Staff stated that any exemption granted for either the Midlothian or Dulles Corner central offices should be terminated once the scheduled building additions at those offices are completed.

On May 17, 2000, BA-VA filed its response to the Staff Report. In its response, BA-VA agreed to make the space identified by Staff in the Midlothian office available for cageless physical collocation on a temporary basis provided that the collocators agree to move their equipment to the new collocation space, at their cost, once the building addition is completed.

NOW UPON CONSIDERATION of the supplemental application, § 251(c)(6) of the Telecommunication Act of 1996, the Commission's Collocation Rules,[1] Cavalier's comments, and the Staff report, the Commission is of the opinion and finds that BA-VA's request for exemption from the requirement to provide physical collocation at its Midlothian central office should be granted once the additional space identified in Staff's report is made available; that BA-VA's request for exemption from the requirement to provide physical collocation at its Dulles Corner central office should be granted; and that these exemptions should be terminated once the scheduled building additions at the Midlothian and Dulles Corner central offices are completed.

Accordingly, IT IS ORDERED THAT:

(1) BA-VA's request for exemption from the requirement to provide physical collocation at its Midlothian central office is granted subject to BA-VA first making available on a temporary basis the additional space identified in Staff's report.

(2) BA-VA shall notify the Staff once the scheduled building additions are completed at the Midlothian and Dulles Corner central offices.

(3) BA-VA's request for exemption from the requirement to provide physical collocation at its Dulles Corner central office is granted.

(4) Once scheduled building additions are completed at the Midlothian and Dulles Corner central offices, the exemptions will be terminated.

(5) 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.

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[1] 20 VAC 5-400-200.

CASE NO. PUC000044
JUNE 19, 2000

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

To implement extended local service from its Charlottesville exchange to its Stanardsville exchange

FINAL ORDER

On February 23, 2000, Central Telephone Company of Virginia ("Centel" 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. Centel proposed to notify its Charlottesville exchange customers of the increases in monthly rates that would be necessary to extend their local service to include Centel's Stanardsville exchange. Telephone customers in the Stanardsville exchange had previously petitioned the Commission for local calling to Charlottesville. In a poll conducted in response to the petition, a majority of the Stanardsville customers responding supported paying higher rates for local calling to Charlottesville. A poll of Charlottesville 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 flat rate.

By Order dated March 29, 2000, the Commission directed Centel to publish notice of the proposed increases in monthly rates. Affected telephone customers were given until May 15, 2000, to file comments or request a hearing on the proposal. No comments or requests for hearing were filed. On May 26, 2000, Centel filed proof of notice as required by the Commission's March 29, 2000, Order.

On June 1, 2000, 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 Centel's Charlottesville exchange to its Stanardsville exchange shall be implemented.

(2) Centel 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. PUC000045
MARCH 28, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In re: Investigation to implement 711 abbreviated dialing access to the Telecommunications Relay Service in Virginia

ORDER INITIATING INVESTIGATION
AND REQUESTING COMMENTS

The Commission initiates this investigation to implement 711 abbreviated dialing access to the Telecommunications Relay Service ("TRS") operated by AT&T Communications of Virginia, Inc. ("AT&T"). We will establish a comment period on this proposed 711 implementation and will designate a "711 Implementation Committee."

On February 19, 1997, the Federal Communications Commission ("FCC") issued its First Report and Order and Further Notice of Proposed Rulemaking In the Matter of the Use of N11 Codes and Other Abbreviated Dialing Arrangements, in CC Docket No. 92-105; FCC 97-51. The First Report and Order, inter alia, ordered Bell Communications Research ("Bellcore"), as then current North American Numbering Plan Administrator ("NANPA"), to assign 711 as a national code for TRS use. Also in that Order, the FCC tentatively concluded that nationwide implementation of 711 dialing for TRS access should occur within three years.

The use of 711 abbreviated dialing provides easier access to the TRS system. Ease of access to the TRS system furthers the goals of the Americans with Disabilities Act of 1990 which requires functionally equivalent access to the telephone network for persons with hearing or speech disabilities. Simplicity of TRS access encourages and supports use by hearing persons as well as persons with hearing and speech disabilities. Using 711 nationwide would facilitate consistency from state to state. Currently there are many TRS numbers assigned within states, often making access to the relay service confusing and difficult.

TRS now utilizes a variety of services to facilitate telephone communication by persons with hearing or speech disabilities. Relay services between text telephone ("TTY") users and voice users utilize a relay operator, called a Communications Assistant ("CA"), to read what the TTY user types to a voice telephone user and to type responses back to the TTY user throughout the duration of a telephone call.[1]

[1] On March 6, 2000, the FCC released a Report and Order in CC Docket 98-67 which adopted additional Rules requiring speech-to-speech relay service, utilizing individuals trained in understanding certain speech patterns to relay conversations for people with speech disabilities; required that Spanish language relay service be provided for interstate calls; and encouraged the provision of video relay interpreting service by making it eligible for reimbursement from the TRS fund. Video relay interpreting utilizes Communications Assistants skilled in sign language to relay conversations for users of American Sign Language. See In the matter of Telecommunications Relay Services, 2000 WL 245346 (F.C.C., Mar. 06, 2000) (No. FCC 00-56).

On February 18, 2000, the Commission's Division of Communications conducted a teleconference with representatives of AT&T, four Local Exchange Companies ("LECs"), the Virginia Telephone Industry Association ("VTIA"), and the Virginia Department for the Deaf and Hard of Hearing ("VDDHH"). AT&T representatives indicated their expectation that 711 abbreviated dialing access to their TRS center, located in Norton, Virginia, could be operational for the public by June 26, 2000.

Description of 711 Service for Virginia

The proposed plan for implementing 711 access in Virginia involves using 711 for both voice and TTY calls. Both voice and TTY users will dial 711 to access AT&T's TRS center. Incumbent Local Exchange Companies ("ILECs") and facilities-based Competitive Local Exchange Companies ("CLECs") will translate the 711 call to a new TRS 800 number. The translation normally occurs within one second. The current voice number and the current TTY number still will be available for calls for those TRS users not using the abbreviated 711 dialing.

When the call reaches the TRS, the Virginia user will enter an Enhanced Voice Upfront Automation Call Flow ("EVUFA") where voice customers will be greeted with an initial "Virginia Relay" prompt. Next, the customer will be prompted to press "1" for a voice call. If the user presses "1" for voice, they will go to another menu and be asked to press "0" for a CA, "1" to enter the number being called, or "2" for an explanation of how the TRS works. This initial voice prompt menu takes five to seven seconds.

If the system receives no response from the caller, the system will check for TTY signals, i.e., ASCII first, secondly Turbo Code, and third for Baudot signals. The EVUFA determines the transmission type and connects the call to a CA. For voice callers taking no action, the Relay system would time-out and transfer the caller to a CA for handling.

If the user does not press any number on the initial menu, a five-second time-out occurs, after which the caller's ANI (Automatic Number Identification) is checked for an entry in the Relay Choice Profile Database. The Relay Choice Profile Database will check the customer's telephone number and in one or two seconds will determine if there is a prearranged option in the database on the choice of call type, i.e., voice, ASCII, Turbo Code, Baudot, Voice Carryover ("VCO"),[2] or Hearing Carryover ("HCO").[3]

If the customer has a Relay Choice Profile, the call will be sent to a CA using the appropriate call type mode, i.e., either voice, ASCII, Turbo Code, Baudot, VCO, or HCO. If the user does not have a Relay Choice Profile, the system will check for ASCII; then in about five seconds the call goes to Turbo Code seek tone. If the user does not respond to Turbo Code, the call goes to the Baudot seek tone. If the user does not respond to Baudot (again in about five seconds), the call is sent to a CA for help.

At worst, a TRS call using 711 would take no more than twenty-two seconds to be processed. This worst-case scenario assumes that the caller is using the Baudot text format and that the customer has no Relay Choice Profile set up, which thus necessitates going through all of the steps. At best, voice customers could connect to a CA in three seconds, and TTY users could connect in seven seconds.

Both ILECs and facilities-based CLECs will need to implement 711 access in order for there to be complete statewide coverage. There will be press releases detailing the proposed implementation of 711 in the Commonwealth; a bill insert or a billing statement will be developed for inclusion in all customers' bills; and the Customer Guide pages of the telephone directories will be updated to include the use of 711 abbreviated dialing access. Payphone service providers ("PSPs") (including all LECs) will be notified of 711 implementation so that their "smart" payphones can be programmed to translate the 711 call directly from the payphone itself.

Conclusion

We conclude that the 711 abbreviated dialing will facilitate the hearing and speech disabled community's access to the TRS system. It is also our belief that the hearing public would be more inclined to call TRS users (those with hearing and speech disabilities) if dialing were simplified.

711 Implementation

To assist the Commission with 711 implementation, we find that a 711 Implementation Committee should be established to develop guidelines for implementation in Virginia. This Committee will be charged with the following: (1) identifying processes required for implementing the 711 abbreviated dialing access; (2) identifying factors such as switch conversion timeframes and the relay provider conversion timeframe; (3) establishing a feasible cutover date; (4) identifying parties to be involved and/or notified of the 711 implementation plan including ILECs, CLECs, long distance companies, wireless companies, PSPs, the VTIA, and TRS user groups; (5) identifying the best method of industry notification (e.g., industry publications); (6) developing a customer notification program (press releases, directory changes, bill inserts, etc.) including template text; (7) submitting input to the Local Exchange Routing Guide; (8) determining the need for system testing and/or a trial period; (9) evaluating the need for special trouble shooting reporting procedures; and (10) evaluating other areas the Committee deems relevant and appropriate. The 711 Implementation Committee should consist of representatives of AT&T, ILECs, CLECs, VTIA, VDDHH, PSPs, the hearing and speech disabled communities, and members of the Commission Staff. Mr. Alan Wickham, Deputy Director of the Commission's Division of Communications, should be notified by all parties desiring to serve on the 711 Implementation Committee.

Comments Invited

To assist the Commission in its investigation, comments are requested from any interested carrier, user, affected industry group, or advocacy group on the Commission's proposed implementation of 711 access to TRS. All comments should be filed no later than May 1, 2000. Comments may be

[2] VCO - Voice Carryover call type is for a deaf or hard-of-hearing person (TTY user) who wants to speak instead of type. The deaf or hard-of-hearing person talks directly into the phone. The CA types the hearing person's response to the TTY user.

[3] HCO - Hearing Carryover call type is for a speech-disabled person who prefers to listen rather than read. The speech-disabled person types his or her part of the conversation for the CA to read to the standard telephone user.

mailed to Joel H. Peck, Clerk, Virginia State Corporation Commission, P.O. Box 2118, Richmond, Virginia 23218, and should refer to Case No. PUC000045. Accordingly,

IT IS THEREFORE ORDERED THAT:

(1) This investigation is docketed and assigned Case No. PUC000045.

(2) All companies, users of telecommunications services, industry, advocacy groups, and other interested parties are invited to file comments by May 1, 2000, as provided above. Any corporation shall be represented by counsel in accordance with Rule 4:8 of the Commission's Rules of Practice and Procedure and shall file an original and fifteen (15) copies of any comments or request for hearing on or before the deadline. Individuals may file single copies.

(3) The Clerk is hereby directed to serve a copy of this Order to all certificated companies, including wireless companies, PSPs, the VTIA, the Atlantic Payphone Association, VDDHH, and the Virginia Association of the Deaf and the Self Help for Hard of Hearing. Thereafter, if any party desires to be added to the service list, a Notice of Participation must be filed in this case.

(4) On or before April 16, 2000, the Commission's Division of Communications shall publish once a week for two (2) consecutive weeks the following notice as classified advertising only with display border in newspapers of general circulation in the Commonwealth of Virginia:

VIRGINIA STATE CORPORATION COMMISSION
NOTICE OF OPPORTUNITY TO COMMENT ON THE
PROPOSED IMPLEMENTATION OF 711 ABBREVIATED DIALING
ACCESS TO THE TELECOMMUNICATIONS RELAY SERVICE
CASE NO. PUC000045

The Virginia State Corporation Commission ("SCC") is inviting comments from telephone customers affected by calling into the Telecommunications Relay Service ("TRS").

The service relays conversations between people with hearing and/or speech disabilities who use text telephones (TTYs/computers) or telebraille and people who use standard telephones.

The Commission is proposing the implementation of 711 abbreviated dialing access to TRS operated by AT&T Communications of Virginia, Inc. ("AT&T"). The SCC has established a comment period on this proposed 711 implementation plan.

The use of 711 abbreviated dialing provides easier access to the TRS system. Ease of access to the TRS system furthers the goals of the Americans with Disabilities Act of 1990 that requires functionally equivalent access to the telephone network for persons with hearing and speech disabilities. Simplicity of TRS access encourages and supports use by hearing persons as well as persons with hearing and speech disabilities.

The proposed plan for implementing 711 access in Virginia involves using 711 for both voice and TTY calls. Both voice and TTY users will dial 711 to access the Relay Center. The current voice number and the current TTY number still will be available for TRS users not using abbreviated 711 dialing. AT&T indicated that their technology could be operational for the public by June 26, 2000.

Customers wishing to comment on the proposed 711 implementation or to request a hearing on the Order may do so by filing such requests or comments in writing, referring to Case No. PUC000045, with the Clerk of the Commission, Joel H. Peck, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, on or before May 1, 2000. Any corporation shall be represented by counsel in accordance with Rule 4:8 of the Commission's Rules of Practice and Procedure and shall file an original and fifteen (15) copies of any comments or request for hearing on or before the deadline. Individuals may file single copies.

CASE NO. PUC000045
JUNE 1, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte: In re: Investigation to implement 711 abbreviated dialing access to the Telecommunications Relay Service in Virginia

FINAL ORDER

In its Order Initiating Investigation and Requesting Comments dated March 28, 2000 ("Initiating Order"), the Commission concluded that 711 abbreviated dialing would facilitate the hearing and speech disabled community's access to the Telecommunications Relay Service ("TRS") system. The Commission initiated an investigation into implementing 711 abbreviated dialing access to TRS, established a comment period on the proposed 711 implementation, and designated a 711 Implementation Committee.

By this Final Order, the Commission is adopting a 711 access implementation schedule.

As stated above, our Initiating Order established a comment period. Comments were received from Bell Atlantic-Virginia, Inc. ("BA-VA"), the Virginia Telecommunications Industry Association ("VTIA"), AT&T Communications of Virginia, Inc. ("AT&T"), Cox Virginia Telcom, Inc. ("Cox"), and ALLTEL Communications, Inc. ("ALLTEL"). Commenting parties strongly supported our efforts to implement 711 dialing access for TRS. The Commission received no comments from any Local Exchange Carrier ("LEC") or Payphone Service Provider ("PSP") expressing concerns or limitations on their ability to implement 711; therefore, we expect no implementation problems. There were no negative comments received regarding the implementation of 711 or the approach outlined in our Initiating Order.

In addition to the comment period, our Initiating Order established a 711 Implementation Committee. This Committee consists of representatives of BA-VA, AT&T, VTIA, the Virginia Department for the Deaf and Hard of Hearing ("VDDHH"), Cox, ALLTEL, GTE ("GTE South Incorporated"), Sprint and the Staff of the Commission's Division of Communications. The 711 Implementation Committee met on May 22, 2000, and identified the tasks, activities, and schedule necessary for implementing 711 dialing. The 711 Implementation Committee agreed that a new TRS toll free number should be utilized for routing the 711 calls. A bill message or bill insert for carriers' use in notifying customers of this new dialing service was developed. The 711 Implementation Committee further agreed on an implementation schedule as follows:

- Affected telecommunications equipment will be modified to handle 711 calls by June 19, 2000;
- A test period of May 29 – June 19, 2000, will be used by LECs and PSPs for testing the new 711 system before it is available to the general public;
- An automated test message will be available when testing the translations and call-thru testing from May 29 – June 19, 2000. Anyone testing beyond June 19, 2000, will reach a live TRS Communications Assistant;
- AT&T will use the relay service to promote 711 awareness to Virginia customers before and/or after each relay call from June 5 through July 24, 2000;
- A public access cutover date of June 26, 2000, will be established for having the 711 dialing access available to the public;
- LECs will include a bill message or bill insert in all customer telephone bills no later than August 31, 2000; and
- LECs will update the customer guide pages of telephone directories for the next scheduled publication to include information on the new 711 access number. The TTY and Voice toll free numbers currently used to reach TRS will continue to appear in the customer guide pages.

In order for the hearing and speech disabled communities to have the broadest possible access to this service, we believe that 711 should be implemented statewide and that all Incumbent Local Exchange Carriers ("ILECs") and facilities-based Competitive Local Exchange Carriers ("CLECs") should implement 711 dialing. Also, PSPs should implement 711 access in their "smart phones".[1]

Accordingly, IT IS THEREFORE ORDERED:

(1) All ILECs and facilities-based CLECs operating in the Commonwealth shall modify their switches to translate calls dialed as 711 to the assigned new TRS toll free number, 800-229-5752, in order to route 711 dialed calls to the TRS provider.

(2) All PSPs shall modify "smart phones" to translate calls dialed as 711, directly from the payphone itself, to the assigned new TRS toll free number, 800-229-5752, in order to route 711 dialed calls to the TRS provider.

(3) Existing TRS toll free numbers, 800-828-1120 (TTY) and 800-828-1140 (Voice), shall remain active for those customers who desire to continue using the existing system.

(4) ILECs, facilities-based CLECs, and PSPs must adhere to the following schedule:

By June 19, 2000	Implement equipment modifications to translate calls dialed as 711 to the assigned toll free number, 800-229-5752.
May 29 – June 19, 2000	711 access testing period.
June 19, 2000	LECs and PSPs should report their ready status to the Commission's Division of Communications. LECs should report their ready status via email: sboclair@scc.state.va.us or call 804-371-9207. PSPs should report their ready status via email: jmullenaux@scc.state.va.us or call 804-371-9850.
June 26, 2000	711 public access cutover date.
June 26 – August 31, 2000	Bill insert/message included in all customer bills.

(5) The bill insert or bill message to be included, no later than August 31, 2000, in all customer bills announcing service availability as of June 26, 2000, shall contain the following:

VA RELAY – IT'S AS EASY AS 7-1-1

Now you can dial 7-1-1 to reach the Virginia Telecommunications Relay Service (VA Relay) 24 hours a day, every day.

[1] Payphones that can be programmed to route the 711 call directly to the TRS Center are considered "smart phones."

What is VA Relay and how does it work? It is a service that relays a conversation between a person with a speech or hearing disability using a TTY (Text Telephone) and a hearing person using a regular telephone. The person using the TTY types his or her conversation and the message is relayed to the other party by a Communications Assistant ("CA"). The CA then relays the hearing person's exact words by typing them back to the TTY user. All CAs have been specially trained to help conversations flow with ease and accuracy. All calls are handled with strictest confidentiality.

From now on, when you call VA Relay from inside Virginia, simply dial 7-1-1. There will be no charge for local calls and a discount will apply on toll calls you make within Virginia, the same as you experience today. All options available to VA Relay users through the existing 800 numbers will be available to 7-1-1 users. You may still use VA Relay by dialing the 800 numbers you currently use. These numbers are 1-800-828-1120 (TTY) and 1-800-828-1140 (Voice).

If you are having trouble dialing 7-1-1 from your home telephone, please call your local telephone company repair service telephone number. This number is in the front of your telephone directory. If you experience trouble dialing 7-1-1 at your business or a public location, please notify the appropriate person at the establishment.

To learn more about VA Relay and 7-1-1, you may contact the Virginia Department for the Deaf and Hard of Hearing at 1-800-552-7917 (Voice/TTY).

A NOTE TO ALL VA RELAY USERS:
Please note that 7-1-1 is to be used only to reach the VA Relay Center.
For EMERGENCIES you should continue to use 9-1-1.

(6) Proof of notice of the bill insert or bill message included in all customer bills announcing 711 access service availability shall be required no later than August 31, 2000.

(7) The Customer Guide pages of telephone directories shall be updated for the next scheduled publication to include the use of 711 abbreviated dialing access. The existing toll free numbers for VA Relay, 1-800-828-1120 (TTY) and 1-800-828-1140 (Voice), should continue to be published.

(8) Bell Atlantic will submit by June 16, 2000, an update to the Local Exchange Routing Guide concerning the availability of 711 dialing in Virginia effective as of June 26, 2000.

CASE NO. PUC000046
AUGUST 25, 2000

APPLICATION OF
PF.NET VIRGINIA CORP.

For a certificate of public convenience and necessity to provide facilities-based interexchange telecommunications services

FINAL ORDER

On May 31, 2000, PF.Net Virginia Corp. ("PF.Net" or "Applicant") completed an application for a certificate of public convenience and necessity ("certificate") with the State Corporation Commission ("Commission") to provide interexchange telecommunications services throughout the Commonwealth of Virginia. The Applicant also requests authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated June 20, 2000, the Commission directed the Applicant 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.

The Applicant filed its proof of publication and notice on July 10, 2000, and no comments or requests for hearing were received. On August 11, 2000, the Staff filed a report finding that PF.Net's application was in compliance with the Commission's Rules Governing the Certification of Interexchange Carriers.[1]

Based upon its review of PF.Net's application and the Applicant's responses to Staff data requests, the Staff determined it would be appropriate to grant an interexchange certificate to PF.Net.

NOW THE COMMISSION, having considered PF.Net's application and the Staff Report, is of the opinion and finds that PF.Net should be granted a certificate to provide interexchange telecommunications services. Having considered § 56-481.1 of the Code of Virginia, the Commission further finds that PF.Net may price its interexchange services competitively.

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[1] 20 VAC 5-400-60.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) PF.Net Virginia Corp. is hereby granted a certificate of public convenience and necessity, No. TT-106A, 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) PF.Net shall provide tariffs to the Division of Communications that conform with all applicable Commission rules and regulations.

(3) Pursuant to § 56-481.1 of the Code of Virginia, PF.Net 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.

CASE NO. PUC000047
MARCH 13, 2000

APPLICATION OF
!NTERPRISE-ALTERNET OF VIRGINIA DATA COMMUNICATIONS

For cancellation of certificates of public convenience and necessity

ORDER

On June 17, 1996, the Commission issued Certificates No. T-361, permitting the provision of local exchange telecommunications services, and No. TT-25A, permitting the provision of interexchange telecommunications services, to !NTERPRISE-Alternet of Virginia Data Communications ("Alternet" or "Company"), in Case No. PUC960001. By letter application filed February 25, 2000, Alternet has requested cancellation of its certificates of public convenience and necessity. Alternet advises that it no longer serves Virginia customers and does not plan to do so in the future.

NOW THE COMMISSION, being sufficiently advised, will grant the requested cancellations. Accordingly,

IT IS ORDERED THAT:

(1) Certificates No. T-361 and TT-25A, issued to !NTERPRISE-Alternet of Virginia Data Communications, together with all the Company's tariffs, are hereby cancelled.

(2) This matter is dismissed.

CASE NO. PUC000048
MARCH 13, 2000

APPLICATION OF
!NTERPRISE-HYPERION OF VIRGINIA DATA COMMUNICATIONS

For cancellation of certificates of public convenience and necessity

ORDER

On November 12, 1996, the Commission issued Certificates No. T-369, permitting the provision of local exchange telecommunications services, and No. TT-28A, permitting the provision of interexchange telecommunications services, to !NTERPRISE-Hyperion of Virginia Data Communications ("Hyperion" or "Company"), in Case No. PUC960083. By letter application filed February 25, 2000, Hyperion has requested cancellation of its certificates of public convenience and necessity. Hyperion advises that it no longer serves Virginia customers and does not plan to do so in the future.

NOW THE COMMISSION, being sufficiently advised, will grant the requested cancellations. Accordingly,

IT IS ORDERED THAT:

(1) Certificates No. T-369 and TT-28A, issued to !NTERPRISE-Hyperion of Virginia Data Communications, together with all the Company's tariffs, are hereby cancelled.

(2) This matter is dismissed.

CASE NO. PUC000049
MARCH 24, 2000

APPLICATION OF
BROADSLATE NETWORKS OF VIRGINIA, INC., f/k/a CARDINAL COMMUNICATIONS OF VIRGINIA, INC.

For cancellation and reissuance of certificates of public convenience and necessity to reflect new corporate name

ORDER

On December 15, 1999, the Commission issued Certificates No. T-470, permitting the provision of local exchange telecommunications services, and No. TT-82A, permitting the provision of interexchange telecommunications services, to Cardinal Communications of Virginia, Inc. ("Cardinal"), in Case No. PUC990141. On January 19, 2000, the Commission issued a certificate of amendment, approving the action whereby Cardinal changed its name to Broadslate Networks of Virginia, Inc. ("Broadslate"). By letter application filed February 25, 2000, Broadslate has requested cancellation of its certificates of public convenience and necessity issued to Cardinal and reissuance of those certificates in the name of Broadslate.

NOW THE COMMISSION, being sufficiently advised, will grant the requested cancellations and reissue the certificates in the name of Broadslate. Accordingly,

IT IS ORDERED THAT:

(1) This matter be docketed and assigned Case No. PUC000049.

(2) Certificates No. T-470 and TT-82A, issued to Cardinal Communications of Virginia, Inc., are hereby cancelled.

(3) Certificates No. T-470a and TT-82B are issued to Broadslate Networks of Virginia, Inc.

(4) Broadslate shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) Any conditions upon the certificates previously issued in the name of Cardinal remain in full force and effect.

(6) This matter is dismissed.

CASE NO. PUC000054
OCTOBER 18, 2000

APPLICATION OF
KMC TELECOM IV OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On May 16, 2000, KMC TELECOM IV OF VIRGINIA, INC. ("KMC IV" or "Applicant"), completed an application for a certificate of public convenience and necessity ("certificate") with the State Corporation Commission ("Commission") requesting authority to provide local exchange telecommunications services throughout the Commonwealth of Virginia.

By Order dated June 20, 2000, 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 KMC IV's application.

On September 21, 2000, the Staff filed its Report finding that KMC IV'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. Based upon its review of KMC IV's application and audited financial statements, the Staff determined it would be appropriate to grant a local exchange certificate to KMC IV.

A hearing was conducted on October 10, 2000. At the hearing, the application and accompanying attachments, the Applicant's testimony, and the Staff Report were entered into the record without objection.

Having considered the application and the Staff Report, the Commission finds that KMC IV should be granted a certificate to provide local exchange telecommunications services throughout Virginia.

Accordingly, IT IS ORDERED THAT:

(1) KMC TELECOM IV OF VIRGINIA, INC., is hereby granted a certificate of public convenience and necessity, No. T-512, to provide local exchange telecommunications services subject to the conditions set forth in the Local Rules, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) KMC IV shall provide tariffs to the Division of Communications that 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. PUC000055
JULY 24, 2000

APPLICATION OF
MPOWER COMMUNICATIONS OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On May 3, 2000, Mpower Communications of Virginia, Inc. ("Mpower" or "Applicant"), completed an application for a certificate of public convenience and necessity ("certificate") with the State Corporation Commission ("Commission") to provide local exchange telecommunications services throughout the Commonwealth of Virginia.

By Order dated May 15, 2000, 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 Mpower's application.

On June 11, 2000, the Staff filed its Report finding that Mpower's application was in compliance with the Commission's Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules"), as codified in 20 VAC 5-400-180. Based on its review of Mpower's application, the Staff determined that it would be appropriate to grant Mpower a certificate to provide local exchange telecommunications services.

There were no written comments or notices of protest filed in this proceeding.

A hearing was held on July 20, 2000. The Applicant filed proof of publication and proof of service at the commencement of the hearing. At the hearing, the application, with accompanying exhibits, and the Staff Report were entered into the record without objection. The Commission also granted Mpower's June 6, 2000, Motion for Leave to Accept Untimely Notice, which was provided to local exchange telephone carriers one day late.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that Mpower should be granted a certificate to provide local exchange telecommunications services.

Accordingly, IT IS ORDERED:

(1) Mpower Communications of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-497, 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, and the provisions of this Order.

(2) Mpower shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(3) 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. PUC000056
NOVEMBER 30, 2000

APPLICATION OF
VERIZON VIRGINIA INC. f/k/a BELL ATLANTIC-VIRGINIA, INC.

For approval of tariff revisions to introduce VAN Single Rate Service and Classify it as Competitive

ORDER CLASSIFYING VAN SINGLE RATE SERVICE AS A COMPETITIVE SERVICE

On March 3, 2000, Verizon Virginia Inc. f/k/a Bell Atlantic-Virginia, Inc. ("Verizon Virginia"), submitted a new service offering in its Long Distance Services Tariff, SCC - Va. No. 209, pursuant to § 4.A of its Plan for Alternative Regulation ("Plan"). Verizon Virginia proposed classifying this new service offering, Verizon Access Number ("VAN") Single Rate Service, as competitive.[1] VAN Single Rate Service is an alternative method of placing calling card and collect telephone calls and is provided to customers who dial a 1-800 number to access Verizon Virginia's VAN platform to place intraLATA Toll and Local Station-to-Station mechanized calling card or collect telephone calls. VAN Single Rate Service became effective April 3, 2000, pursuant to § 56-240 of the Code of Virginia, as amended.

Pursuant to the Commission's Order of May 17, 2000, the period for review of this Application was extended to November 3, 2000. An evidentiary hearing was convened on October 23, 2000, at which time Verizon Virginia and the Commission's Staff presented testimony in support of the proposed classification of VAN Single Rate Service as competitive, as prescribed by § 4.A of Verizon Virginia's Plan. No members of the public appeared to testify, and no comments or protests were filed.

The Commission, based upon the Application and evidence of record, approved the classification of VAN Single Rate Service as competitive in the hearing.

[1] This tariff filing was originally filed as Bell Atlantic Access Number ("BAAN") Single Rate Service. The name change reflected the name change of Applicant herein.

Accordingly, IT IS ORDERED THAT:

(1) VAN Single Rate Service is classified as a Competitive Service.

(2) 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. PUC000057
SEPTEMBER 13, 2000

APPLICATION OF
VERIZON VIRGINIA INC. f/k/a BELL ATLANTIC-VIRGINIA, INC.

To implement additional Community Choice Plan routes

FINAL ORDER

On March 7, 2000, Verizon Virginia Inc. ("Verizon Virginia" or "the Company") filed its application to implement additional Community Choice Plan ("CCP") routes. The CCP affects the rates of some business and residential customers due to eliminating long distance toll rates for calling certain nearby exchanges. Customers instead would choose a flat rate, message rate, or measured rate option for calls to those exchanges.

Under the Company's proposal, local rates in the Coeburn, Narrows, and Pound exchanges would be regrouped to a higher rate classification as a result of those exchanges being included in the CCP. Pursuant to the Commission's Order of June 22, 2000, Verizon Virginia furnished direct mail notice to customers living within those exchanges who would be regrouped and pay a higher rate as a result of being included in the CCP. Customers in the affected exchanges were permitted to file written comments or requests for hearing with the Clerk of the Commission on or before August 1, 2000.

Although four (4) affected customers filed comments opposing the CCP, the Commission finds that it is in the public interest to approve the implementation of additional CCP routes resulting in regrouping local rates in the Coeburn, Narrows, and Pound exchanges into a higher rate classification.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) Verizon Virginia shall implement its Community Choice Plan in its Coeburn, Narrows, and Pound exchanges as proposed, pursuant to the tariffs filed herein.

(2) There being nothing further to come before the Commission, this docket is closed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC000058
MAY 26, 2000

APPLICATION OF
NET-TEL CORPORATION OF VIRGINIA

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On March 7, 2000, NET-tel Corporation of Virginia ("NET-tel" or "Applicant") filed an application for certificates of public convenience and necessity ("certificates") with the State Corporation Commission ("Commission") 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 March 24, 2000, 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 NET-tel's application. On May 9, 2000, the Staff filed its report finding that NET-tel's application was in compliance with 20 VAC 5-400-180, the Rules for Local Exchange Telephone Competition ("Local Rules"), and 20 VAC 5-400-60, the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"). Based upon its review of NET-tel's application and audited financial statements of its ultimate parent, NET-tel Communications Inc., the Staff determined it would be appropriate to grant both local exchange and interexchange certificates to the Applicant.

A hearing was conducted on May 23, 2000. NET-tel submitted its proof of publication and proof of notice as required by the March 24, 2000, 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 NET-tel's application should be granted. Having considered § 56-481.1 of the Code of Virginia, the Commission also finds that NET-tel may price its interexchange services competitively.

Accordingly, IT IS ORDERED THAT:

(1) NET-tel Corporation of Virginia is hereby granted a certificate of public convenience and necessity, No. TT-95A, to provide interexchange services subject to the restrictions set forth in the IXC Rules and § 56-265.4:4 of the Code of Virginia.

(2) NET-tel Corporation of Virginia is hereby granted a certificate of public convenience and necessity, No. T-488, to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules and § 56-265.4:4 of the Code of Virginia.

(3) Pursuant to § 56-481.1 of the Code of Virginia, NET-tel may price its interexchange services competitively.

(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. PUC000059
APRIL 6, 2000

APPLICATION OF
USN COMMUNICATIONS VIRGINIA, INC.

For cancellation of certificate of public convenience and necessity

ORDER

On November 24, 1997, the Commission issued Certificate No. T-394, permitting the provision of local exchange telecommunications services by USN Communications Virginia, Inc. ("USN-Va" or "Company"), in Case No. PUC970141. By letter application filed March 9, 2000, USN-Va advised that it is in voluntary bankruptcy reorganization and requested cancellation of its certificate of public convenience and necessity.[1] By prior Order in Case No. PUC990027, the Commission granted to CoreComm Virginia, Inc., authority to provide service to USN-Va's former customers.

NOW THE COMMISSION, being sufficiently advised, will grant the requested cancellation. Accordingly,

IT IS ORDERED THAT:

(1) Certificate No. T-394, issued to USN Communications Virginia, Inc., is hereby cancelled.

(2) This matter is dismissed.

[1] The letter application also advised the Commission that USN-Va's sister company, USN Communications Long Distance, had also ceased operations within the Commonwealth.

CASE NO. PUC000060
MAY 26, 2000

APPLICATION OF
TELERGY NETWORK SERVICES OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On March 9, 2000, Telergy Network Services of Virginia, Inc. ("Telergy" or "Applicant"), filed an application for certificates of public convenience and necessity ("certificates") with the State Corporation Commission ("Commission") 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 March 30, 2000, 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 Telergy's application. On May 10, 2000, the Staff filed its report finding that Telergy's application was in compliance with 20 VAC 5-400-180, the Rules for Local Exchange Telephone Competition ("Local Rules"), and 20 VAC 5-400-60, the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"). Based upon its review of Telergy's application and audited financial statements of its ultimate parent, Telergy, Inc., and Subsidiaries, the Staff determined it would be appropriate to grant both local exchange and interexchange certificates to the Applicant.

A hearing was conducted on May 23, 2000. Telergy submitted its proof of publication and proof of notice as required by the March 30, 2000, 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 Telergy's application should be granted. Having considered § 56-481.1 of the Code of Virginia, the Commission also finds that Telergy may price its interexchange services competitively.

Accordingly, IT IS ORDERED THAT:

(1) Telergy Network Services of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-94A, to provide interexchange services subject to the restrictions set forth in the IXC Rules and § 56-265.4:4 of the Code of Virginia.

(2) Telergy Network Services of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-487, to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules and § 56-265.4:4 of the Code of Virginia.

(3) Pursuant to § 56-481.1 of the Code of Virginia, Telergy may price its interexchange services competitively.

(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. PUC000061
JUNE 30, 2000

APPLICATION OF
BELL ATLANTIC – VIRGINIA, INC.

For Exemption from Physical Collocation at its Bethia, Gayton Road, Herndon, and Centreville Central Offices

FINAL ORDER

On March 3, 2000, Bell Atlantic - Virginia, Inc. ("BA-VA"), filed with the Commission a request for exemption from the requirement to provide physical collocation in its Bethia, Gayton Road, and Herndon central offices. On March 13, 2000, BA-VA filed an additional request for exemption from physical collocation at its Centreville office.

On March 24, 2000, the Commission entered an Order directing interested parties to comment on BA-VA's requests and the Commission's Staff to investigate the requests for exemption and file a report. On April 20, 2000, Cavalier Telephone, LLC ("Cavalier"), filed comments stating that additional collocation space exists at BA-VA's Gayton Road central office and requesting that the Commission deny BA-VA's request for exemption to provide physical collocation at this central office.

On May 15, 2000, the Staff filed its report in this case. In its report, Staff recommended that BA-VA withdraw its exemption request for the Bethia central office; or, in the alternative, that the Commission deny BA-VA's request for exemption for this central office because the amount of available collocation space in the office exceeds the amount of currently requested space. The Staff recommended that the Commission grant BA-VA's requests for exemption for its Centreville, Gayton Road, and Herndon offices pursuant to § 251(c)(6) of the Telecommunications Act of 1996 ("the Act") and the Commission's Collocation Rules, 20 VAC 5-400-200. With regard to the Gayton Road central office, the Staff stated that some of the space identified by Cavalier cannot be used for collocation space because no access to the equipment would be possible in the configuration suggested, and some of the space is needed by BA-VA for a Plug-In Card Storage cabinet. Further, the Staff recommended that any exemptions granted for the Centreville, Gayton Road, or Herndon offices be terminated once scheduled building additions are completed at those offices.

On May 17, 2000, BA-VA withdrew its exemption request for the Bethia central office.

NOW UPON CONSIDERATION of the application, § 251(c)(6) of the Act, the Commission's Collocation Rules, Cavalier's comments, and the Staff report, the Commission is of the opinion and finds that BA-VA's requests for exemption from the requirement to provide physical collocation at its Centreville, Herndon, and Gayton Road offices should be granted; and that BA-VA's withdrawal of its request for exemption for the Bethia central office should be accepted.

Accordingly, IT IS ORDERED THAT:

(1) BA-VA's requests for exemption from the requirements to provide physical collocation at its Centreville, Herndon, and Gayton Road offices are granted.

(2) BA-VA shall notify the Staff once the scheduled building additions are completed at the Centreville, Herndon, and Gayton Road central offices.

(3) Once scheduled building additions are completed at the Centreville, Herndon, and Gayton Road central offices, the exemptions will be terminated.

(4) BA-VA's withdrawal of its requested exemption for the Bethia central office is accepted.

(5) 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. PUC000063
JUNE 15, 2000

APPLICATION OF
BROADVIEW NETWORKS OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On March 13, 2000, Broadview Networks of Virginia, Inc. ("Broadview" or "Applicant"), filed an application for certificates of public convenience and necessity with the State Corporation Commission ("Commission") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. Broadview 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 12, 2000, 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 Broadview's application.

On May 23, 2000, the Staff filed its Report finding that Broadview's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules") and the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"). Based upon its review of Broadview's application, the Staff determined it would be appropriate to grant the Applicant certificates to provide local exchange and interexchange telecommunications services.

A hearing was conducted on June 7, 2000. Broadview filed proof of publication and proof of service as required by the April 12, 2000, Order. At the hearing, the application and accompanying attachments and the Staff Report were entered into the record without objection.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that Broadview should be granted certificates to provide local exchange and interexchange telecommunications services. Having considered § 56-481.1, the Commission further finds that Broadview may price its interexchange services competitively.

Accordingly, IT IS ORDERED THAT:

(1) Broadview Networks of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-96A, to provide interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, 20 VAC 5-400-60.

(2) Broadview Networks of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-490, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Offering of Competitive Local Exchange Telephone Service, 20 VAC 5-400-180.

(3) Broadview shall provide tariffs to the Division of Communications that conform with all applicable Commission rules and regulations.

(4) Pursuant to § 56-481.1 of the Code of Virginia, Broadview 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. PUC000064
JUNE 15, 2000

APPLICATION OF
EGIX NETWORK SERVICES OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On March 13, 2000, EGIX Network Services of Virginia, Inc. ("EGIX" or "Applicant"), filed an application for certificates of public convenience and necessity with the State Corporation Commission ("Commission") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. EGIX 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 12, 2000, 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 EGIX's application.

On May 19, 2000, the Staff filed its Report finding that EGIX's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules") and the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"). Based upon its review of EGIX's application, the Staff determined it would be appropriate to grant the Applicant certificates to provide local exchange and interexchange telecommunications services.

A hearing was conducted on June 7, 2000. EGIX filed proof of publication and proof of service as required by the April 12, 2000, Order. At the hearing, the application and accompanying attachments and the Staff Report were entered into the record without objection.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that EGIX should be granted certificates to provide local exchange and interexchange telecommunications services. Having considered § 56-481.1, the Commission further finds that EGIX may price its interexchange services competitively.

Accordingly, IT IS ORDERED THAT:

(1) EGIX Network Services of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-97A, to provide interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, 20 VAC 5-400-60.

(2) EGIX Network Services of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-491, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Offering of Competitive Local Exchange Telephone Service, 20 VAC 5-400-180.

(3) EGIX shall provide tariffs to the Division of Communications that conform with all applicable Commission rules and regulations.

(4) Pursuant to § 56-481.1 of the Code of Virginia, EGIX 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. PUC000066
JUNE 15, 2000

APPLICATION OF
PUREPACKET COMMUNICATIONS OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On March 28, 2000, PUREPACKET COMMUNICATIONS OF VIRGINIA, INC. ("PUREPACKET" 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 12, 2000, 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 PUREPACKET's application.

On May 24, 2000, Staff filed its report finding that PUREPACKET's application was in compliance with the Commission's Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules"). Based upon its review of PUREPACKET's application, the Staff determined it would be appropriate to grant the Applicant a certificate to provide local exchange telecommunications services subject to the following conditions: (1) any customer deposits collected by PUREPACKET 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) PUREPACKET shall provide audited financial statements of the parent company, PurePacket Communications, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of the Company's initial tariff.

A hearing was conducted on June 7, 2000, and PUREPACKET filed proof of publication and proof of service as required by the April 12, 2000, Order. At the hearing, the application and accompanying attachments and the Staff Report were entered into the record without objection.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that PUREPACKET should be granted a certificate to provide local exchange telecommunications services subject to certain conditions.

Accordingly, IT IS ORDERED THAT:

(1) PUREPACKET COMMUNICATIONS OF VIRGINIA, INC., is hereby granted a certificate of public convenience and necessity, No. T-489, 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) Should PUREPACKET 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 Division of Economics and Finance 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.

(3) PUREPACKET shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) PUREPACKET shall provide audited financial statements of the parent company, PurePacket Communications, Inc., to the Division of Economics and Finance no later than one (1) year from the date of PUREPACKET's initial tariff.

(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. PUC000067
SEPTEMBER 19, 2000

APPLICATION OF
LIGHTSHIP TELECOM, LLC

For certificates of public convenience and necessity to provide facilities-based and resold local exchange and interexchange telecommunications services

FINAL ORDER

On April 17, 2000, Lightship Telecom, LLC ("Lightship" or "Applicant"), completed an application for certificates of public convenience and necessity ("certificates") to the State Corporation Commission ("Commission") to provide facilities-based and resold local exchange and facilities-based interexchange telecommunications services throughout the Commonwealth of Virginia. The Applicant also requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

On May 2, 2000, the Commission issued an Order for Notice and Hearing in the above-referenced matter directing Lightship to publish notice of its application on or before May 12, 2000, and to give notice to all local exchange telephone carriers certificated in Virginia on or before the same date, and scheduling a public hearing to receive evidence relevant to Lightship's application. By Order dated June 7, 2000, the Commission granted the Applicant an extension of time to respond to Commission Staff's data requests and revised the procedural schedule. As Lightship had provided notice to Virginia certificated local exchange and interexchange telephone carriers ("Carriers") and published notice of its application to the public, the June 21, 2000, public hearing was held for the purpose of receiving public witnesses only.

At the June 21, 2000, hearing, Lightship did not provide proof of notice and service to the Carriers, or proof of publication in newspapers circulated throughout the Applicant's proposed service territory as required by the May 2, 2000, Order. On June 23, 2000, counsel for Lightship filed proof of notice and service to the Carriers and proof of publication in four (4) newspapers. Lightship was unable to confirm publication in a fifth newspaper required for notice to its proposed service territory, the Bristol Herald Courier. By Order dated June 30, 2000, the Commission directed publication to be completed in the Bristol Herald Courier on or before July 14, 2000. On July 28, 2000, Counsel for Lightship filed proof that publication took place in Bristol Herald Courier on July 9, 2000.

On August 29, 2000, the Staff filed its Report finding that Lightship's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules") and the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"). Based upon its review of Lightship's application, the Staff determined it would be appropriate to grant the Applicant certificates to provide local exchange and interexchange telecommunications services.

A hearing was conducted on September 13, 2000. At the hearing, the application and accompanying attachments and the Staff Report were entered into the record without objection.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that Lightship should be granted certificates to provide local exchange and interexchange telecommunications services. Having considered § 56-481.1, the Commission further finds that Lightship may price its interexchange telecommunications services competitively.

Accordingly, IT IS ORDERED THAT:

(1) Lightship Telecom, LLC, is hereby granted a certificate of public convenience and necessity, No. TT-110A, 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.

(2) Lightship Telecom, LLC, is hereby granted a certificate of public convenience and necessity, No. T-508, 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.

(3) Lightship Telecom, LLC, 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.

(4) Pursuant to § 56-481.1 of the Code of Virginia, Lightship Telecom, LLC, may price its interexchange telecommunications 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. PUC000073
JUNE 30, 2000

APPLICATION OF
EVEREST CONNECTIONS CORPORATION OF VIRGINIA

For certificates of public convenience and necessity to provide facilities-based and resold local exchange and facilities-based interexchange telecommunications services

FINAL ORDER

On March 22, 2000, Everest Connections Corporation of Virginia ("Everest" or "Applicant"), completed an application for certificates of public convenience and necessity with the State Corporation Commission ("Commission") to provide facilities-based and resold local exchange and facilities-based interexchange telecommunications services throughout the Commonwealth of Virginia. Everest 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 14, 2000, 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 Everest's application.

On June 12, 2000, the Staff filed its Report finding that Everest's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules") and the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"). Based upon its review of Everest's application, the Staff determined it would be appropriate to grant the Applicant certificates to provide local exchange and interexchange telecommunications services subject to the following two conditions: (1) any customer deposits collected by Everest 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) Everest shall provide audited financial statements of its ultimate parent, Everest Global Technologies Group, LLC, 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 June 21, 2000. Everest filed proof of publication and proof of service as required by the April 14, 2000, Order. At the hearing, the application and accompanying attachments, and the Staff Report were entered into the record without objection.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that Everest should be granted certificates to provide local exchange and interexchange telecommunications services. Having considered § 56-481.1, the Commission further finds that Everest may price its interexchange services competitively.

Accordingly, IT IS ORDERED THAT:

(1) Everest Connections Corporation is hereby granted a certificate of public convenience and necessity, No. TT-99A, to provide interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, 20 VAC 5-400-60, and the provisions of this Order.

(2) Everest Connections Corporation of Virginia is hereby granted a certificate of public convenience and necessity, No. T-492, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Offering of Competitive Local Exchange Telephone Service, 20 VAC 5-400-180, and the provisions of this Order.

(3) Should Everest collect customer deposits, it shall establish and maintain an escrow account, held by a third party, to hold such funds and shall notify the Division of Economics and Finance 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) Everest Connections Corporation of Virginia shall provide tariffs to the Division of Communications that conform with all applicable Commission rules and regulations.

(5) Everest shall provide audited financial statements of its ultimate parent, Everest Global Technologies Group, LLC, to the Division of Economics and Finance no later than one (1) year from the effective date of the Company's initial tariff.

(6) Pursuant to § 56-481.1 of the Code of Virginia, Everest 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. PUC000076
SEPTEMBER 13, 2000

APPLICATION OF
BROADSTREET COMMUNICATIONS OF VIRGINIA, L.L.C.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On May 10, 2000, BroadStreet Communications of Virginia, L.L.C. ("BroadStreet" or "Applicant"), completed an application for a certificate of public convenience and necessity ("certificate") with the State Corporation Commission ("Commission") to provide local exchange telecommunications services throughout the Commonwealth of Virginia.[1]

By Order dated May 26, 2000, 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 BroadStreet's application.

On August 23, 2000, the Staff filed its Report finding that BroadStreet's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules"), 20 VAC 5-400-180. Based on its review of BroadStreet's application, the Staff determined that it would be appropriate to grant the Applicant a certificate to provide local exchange telecommunications services, subject to the following conditions: (i) any customer deposits collected by BroadStreet shall be retained in an unaffiliated third-party escrow account until such time as the Staff or the Commission determines it is no longer necessary; and (ii) BroadStreet shall provide audited financial statements of its parent, BroadStreet Communications, Inc., to the Staff of the Division of Economics and Finance no later than one (1) year from the effective date of BroadStreet's initial tariff.

A hearing was conducted on September 7, 2000. BroadStreet filed proof of publication and proof of service as required by the Commission's Order dated May 26, 2000. At the hearing, the application and accompanying exhibits and the Staff Report were entered into the record without objection.

There were no written comments or notices of protest filed in this proceeding. No public witnesses appeared at the hearing.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that BroadStreet should be granted a certificate to provide local exchange telecommunications services in Virginia.

Accordingly, IT IS ORDERED THAT:

(1) BroadStreet Communications of Virginia, L.L.C., is hereby granted a certificate of public convenience and necessity, No. T-507, 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, and the provisions of this Order.

(2) BroadStreet shall provide tariffs to the Division of Communications that conform with all applicable Commission rules and regulations.

(3) Should BroadStreet 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 Division of Economics and Finance 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 it is necessary.

(4) BroadStreet shall provide to the Division of Economics and Finance audited financial statements of its parent, BroadStreet Communications, Inc., no later than one (1) year from the effective date of BroadStreet's initial tariff.

(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.

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[1] In its original application, BroadStreet requested both local and interexchange telecommunications authority. BroadStreet subsequently amended its application to request only local exchange telecommunications authority.

CASE NO. PUC000079
AUGUST 22, 2000

PETITION OF
FOCAL COMMUNICATIONS CORPORATION OF VIRGINIA

For arbitration pursuant to Section 252(b) of the Telecommunications Act of 1996 to establish an interconnection agreement with Verizon Virginia Inc. f/k/a Bell Atlantic – Virginia, Inc.

FINAL ORDER

Pursuant to § 252(b) of the Telecommunications Act of 1996 ("the Act"), Focal Communications Corporation of Virginia ("Focal") filed with the Commission on March 31, 2000, a Petition For Arbitration ("Petition") to establish an interconnection agreement with Verizon Virginia Inc. f/k/a Bell Atlantic – Virginia, Inc. ("Verizon"). The Commission issued an Order on July 19, 2000, which determined that the Petition would be considered under 20 VAC 5-400-180 F, the Commission's Rules Governing the Offering of Competitive Local Exchange Telephone Service. The purpose of invoking this

rule was to avoid constructive waiver of immunity from federal appeal under the Act, pursuant to the Eleventh Amendment to the Constitution of the United States.[1]

Our July 19, 2000, Order therefore amended our April 14, 2000, Order for Response, which had required Verizon to respond to the unresolved issues in the Petition to reflect consideration of Focal's Petition under 20 VAC 5-400-180 F 6, rather than under 20 VAC 5-400-190, the Commission's Rules for Implementing §§ 251 and 252 of the Act. Focal was required to indicate to the Commission whether it wished to proceed with arbitration under the Act before the Federal Communications Commission ("FCC") in lieu of the Commission, or to present any remaining unresolved issues to the Commission pursuant to 20 VAC 5-400-180 F 6.

On August 3, 2000, Focal filed a Statement of Intention advising the Commission that it declined to pursue arbitration with Verizon pursuant to the framework outlined in our July 19, 2000, Order. Focal further advised the Commission that, as a separate matter, it would be notifying Verizon of its intention to adopt a different interconnection agreement already negotiated between Verizon and another party pursuant to § 252(i) of the Act.

Accordingly, IT IS ORDERED THAT there being nothing further to come before the Commission, this case shall be dismissed, and all papers filed herein shall be placed in the file for ended causes.

[1] Our Order issued June 15, 2000, in Case No. PUC990191 states the reasons for declining to exercise full jurisdiction under the Act.

CASE NO. PUC000113
JULY 26, 2000

APPLICATION OF
VITTS NETWORKS OF VIRGINIA, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On April 3, 2000, Vitts Networks of Virginia, LLC ("Vitts" or the "Company"), filed an application for certificates of public convenience and necessity with the State Corporation Commission ("Commission") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia.[1] Vitts 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, 2000, 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 Vitts' application.

On June 23, 2000, the Staff filed its Report finding that Vitts' application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules") and the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"). Based upon its review of Vitts' application, the Staff determined it would be appropriate to grant the Company certificates to provide local exchange and interexchange telecommunications services subject to the following condition: at such time as voice services are initiated by the Company, Vitts shall provide and comply with all requirements of § C of the Local Rules pertaining to conditions for certification.

A hearing was conducted on July 12, 2000. Vitts filed proof of publication and proof of service as required by the April 28, 2000, Order. At the hearing, the application and accompanying attachments and the Staff Report were entered into the record without objection.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that Vitts should be granted certificates to provide local exchange and interexchange telecommunications services. Having considered § 56-481.1, the Commission further finds that Vitts may price its interexchange services competitively.

Accordingly, IT IS ORDERED THAT:

(1) Vitts Networks of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. TT 105A, 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) Vitts Networks of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-501, 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) Vitts shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(4) Pursuant to § 56-481.1 of the Code of Virginia, Vitts may price its interexchange services competitively.

(5) At such time as voice services are initiated by the Company, Vitts shall provide and comply with all requirements of § C of the Local Rules pertaining to conditions for certification.

[1] Vitts initially will be providing only high-speed data service primarily to business customers.

(6) 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. PUC000116
AUGUST 22, 2000

MOTION OF
MCIMETRO ACCESS TRANSMISSION SERVICES OF VIRGINIA, INC.
and
MCI WORLDCOM COMMUNICATIONS OF VIRGINIA, INC.

For Mediation of Unresolved Issues with Bell Atlantic-Virginia, Inc. pursuant to § 252(a)(2) of the Telecommunications Act of 1996

ORDER OF DISMISSAL

On April 3, 2000, MCImetro Access Transmission Services of Virginia, Inc., and MCI WorldCom Communications of Virginia, Inc. (collectively "MCI WorldCom"), filed their request for mediation, pursuant to § 252(a)(2) of the Telecommunications Act of 1996 ("Act"). Pursuant to the Commission's Order Directing Response, Bell Atlantic-Virginia, Inc. (now Verizon Virginia Inc. and hereinafter, "Verizon Virginia"), filed its Response in opposition to MCI WorldCom's request for mediation on April 28, 2000.

Verizon Virginia's objection to mediation by the Commission's Staff is that it is premature and that MCI WorldCom has failed to negotiate in good faith.

On August 10, 2000, MCI WorldCom filed its Petition for Arbitration, pursuant to § 252(b) of the Act and 20 VAC 5-400-190, in Case No. PUC000225. According to the arbitration petition, MCI WorldCom has been unable to negotiate an interconnection agreement with Verizon Virginia to replace its existing interconnection agreement[1] and must now petition for arbitration of all terms of a replacement agreement.

Because of MCI WorldCom's arbitration petition in Case No. PUC000225 the request filed herein for mediation is moot. Therefore, this case should be dismissed.

Accordingly, IT IS ORDERED THAT this case is hereby dismissed.

[1] The existing interconnection agreement was approved in Case No. PUC960113. Its initial term runs to July 17, 2000, with a provision that allows the interconnection agreement to continue "month-to-month" until replaced.

CASE NO. PUC000119
JULY 26, 2000

APPLICATION OF
DEAN NETWORKS OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On April 19, 2000, Dean Networks of Virginia, Inc. ("Dean" or "Company"), filed an application for certificates of public convenience and necessity with the State Corporation Commission ("Commission") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. Dean 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 5, 2000, 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 the Company's application.

On June 22, 2000, the Staff filed its Report finding that Dean's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules") and the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"). Based upon its review of Dean's application, the Staff determined it would be appropriate to grant the Applicant certificates to provide local exchange and interexchange telecommunications services.

A hearing was conducted on July 12, 2000. Dean filed proof of publication and proof of service as required by the May 5, 2000, Order. At the hearing, the application and accompanying attachments and the Staff Report were entered into the record without objection.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that Dean should be granted certificates to provide local exchange and interexchange telecommunications services. Having considered § 56-481.1, the Commission further finds that Dean may price its interexchange services competitively.

Accordingly, IT IS ORDERED THAT:

(1) Dean Networks of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. TT104A, to provide interexchange services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, 20 VAC 5-400-60.

(2) Dean Networks of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-500, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Offering of Competitive Local Exchange Telephone Service, 20 VAC 5-400-180.

(3) Dean Networks of Virginia, Inc., shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(4) Pursuant to § 56-481.1 of the Code of Virginia, the Company 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. PUC000119
OCTOBER 25, 2000

APPLICATION OF
OPENBAND OF VIRGINIA, INC. F/K/A DEAN NETWORKS OF VIRGINIA, INC.

To amend certificates to reflect new corporate name

ORDER

On October 10, 2000, OpenBand of Virginia, Inc. ("OpenBand" or "Applicant"), filed an application and supporting exhibits establishing that its corporate name has been changed from Dean Networks of Virginia, Inc. ("Dean Networks").[1] Dean Networks holds certificates of public convenience and necessity, No. TT-104A and No. T-500, to provide interexchange and local exchange telecommunications services, respectively, throughout the Commonwealth. The Applicant seeks to amend its certificates of public convenience and necessity to reflect its new corporate name, OpenBand.

The Commission is of the opinion that revised certificates of public convenience and necessity should be granted.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) Certificate of Public Convenience and Necessity No. TT-104A is hereby canceled and shall be reissued as amended Certificate No. TT-104B in the name of OpenBand of Virginia, Inc.

(2) The revised Certificate No. TT-104B shall grant OpenBand authority to provide interexchange telecommunications services in accordance with § 56-265.4:4 of the Code of Virginia and the Commission's Rules Governing the Certification of Interexchange Carriers and subject to the original conditions set forth in Case No. PUC970040, which granted Certificate No. TT-104A.

(3) Certificate of Public Convenience and Necessity No. T-500 is hereby canceled and shall be reissued as amended Certificate No. T-500a in the name of OpenBand of Virginia, Inc.

(4) The revised Certificate No. T-500a shall grant OpenBand authority to provide local exchange telecommunications services in accordance with § 56-265.4:4 of the Code of Virginia and the Commission's Rules for Local Exchange Telephone Competition and subject to the original conditions set forth in Case No. PUC970040, which granted Certificate T-500.

(5) The Applicant shall provide revised tariffs to the Division of Communications reflecting the new name, OpenBand of Virginia, Inc., by January 1, 2000.

(6) There being nothing further to come before the Commission, this matter is dismissed, and the papers filed herein shall be placed in the file for ended causes.

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[1] On October 6, 2000, the Commission issued a Certificate of Amendment pertaining to the change of name from Dean Networks to OpenBand and the amended Articles of Incorporation.

CASE NO. PUC000120
JULY 12, 2000

APPLICATION OF
MCI WORLDCOM COMMUNICATIONS OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide facilities-based interexchange telecommunications services

FINAL ORDER

On April 19, 2000, MCI WORLDCOM Communications of Virginia, Inc. ("MCI WORLDCOM" or "Applicant"), filed an application for a certificate of public convenience and necessity ("certificate") with the State Corporation Commission ("Commission") to provide interexchange telecommunications services throughout the Commonwealth of Virginia. The Applicant also requests authority to price its interexchange services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated May 5, 2000, the Commission directed the Applicant 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.

The Applicant filed its proof of publication and notice on June 2, 2000, and no comments or requests for hearing were received. On June 29, 2000, the Staff filed a report finding that MCI WORLDCOM's application was in compliance with the Commission's Rules Governing the Certification of Interexchange Carriers.[1]

Based upon its review of MCI WORLDCOM's application and the Applicant's responses to Staff data requests, the Staff determined it would be appropriate to grant an interexchange certificate to MCI WORLDCOM.

NOW THE COMMISSION, having considered MCI WORLDCOM's application and the Staff report, is of the opinion and finds that MCI WORLDCOM should be granted a certificate to provide interexchange telecommunications services. Having considered § 56-481.1 of the Code of Virginia, the Commission further finds that MCI WORLDCOM may price its interexchange services competitively.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) MCI WORLDCOM Communications of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-100A, 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) MCI WORLDCOM shall provide tariffs to the Division of Communications that conform with all applicable Commission rules and regulations.

(3) Pursuant to § 56-481.1 of the Code of Virginia, MCI WORLDCOM 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.

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[1] 20 VAC 5-400-60.

CASE NO. PUC000121
SEPTEMBER 12, 2000

APPLICATION OF
VIRGINIA GLOBAL COMMUNICATIONS SYSTEMS, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On April 18, 2000, Virginia Global Communications Systems, Inc. ("Virginia Global" or "Applicant"), filed an application for certificates of public convenience and necessity ("certificates") with the State Corporation Commission ("Commission") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. The Applicant also requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia. On August 14, 2000, Virginia Global filed an amendment correcting certain information in the original application.

By Order dated May 24, 2000, 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 Virginia Global's application.

On August 24, 2000, the Staff filed its report. A supplement to the report was filed on August 28, 2000. The Staff found that Virginia Global's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules"), 20 VAC 5-400-180, and the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"), 20 VAC 5-400-60. Based upon its review of Virginia Global's application, the Staff determined that it would be appropriate to grant the Applicant certificates to provide local exchange and interexchange telecommunications services, subject to the following conditions. First, any customer deposits collected by Virginia Global shall be retained in an

unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary. Next, Virginia Global shall provide audited financial statements to the Staff of the Division of Economics and Finance no later than one year from the effective date of Virginia Global's initial tariff. Finally, at such time as Virginia Global initiates voice service, the Applicant shall comply with all requirements of § C (Conditions for Certification) of the Local Rules.

There were no written comments or notices of protest filed in this proceeding.

A hearing was conducted on September 7, 2000. Virginia Global filed proof of publication and proof of service as required by the May 24, 2000, Order. At the hearing, the application and accompanying exhibits and the Staff Report, as supplemented, were entered into the record without objection.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that Virginia Global should be granted certificates to provide local exchange and interexchange telecommunications services, subject to the conditions detailed herein. Having considered § 56-481.1, the Commission further finds that Virginia Global may price its interexchange telecommunications services competitively.

Accordingly, IT IS ORDERED THAT:

(1) Virginia Global Communications Systems, Inc., is hereby granted a certificate of public convenience and necessity, No. T-505, 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, and the provisions of this Order.

(2) Virginia Global Communications Systems, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-108A, to provide interexchange telecommunications services subject to the restrictions set forth in the IXC Rules and the provisions of this Order.

(3) Should Virginia Global 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 Division of Economics and Finance 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 it is necessary.

(4) Virginia Global shall provide a tariff to the Division of Communications, which conform to all applicable Commission rules and regulations.

(5) Virginia Global shall provide its audited financial statements to the Staff of the Division of Economics and Finance no later than one (1) year from the effective date of Virginia Global's initial tariff.

(6) Virginia Global shall comply with all requirements of § C (Conditions for Certification) of the Local Rules at such time as voice services are initiated.

(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. PUC000127
JULY 26, 2000

APPLICATION OF
MAXCESS OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide facilities-based and resold local exchange and interexchange telecommunications services

FINAL ORDER

On April 21, 2000, Maxcess of Virginia, Inc. ("Maxcess" or the "Company"), filed an application for certificates of public convenience and necessity with the State Corporation Commission ("Commission") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. Maxcess 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 5, 2000, 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 Maxcess' application.

On June 23, 2000, the Staff filed its Report finding that Maxcess' application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules") and the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"). Based upon its review of Maxcess' application, the Staff determined it would be appropriate to grant the Applicant certificates to provide local exchange and interexchange telecommunications services subject to the following 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 of its parent, Maxcess, Inc., 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 12, 2000. Maxcess filed proof of publication and proof of service as required by the May 5, 2000, Order. At the hearing, the application and accompanying attachments and the Staff Report were entered into the record without objection.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that Maxcess should be granted certificates to provide local exchange and interexchange telecommunications services. Having considered § 56-481.1, the Commission further finds that Maxcess may price its interexchange services competitively.

Accordingly, IT IS ORDERED THAT:

(1) Maxcess of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No TT103A, 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) Maxcess of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-499, 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) Should Maxcess 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 Division of Economics and Finance of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained for such time as the Staff or Commission determines it is necessary.

(4) Maxcess shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) Maxcess shall provide audited financial statements of its parent, Maxcess, Inc., to the Division of Economics and Finance, no later than one (1) year from the effective date of Maxcess' initial tariff.

(6) Pursuant to § 56-481.1 of the Code of Virginia, Maxcess 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. PUC000128
JULY 24, 2000

APPLICATION OF
MVX.COM COMMUNICATIONS OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On April 24, 2000, MVX.COM Communications of Virginia, Inc. ("MVX.COM" or "Applicant"), filed an application for certificates of public convenience and necessity ("certificates") with the State Corporation Commission ("Commission") 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 May 11, 2000, 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 MVX.COM's application.

On July 10, 2000, the Staff filed its Report finding that MVX.COM's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules"), 20 VAC 5-400-180, and the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"), 20 VAC 5-400-60. Based upon its review of MVX.COM's application, the Staff determined that it would be appropriate to grant the Applicant certificates to provide local exchange and interexchange telecommunications services, subject to the following conditions: (1) any customer deposits collected by MVX.COM 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) MVX.COM shall provide audited financial statements of its parent, MVX.COM Communications, Inc., to the Staff of the Division of Economics and Finance no later than one year from the effective date of MVX.COM's initial tariff.

There were no written comments or notices of protest filed in this proceeding.

A hearing was conducted on July 20, 2000. MVX.COM filed proof of publication and proof of service as required by the May 11, 2000, Order. At the hearing, the application and accompanying exhibits and the Staff Report were entered into the record without objection.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that MVX.COM should be granted certificates to provide local exchange and interexchange telecommunications services, subject to the conditions detailed herein. Having considered § 56-481.1, the Commission further finds that MVX.COM may price its interexchange services competitively.

Accordingly, IT IS ORDERED THAT:

(1) MVX.COM Communications of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-49B, to provide local exchange telecommunications services and subject to the restrictions set forth in the Local Rules, § 56-265.4:4 of the Code of the Virginia, and the provisions of this Order.

(2) MVX.COM Communications of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-102A, to provide interexchange services subject to the restrictions set forth in the IXC Rules and the provisions of this Order.

(3) Should MVX.COM 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 Division of Economics and Finance 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 it is necessary.

(4) MVX.COM shall provide tariffs to the Division of Communications, which conform to all applicable Commission rules and regulations.

(5) MVX.COM shall provide audited financial statements of its parent, MVX.COM Communications, Inc., to the Staff of the Division of Economics and Finance no later than one year from the effective date of MVX.COM's initial tariff.

(6) 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. PUC000128
JULY 28, 2000

APPLICATION OF
MVX.COM COMMUNICATIONS OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

NUNC PRO TUNC ORDER

On July 24, 2000, the Commission issued a Final Order in the above-captioned case that granted MVX.COM Communications of Virginia, Inc. ("MVX"), certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services. The Commission has been made administratively aware of an error in the Order regarding the certificate of public convenience and necessity issued to MVX to provide local exchange telecommunications services.

Accordingly, the Commission hereby orders that said certificate number appearing in the first ordering paragraph of the Final Order, to wit: No. T-49B, shall be changed, nunc pro tunc, to read T-498, effective July 24, 1998.

CASE NO. PUC000128
AUGUST 8, 2000

APPLICATION OF
MVX.COM COMMUNICATIONS OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

CORRECTING ORDER

By Order dated July 28, 2000, the Commission changed, nunc pro tunc, the certificate number authorizing MVX.COM Communications of Virginia, Inc., to provide local exchange telecommunications services from that specified in the first ordering paragraph of its July 24, 2000, Final Order from No. T-49B to No. T-498. That July 28, 2000, Order, however, incorrectly referenced the effective date for issuance of that certificate.

Accordingly, the Commission hereby orders that the date referenced in our Order of July 28, 2000, for issuance of the above-referenced certificate shall be corrected to reference an effective date of July 24, 2000.

CASE NO. PUC000129
JULY 14, 2000

APPLICATION OF
U.S. TELEPACIFIC CORP. (VIRGINIA)

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On April 24, 2000, U.S. TelePacific Corp. (Virginia) ("TelePacific" or "Applicant") filed an application for certificates of public convenience and necessity ("certificates") with the State Corporation Commission ("Commission") 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 May 5, 2000, 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 TelePacific's application. On June 22, 2000, the Staff filed its report finding that TelePacific's application was in compliance with 20 VAC 5-400-180, the Rules for Local Exchange Telephone Competition ("Local Rules"), and 20 VAC 5-400-60, the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"). Based upon

its review of TelePacific's application and audited financial statements, the Staff determined it would be appropriate to grant both local exchange and interexchange certificates to the Applicant.

A hearing was conducted on July 12, 2000. TelePacific submitted its proof of publication and proof of notice as required by the May 5, 2000, Scheduling Order. At the hearing, the application and accompanying attachments and the Staff Report, with one correction, were entered into the record without objection.

NOW UPON CONSIDERATION of the application and the Staff Report, the Commission finds that TelePacific's application should be granted. Having considered § 56-481.1 of the Code of Virginia, the Commission also finds that TelePacific may price its interexchange services competitively.

Accordingly, IT IS ORDERED THAT:

(1) U.S. TelePacific Corp. (Virginia) is hereby granted a certificate of public convenience and necessity, No. TT-101A, to provide interexchange services subject to the restrictions set forth in the IXC Rules and § 56-265.4:4 of the Code of Virginia.

(2) U.S. TelePacific Corp. (Virginia) is hereby granted a certificate of public convenience and necessity, No. T-496, to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules and § 56-265.4:4 of the Code of Virginia.

(3) Pursuant to § 56-481.1 of the Code of Virginia, TelePacific may price its interexchange services competitively.

(4) U.S. TelePacific Corp. (Virginia) shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(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. PUC000130
OCTOBER 18, 2000

APPLICATION OF
LIGHTNETWORKS OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

ORDER PERMITTING WITHDRAWAL OF APPLICATION

On April 25, 2000, LightNetworks of Virginia, Inc. ("LightNetworks" or "Applicant"), filed an application for a certificate of public convenience and necessity ("certificate") with the State Corporation Commission ("Commission") to provide local exchange telecommunications services throughout the Commonwealth of Virginia.

By Order dated July 6, 2000, the Commission docketed the application; directed LightNetworks to give notice to the public of its application; required the Commission Staff to conduct an investigation into the reasonableness of the application and present its findings in a Staff Report; and scheduled a public hearing for September 13, 2000, to receive evidence relevant to LightNetwork's application.

On August 23, 2000, the Commission issued an Order granting the Applicant's August 21, 2000, motion requesting suspension of the procedural schedule in this case pending a transfer in ownership of LightNetworks to another company. The Order suspended all procedural filing dates but retained on the docket the September 13, 2000, hearing for the purpose of receiving comments from public witnesses about LightNetworks application. No public witnesses appeared at this hearing.

On September 29, 2000, LightNetworks filed a motion with the Commission requesting that it be permitted to withdraw its application. LightNetworks states that its ownership has now been transferred, and the new owners do not wish to pursue obtaining a certificate in Virginia.

NOW UPON CONSIDERATION of this matter, we are of the opinion and find that LightNetwork's request for withdrawal of its application is reasonable and should be granted.

Accordingly, IT IS ORDERED THAT:

(1) LightNetwork's request for withdrawal of its application for a certificate of public convenience and necessity to provide local exchange telecommunications services is hereby granted.

(2) There being nothing further to come before the Commission, this case is dismissed without prejudice, and the papers filed herein placed in the file for ended causes.

CASE NO. PUC000132
OCTOBER 13, 2000

APPLICATION OF
URBAN MEDIA OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On May 24, 2000, Urban Media of Virginia, Inc. ("Urban Media" or "Applicant"), completed an application for certificates of public convenience and necessity ("certificates") with the State Corporation Commission ("Commission") 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 Section 56-481.1 of the Code of Virginia.

By Order dated July 6, 2000, 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 Urban Media's application. On September 20, 2000, the Staff filed its report finding that Urban Media's application was in compliance with 20 VAC 5-400-180, the Rules for Local Exchange Telephone Competition ("Local Rules"), and 20 VAC 5-400-60, the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"). Based upon its review of Urban Media's application and unaudited financial statements, the Staff determined it would be appropriate to grant both local exchange and interexchange certificates to the Applicant subject to two conditions: (1) any customer deposits collected by Urban Media 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) Urban Media shall provide audited financial statements of its parent, Urban Media Communications Corporation, to the Staff of the Division of Economics and Finance no later than one (1) year from the effective date of Urban Media's initial tariff.

A hearing was conducted on October 10, 2000, at which time Urban Media filed all proofs of publication and service as required by the July 6, 2000, Scheduling Order. At the hearing, the application and accompanying attachments and the Staff Report were entered into the record without objection. Urban Media agreed to the recommendation and conditions contained in the Staff Report.

NOW UPON CONSIDERATION of the application and the Staff Report, the Commission finds that Urban Media's application should be granted. Having considered Section 56-481.1 of the Code of Virginia, the Commission also finds that Urban Media may price its interexchange telecommunications services competitively.

Accordingly, IT IS ORDERED THAT:

(1) Urban Media of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-112A, to provide interexchange telecommunications services subject to the restrictions set forth in the IXC Rules and Section 56-265.4:4 of the Code of Virginia.

(2) Urban Media of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-511, to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules and Section 56-265.4:4 of the Code of Virginia.

(3) Pursuant to Section 56-481.1 of the Code of Virginia, Urban Media may price its interexchange telecommunications services competitively.

(4) Urban Media shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) Should Urban Media 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 Division of Economics and Finance of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained for such time as the Staff or Commission determines it is necessary.

(6) Urban Media shall provide audited financial statements of its parent, Urban Media Communications Corporation, to the Staff of the Division of Economics and Finance no later than one (1) year from the effective date of Urban Media's initial tariff.

(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. PUC000133
SEPTEMBER 19, 2000

APPLICATION OF
ONFIBER CARRIER SERVICES-VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On May 18, 2000, OnFiber Carrier Services-Virginia, Inc. ("OnFiber" or "Applicant"), completed an application for certificates of public convenience and necessity ("certificates") with the State Corporation Commission ("Commission") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. The Applicant also requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated June 5, 2000, 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 OnFiber's application. On August 22, 2000, the Staff filed its report finding that OnFiber's application was in compliance with 20 VAC 5-400-180, the Rules for Local Exchange Telephone Competition ("Local Rules"), and 20 VAC 5-400-60, the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"). The Staff filed an amendment to its Report on August 28, 2000. Based upon its review of OnFiber's application and unaudited financial statements, the Staff determined it would be appropriate to grant both local exchange and interexchange certificates to the Applicant subject to three conditions: (1) any customer deposits collected by OnFiber be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary; (2) OnFiber shall provide audited financial statements of its parent, OnFiber Communications, Inc., to the Staff of the Division of Economics and Finance no later than one (1) year from the effective date of OnFiber's initial tariff; and (3) at such time as voice services are initiated by the Applicant, OnFiber shall comply with all requirements of § C (Conditions for certification) of the Local Rules.

A hearing was conducted on September 7, 2000, at which time OnFiber filed all proofs of publication and service as required by the June 5, 2000, Scheduling Order. At the hearing, the application and accompanying attachments and the Staff Report, as amended, were entered into the record without objection. OnFiber agreed to the recommendations and conditions contained in the Staff Report.

NOW UPON CONSIDERATION of the application and the Staff Report, the Commission finds that OnFiber's application should be granted. Having considered § 56-481.1 of the Code of Virginia, the Commission also finds that OnFiber may price its interexchange telecommunications services competitively.

Accordingly, IT IS ORDERED THAT:

(1) OnFiber Carrier Services-Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-109A, to provide interexchange telecommunications services subject to the restrictions set forth in the IXC Rules and § 56-265.4:4 of the Code of Virginia.

(2) OnFiber Carrier Services-Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-506, to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules and § 56-265.4:4 of the Code of Virginia.

(3) Pursuant to § 56-481.1 of the Code of Virginia, OnFiber may price its interexchange telecommunications services competitively.

(4) OnFiber shall provide tariffs to the Division of Communications that conform with all applicable Commission rules and regulations.

(5) Should OnFiber 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 Division of Economics and Finance of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained for such time as the Staff or Commission determines it is necessary.

(6) OnFiber shall provide audited financial statements of its parent, OnFiber Communications, Inc., to the Staff of the Division of Economics and Finance no later than one (1) year from the effective date of OnFiber's initial tariff.

(7) At such time as voice services are initiated by the Applicant, OnFiber shall comply with all requirements of § C (Conditions for certification) of the Local Rules.

(8) 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. PUC000135
OCTOBER 19, 2000

APPLICATION OF
MOUNTAINET TELEPHONE COMPANY

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On May 15, 2000, MountaiNet Telephone Company ("MountaiNet" or "Applicant") completed an application with the State Corporation Commission ("Commission") for a certificate of public convenience and necessity ("certificate") requesting authority to provide local exchange telecommunications services throughout the Commonwealth of Virginia. MountaiNet later amended its Application to request authority only in the counties of Lee, Wise, Dickenson, Russell, Smyth, and that portion of Scott County that is being served by United Telephone-Southeast, Inc. ("Sprint").

By Order dated June 20, 2000, 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 MountaiNet's application. On September 22, 2000, Staff filed its report finding that MountaiNet'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.

A hearing was conducted on October 10, 2000. At the hearing, the amended application and accompanying attachments and the Staff Report were entered into the record without objection. MountaiNet's proof of service and publication of notice were also admitted into the record. No Comments, Notices of Protest, Protests, or Testimony were filed, and no person appeared to testify on behalf of the public.

Having considered the application and the Staff Report, the Commission finds that MountaiNet should be granted a certificate to provide local exchange telecommunications services in the counties of Lee, Wise, Dickenson, Russell, Smyth, and that portion of Scott County that is presently served by Sprint, all in the Commonwealth of Virginia.

Accordingly, IT IS ORDERED THAT:

(1) MountaiNet Telephone Company hereby is granted a certificate of public convenience and necessity, No. T-510, to provide local exchange telecommunications services in the counties of Lee, Wise, Dickenson, Russell, Smyth, and that portion of Scott County that is presently served by Sprint, 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) MountaiNet shall provide tariffs to the Division of Communications that 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. PUC000136
SEPTEMBER 22, 2000

APPLICATION OF
TRANSBEAM OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On May 18, 2000, Transbeam of Virginia, Inc. ("Transbeam" or "Company"), completed an application for certificates of public convenience and necessity ("certificates") with the State Corporation Commission ("Commission") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. The Company also requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated June 8, 2000, the Commission directed Transbeam 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 Transbeam's application.

On August 28, 2000, the Staff filed its report, finding that Transbeam had adequately demonstrated its financial, managerial, and technical ability to provide local exchange and interexchange telecommunications services in accordance with the Commission's Rules Governing the Offering of Competitive Local Exchange Telephone Service, 20 VAC 5-400-180 ("Local Rules"), and with the Rules Governing the Certification of Interexchange Carriers, 20 VAC 5-400-60 ("IXC Rules"), subject to two conditions. These conditions are: (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) Transbeam shall provide audited financial statements of its parent, Transbeam, Inc., to the Staff of the Division of Economics and Finance no later than one year from the effective date of Transbeam's initial tariff.

A hearing was conducted on September 13, 2000. Transbeam provided proof of notice and service as directed by the Commission's June 8, 2000, 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 UPON CONSIDERATION of the application and the Staff Report, the Commission finds that Transbeam's application, as well as the requested waiver, should be granted.

Accordingly, IT IS ORDERED THAT:

(1) Transbeam of Virginia, Inc., hereby is granted a certificate of public convenience and necessity, No. T-509, to provide local exchange telecommunications services.

(2) Transbeam of Virginia, Inc., hereby is granted a certificate of public convenience and necessity, No. TT-111A, to provide interexchange telecommunications services. Transbeam is also granted authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

(3) The certificates herein are granted subject to the restrictions set forth in the Commission's IXC and Local Rules, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order, including the following conditions:

> (a) Should Transbeam 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 Division of Economics and Finance 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 is necessary.
>
> (b) Transbeam shall provide audited financial statements of its parent, Transbeam, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of Transbeam's initial tariff.

(4) Transbeam 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.

(5) Since there is nothing further to come before the Commission, this case hereby is dismissed and the papers herein placed in the file for ended causes.

CASE NO. PUC000148
NOVEMBER 9, 2000

APPLICATION OF
YIPES TRANSMISSION VIRGINIA, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On May 25, 2000, Yipes Transmission Virginia, Inc. ("Yipes" or the "Company"), filed an application for a certificate of public convenience and necessity with the State Corporation Commission ("Commission") to provide local exchange telecommunications services throughout the Commonwealth of Virginia.

By Order dated June 23, 2000, 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 Yipes' application.

On October 5, 2000, the Staff filed its Report finding that Yipes' application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules"). Based upon its review of Yipes' application, the Staff determined it would be appropriate to grant the Company a certificate to provide local exchange telecommunications services subject to the following conditions: (1) should the Company collect customer deposits, Yipes shall establish and maintain an escrow account held by an unaffiliated third party, notify Staff of the escrow arrangement, and maintain the account until such time as the Staff or Commission determines it is no longer necessary; (2) the Company shall provide audited financial statements of its parent, Yipes Communications Group, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of Yipes' initial tariff; and (3) at such time as voice services are initiated by the Company, Yipes shall comply with all requirements of § C (Conditions for certification) of the Local Rules.

A hearing was conducted on October 23, 2000. Counsel for Yipes provided proof of publication and proof of service as required by the June 23, 2000, Order. At the hearing, the application and accompanying attachments, and the Staff Report were entered into the record without objection. No public witnesses appeared.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that the Company should be granted a certificate to provide local exchange telecommunications services.

Accordingly, IT IS ORDERED THAT:

(1) Yipes Transmission Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-516, 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) Should the Company 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 Division of Economics and Finanee of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained for such time as the Staff or Commission determines it is necessary.

(3) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(4) The Company shall provide audited financial statements of its parent, Yipes Communications Group, Inc., to the Division of Economics and Finance, no later than one (1) year from the effective date of Yipes' initial tariff.

(5) At such time as voice services are initiated by the Company, Yipes shall comply with all requirements of § C (Conditions for certification) of the Local Rules.

(6) 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. PUC000149
AUGUST 14, 2000

PETITION OF
NEXTLINK VIRGINIA, L.L.C.

For Approval of the Discontinuance of its Calling Card Service

FINAL ORDER

On May 26, 2000, NEXTLINK Virginia, L.L.C. ("NEXTLINK VA" or "the Company"), filed a petition with the Commission for approval to discontinue its calling card service as set forth in Section 4.4 of its VA SCC Tariff #2, effective August 1, 2000, and to replace such service for existing NEXTLINK VA customers with a new calling card service with lower per-minute usage rates and more product choices.

In support of its petition, the Company stated that it has acquired a new calling card platform that enables it to offer its customers a lower rate and additional features. NEXTLINK VA states that on April 7, 2000, it filed revision pages to its Message Toll Tariff establishing the new calling card service, which became effective April 17, 2000. NEXTLINK VA has eleven (11) existing customers in Virginia who subscribe to the calling card service that the Company wishes to discontinue.[1]

On June 30, 2000, the Commission entered an Order for Notice directing the Company to provide notice of its petition to its customers who currently subscribe to the calling card service the Company wishes to discontinue. The Company filed its proof of notice on July 19, 2000. No comments or requests for hearing were received.

NOW THE COMMISSION, having considered the petition, is of the opinion that NEXTLINK VA'S petition for approval to discontinue its calling card service should be approved.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) NEXTLINK VA's petition for approval to discontinue its calling card service as set forth in Section 4.4 of its VA SCC Tariff #2 and to replace such service for existing NEXTLINK VA customers with a new calling card service with lower per-minute usage rates and more product choices is hereby approved.

(2) There being nothing further to come before the Commission, the matter is dismissed.

[1] The service is no longer available to new customers. Section 4.4.1.a of the tariff provides for customers signing contracts for terms of two or three years to receive a discount of 5% and 10%, respectively, on their monthly calling card bill.

CASE NO. PUC000151
JUNE 7, 2000

APPLICATION OF
MOTIENT SERVICES INC. OF VIRGINIA f/k/a AMSC SUBSIDIARY CORPORATION OF VIRGINIA

For cancellation and reissuance of certificates of public convenience and necessity to reflect new corporate name

ORDER

On May 25, 1999, the Commission issued Certificate No. T-424a permitting the provision of local exchange telecommunications services to AMSC Subsidiary Corporation of Virginia ("AMSC") in Case No. PUC990092. On April 21, 2000, the Commission issued a certificate of amendment approving the action whereby AMSC changed its name to Motient Services Inc. of Virginia ("Motient"). By letter application filed May 10, 2000, Motient has requested cancellation of its certificate of public convenience and necessity issued to AMSC and reissuance of the certificate in the name Motient.

NOW THE COMMISSION, being sufficiently advised, will grant the requested cancellation and reissue the certificate in the name of Motient.

Accordingly, IT IS ORDERED THAT:

(1) This matter be docketed and assigned Case No. PUC000151.

(2) Certificate No. T-424a issued to AMSC Subsidiary Corporation of Virginia is hereby cancelled.

(3) Certificate No. T-424b is issued to Motient Services Inc. of Virginia.

(4) Motient shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) Any conditions upon the certificate previously issued in the name of AMSC remain in full force and effect.

(6) This matter is dismissed.

CASE NO. PUC000152
NOVEMBER 17, 2000

APPLICATION OF
VERIZON VIRGINIA INC. F/K/A BELL ATLANTIC–VIRGINIA, INC.

For Exemption from Physical Collocation at its Lewinsville and Sterling Park Central Offices

FINAL ORDER

On May 30, 2000, Verizon Virginia Inc. f/k/a Bell Atlantic-Virginia, Inc. ("Verizon Virginia"), filed with the State Corporation Commission ("Commission") a request for exemption (hereinafter, "Application") from the requirement of § 251(c)(6) of the Act to provide physical collocation in its Lewinsville and Sterling Park central offices.

On June 30, 2000, the Commission entered a Preliminary Order granting interested parties an opportunity to comment on Verizon Virginia's requests and further directed the Commission's Staff to investigate the requests for exemption and file a report.

On July 24, 2000, Focal Communications Corporation of Virginia ("Focal") filed its opposition to Verizon Virginia's request. Focal claimed the Application should be denied as it failed to demonstrate that physical collocation is not practical for technical or space limitations. Focal also requested dismissal of the Application with regard to the Lewinsville central office because the Application was filed on May 30, 2000. The Commission's rules governing collocation exemptions, 20 VAC 5-400-200 ("Collocation Exemption Rules") at § A(3), require filing of the Application within thirty (30) days of denial, which in this case should have been by February 9, 2000. Verizon Virginia responded[1] that its denial of collocation space to Focal on January 10, 2000, followed our issuance of the Collocation Exemption Rules by only three (3) days[2] and that processes had not yet been developed internally to comply with this filing deadline. Furthermore, Verizon Virginia stated it anticipated offering Focal collocation space in Lewinsville, and we note that this has been subsequently accomplished.[3]

Overall, the Commission believes the Application is in compliance with the Collocation Exemption Rules, and it finds the timeliness issue is now moot as Focal has been offered collocation space in Lewinsville. However, we remind Verizon Virginia of its obligation to timely file such exemption requests in full accordance with the Collocation Exemption Rules.

On August 8, 2000, the Staff filed its report in this case. The Staff reviewed the associated floor plans and other supporting documentation and toured the Lewinsville and Sterling Park central offices on June 13, 2000. Based upon its investigation, the Staff does not object to granting the requested exemption for the Lewinsville central office provided that any exemption for the Lewinsville central office terminate once a building addition to that office is completed. In addition, the Staff identified some vacant space that is reserved for battery additions in 2002 and 2003 that could be made available for additional cageless or SCOPE[4] collocation equipment bay assignments in the Sterling Park central office with the future battery additions being assigned new space in a building addition scheduled for completion in 2001. The Staff recommended that Verizon Virginia withdraw its request for exemption of its Sterling Park central office. Alternatively, Staff recommended that the Commission delay granting exemption for this central office until the additional space identified by Staff is made available for collocation. The Staff further recommended that if the Commission delayed granting an exemption then Verizon Virginia should be required to file a supplement to its Application verifying that the space identified had been made available.

On September 8, 2000, Verizon Virginia filed its Response to the Staff report. In its Response, the company introduced additional information that was not made available to the Staff during its investigation of the Sterling Park central office. Verizon Virginia revealed that engineering design criteria limits the distance between batteries and power distribution panels and that its now approved building addition will create space on a different level due to the slope of the terrain. The preliminary plans for the building addition also locates a stairwell and aisle way in the area identified by the Staff. These factors prevent the changes recommended by the Staff to free up permanent additional space for collocation in the Sterling Park central office.

Verizon Virginia did offer in its Response to provide temporary physical collocation in the Sterling Park central office upon the condition that collocators agree to move their equipment at their cost when the building addition to Sterling Park is complete.

NOW UPON CONSIDERATION of the Application, § 251(c)(6) of the Act, the Commission's Collocation Rules, Focal's comments, and the Staff Report and Response thereto, the Commission is of the opinion and finds that Verizon Virginia's request for exemption from the requirement to provide physical collocation at its Lewinsville central office should be granted. Additionally, Verizon Virginia's request for exemption from the requirement to provide physical collocation at its Sterling Park central office should be granted once the additional temporary physical collocation space is made available. However, collocators using the temporary space must agree to move their equipment at their cost when the building addition to the Sterling Park central office is complete.

Accordingly, IT IS ORDERED THAT:

(1) Verizon Virginia's request for exemption from the requirements to provide physical collocation at its Lewinsville central office is hereby granted.

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[1] Response of Verizon Virginia Inc. to Staff Report, filed September 8, 2000, p. 2, fn. 1.

[2] Order Adopting Rules and Ruling On Exemption Requests, Case No. PUC960164, issued January 7, 2000.

[3] Confirmation of SCOPE collocation bays in the Lewinsville central office being made available to Focal was filed by Staff on November 14, 2000.

[4] Secured collocation open physical environment enables CLECs to install one or more bays of equipment in a secure environment.

(2) Verizon Virginia's request for exemption from the requirements to provide physical collocation at its Sterling Park central office is hereby granted subject to Verizon Virginia first making temporary physical collocation space available in the Sterling Park central office. Collocators using the temporary space must agree to move their equipment at their cost when the building addition is complete.

(3) Verizon Virginia shall notify Staff once the scheduled building additions at Lewinsville and Sterling Park central offices are completed.

(4) Once scheduled building additions are completed at the Lewinsville and Sterling Park central offices the exemptions will be terminated.

(5) 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. PUC000160
DECEMBER 7, 2000

APPLICATION OF
DIGITAL BROADBAND COMMUNICATIONS OF VIRGINIA, L.L.C.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On July 27, 2000, Digital Broadband Communications of Virginia, L.L.C. ("DBC-VA" or "Applicant"), completed an application for certificates of public convenience and necessity with the State Corporation Commission ("Commission") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. DBC-VA also requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated September 6, 2000, 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 DBC-VA's application.

On November 2, 2000, the Staff filed its Report finding that DBC-VA's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules") and the Rules Governing the Certification of Interexchange Carriers ("IXC Rules").

Based upon its review of DBC-VA's application, the Staff determined it would be appropriate to grant the Applicant certificates to provide local exchange and interexchange telecommunications services subject to the following conditions: (1) any customer deposits collected by DBC-VA 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) at such time as voice services are initiated by DBC-VA, DBC-VA shall provide/comply with all requirements of § C (Conditions for Certification) of the Local Rules.

A hearing was conducted on November 21, 2000. DBC-VA filed proof of publication and proof of service as required by the September 6, 2000, Order. At the hearing, the application and accompanying attachments and the Staff Report were entered into the record without objection.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that DBC-VA should be granted certificates to provide local exchange and interexchange telecommunications services subject to certain conditions. Having considered § 56-481.1, the Commission further finds that DBC-VA may price its interexchange telecommunications services competitively.

Accordingly, IT IS ORDERED THAT:

(1) Digital Broadband Communications of Virginia, L.L.C., is hereby granted a certificate of public convenience and necessity, No. TT-119A, 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) Digital Broadband Communications of Virginia, L.L.C., is hereby granted a certificate of public convenience and necessity, No T-523, 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) Should DBC-VA 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 Division of Economics and Finance of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained for such time as the Staff or Commission determines is necessary.

(4) DBC-VA shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(5) Once voice services are initiated by DBC-VA, it shall provide/comply with all requirements of § C (Conditions for Certification) of the Local Rules.

(6) Pursuant to § 56-481.1 of the Code of Virginia, DBC-VA may price its interexchange telecommunications 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. PUC000163
OCTOBER 18, 2000

APPLICATION OF
KMC TELECOM V OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On June 8, 2000, KMC Telecom V of Virginia, Inc. ("KMC V" or "Applicant"), filed an application for certificates of public convenience and necessity ("certificates") with the State Corporation Commission ("Commission") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. On September 15, 2000, KMC V amended the application to request local exchange authority only.

By Order dated June 20, 2000, 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 KMC V's application.

On September 26, 2000, the Staff filed its Report finding that KMC V's application was in compliance with the Rules Governing the Offering of Local Exchange Telephone Service ("Local Rules"), as codified in 20 VAC 5-400-180. Based upon its review of KMC V's application and audited financial statements, the Staff determined it would be appropriate to grant a local exchange certificate to KMC V subject to the condition that at such time as voice services are initiated by the Applicant, KMC V shall comply with all requirements of § C (Conditions for certification) of the Local Rules.

A hearing was conducted on October 10, 2000, at which time KMC V filed all proofs of publication and service as required by the June 20, 2000, Scheduling Order. At the hearing, the application and accompanying attachments and the Staff Report were entered into the record without objection. KMC V agreed to the condition contained in the Staff Report.

Having considered the application and the Staff Report, the Commission finds that KMC V should be granted a certificate to provide local exchange telecommunications services throughout Virginia.

Accordingly, IT IS ORDERED THAT:

(1) KMC Telecom V of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-513, 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, and the provisions of this Order.

(2) KMC V shall provide tariffs to the Division of Communications that conform with all applicable Commission rules and regulations.

(3) At such time as voice services are initiated by the Applicant, KMC V shall comply with all requirements of § C (Conditions for certification) of the Local Rules.

(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. PUC000168
OCTOBER 31, 2000

APPLICATION OF
VERIZON VIRGINIA INC. F/K/A BELL ATLANTIC–VIRGINIA, INC.

To implement extended local service from the Newport News zone of the Newport News Metropolitan Exchange Area to Verizon South Inc. f/k/a GTE South Incorporated's Crittenden Exchange

FINAL ORDER

On June 16, 2000, Verizon Virginia Inc. f/k/a Bell Atlantic–Virginia, Inc. ("Verizon Virginia"), filed an application with the State Corporation Commission ("Commission") pursuant to § 56-484.2 of the Code of Virginia ("Code"). Verizon Virginia proposed to notify its customers in the Newport News zone of the Newport News Metropolitan Exchange Area ("Newport News Exchange") of the increases in monthly rates that would be necessary to expand their local service to include Verizon South Inc. f/k/a GTE South Incorporated's ("Verizon South") Crittenden Exchange. In response to a petition filed pursuant to § 56-484.2, Verizon South polled its Crittenden Exchange customers regarding their willingness to pay increased rates for an expanded local service area. The majority of those responding supported the proposal. A poll of the Newport News Exchange customers was not required pursuant to § 56-484.2 because the resulting rate increase for one-party residential customers would not exceed five percent of the existing monthly one-party residential flat rate.

By Order dated July 20, 2000, the Commission directed Verizon Virginia to publish notice of the proposed increase. On August 22, 2000, Verizon Virginia filed proof of notice as required by the Order. Affected customers were given until September 25, 2000, to file comments or request a hearing on the proposal. No comments or requests for hearing were received. On October 6, 2000, the Commission Staff submitted its report and recommended that Verizon Virginia's application to implement extended local service be approved.

Accordingly, IT IS ORDERED THAT:

(1) The proposed extension of local service from Verizon Virginia's Newport News Exchange to Verizon South's Crittenden New Exchange shall be implemented.

(2) Verizon Virginia and Verizon South 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. PUC000173
DECEMBER 15, 2000

APPLICATION OF
SERVISENSE.COM OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On September 5, 2000, ServiSense.com of Virginia, Inc. ("ServiSense" or "Applicant"), completed an application for a certificate of public convenience and necessity ("certificate") with the State Corporation Commission ("Commission") to provide local exchange telecommunications services throughout the Commonwealth of Virginia.

By Order dated September 14, 2000, 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 ServiSense's application.

On November 29, 2000, the Staff filed its Report finding that ServiSense's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Service ("Local Rules"), 20 VAC 5-400-180. Based on its review of ServiSense's application, the Staff determined that it would be appropriate to grant the Applicant a certificate to provide local exchange telecommunications services in the Commonwealth of Virginia, subject to the following conditions:

(1) Should the Company collect customer deposits, it shall establish and maintain an escrow account, held by an unaffiliated third party, for such funds and shall notify the Division of Economics and Finance of the escrow arrangement. Any escrow arrangement established by ServiSense shall be maintained for such time as the Staff or the Commission determines is necessary; and

(2) ServiSense shall provide audited financial statements of its parent, ServiSense.com, Inc., to the Division of Economics and Finance no later than one year from the effective date of ServiSense's initial tariff.

A hearing was conducted on December 12, 2000. At the hearing, the Commission accepted proof of publication and proof of service as requested in ServiSense's November 14, 2000, Motion. The application and accompanying exhibits and the Staff Report were entered into the record without objection.

There were no written comments or notices of protest filed in this proceeding. No public witnesses appeared at the December 12, 2000, hearing.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that ServiSense should be granted a certificate to provide local exchange telecommunications services in Virginia.

Accordingly, IT IS ORDERED THAT:

(1) ServiSense.com of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-527, 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, and the provisions of this Order.

(2) Should ServiSense collect customer deposits, it shall establish and maintain an escrow account, held by an unaffiliated third party, for such funds and shall notify the Division of Economics and Finance of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained for such time as the Staff or Commission determines is necessary.

(3) ServiSense shall provide tariffs to the Division of Communications which conform with all applicable Commission rules and regulations.

(4) ServiSense shall provide audited financial statements of its parent, ServiSense.com, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of ServiSense's initial tariff.

(5) There being nothing further to come before the Commission, this case shall be dismissed.

CASE NO. PUC000177
NOVEMBER 8, 2000

APPLICATION OF
INLEC COMMUNICATIONS VA, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On June 30, 2000, INLEC Communications VA, LLC ("INLEC" or the "Company"), completed an application for certificates of public convenience and necessity with the State Corporation Commission ("Commission") 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 July 26, 2000, 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 INLEC's application. INLEC filed proof of publication and proof of service as required by the July 26, 2000, Order on August 21, 2000.

On October 3, 2000, the Staff filed its Report finding that INLEC's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules") and the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"). Based upon its review of INLEC's application, the Staff determined it would be appropriate to grant the Company certificates to provide local exchange and interexchange telecommunications services subject to the following conditions: (1) should the Company collect customer deposits, INLEC shall establish and maintain an escrow account held by an unaffiliated third party, notify Staff of the escrow arrangement, and maintain the account until such time as the Staff or Commission determines it is no longer necessary; and (2) the Company shall provide audited financial statements of its parent, INLEC Communications, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of INLEC's initial tariff.

A hearing was conducted on October 23, 2000. At the hearing, the application and accompanying attachments and the Staff Report were entered into the record without objection. No public witnesses appeared.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that the Company should be granted certificates to provide local exchange and interexchange telecommunications services. Having considered § 56-481.1, the Commission further finds that the Company may price its interexchange services competitively.

Accordingly, IT IS ORDERED THAT:

(1) INLEC Communications VA, LLC, is hereby granted a certificate of public convenience and necessity, No. TT-113A, 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) INLEC Communications VA, LLC, is hereby granted a certificate of public convenience and necessity, No. T-514, 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) Should the Company 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 Division of Economics and Finance of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained for such time as the Staff or Commission determines is necessary.

(4) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) The Company shall provide audited financial statements of its parent, INLEC Communications, Inc., to the Division of Economics and Finance, no later than one (1) year from the effective date of INLEC's initial tariff.

(6) Pursuant to § 56-481.1 of the Code of Virginia, the Company 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. PUC000178
DECEMBER 15, 2000

APPLICATION OF
NEWSOUTH COMMUNICATIONS OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On August 10, 2000, NewSouth Communications of Virginia, Inc. ("NewSouth" or "Applicant"), completed an application for certificates of public convenience and necessity ("certificates") with the State Corporation Commission ("Commission") to provide local exchange and interexchange

telecommunications services throughout the Commonwealth of Virginia. The Applicant also requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated August 25, 2000, 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 NewSouth's application. On October 25, 2000, NewSouth filed a Motion for Change in Procedural Dates to reschedule certain prehearing matters originally scheduled in the August 25, 2000, Order. An Amended Order for Notice and Hearing was issued November 7, 2000. The hearing date remained unchanged. On November 16, 2000, the Staff filed its report finding that NewSouth's application was in compliance with 20 VAC 5-400-180, the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules"), and 20 VAC 5-400-60, the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"). Based upon its review of NewSouth's application and audited financial statements of New South's ultimate parent, NewSouth Holdings, Inc., the Staff determined it would be appropriate to grant both local exchange and interexchange certificates to the Applicant.

A hearing was conducted on November 21, 2000. At the hearing, the application and accompanying attachments, the Staff Report, and proofs of publication and notice were entered into the record without objection.

NOW UPON CONSIDERATION of the application and the Staff Report, the Commission finds that NewSouth's application should be granted. Having considered § 56-481.1 of the Code of Virginia, the Commission also finds that NewSouth may price its interexchange telecommunications services competitively.

Accordingly, IT IS ORDERED THAT:

(1) NewSouth Communications of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-118A, to provide interexchange telecommunications 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.

(2) NewSouth Communications of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-522, 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, and the provisions of this Order.

(3) Pursuant to § 56-481.1 of the Code of Virginia, NewSouth may price its interexchange telecommunications services competitively.

(4) NewSouth shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(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. PUC000181
DECEMBER 19, 2000

APPLICATION OF
VERIZON ADVANCED DATA - VIRGINIA INC. f/k/a BELL ATLANTIC NETWORK DATA - VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and intraLATA interexchange telecommunications services

FINAL ORDER

On September 7, 2000, Verizon Advanced Data - Virginia Inc. f/k/a Bell Atlantic Network Data - Virginia, Inc. ("VADVA" or "Applicant"), completed an application with the State Corporation Commission ("Commission") for certificates of public convenience and necessity ("certificates") to provide local exchange and intraLATA interexchange telecommunications services throughout the Commonwealth of Virginia. The Applicant also requested authority to price its intraLATA interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated October 3, 2000, 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 VADVA's application.

On October 13, 2000, Cavalier Telephone, LLC ("Cavalier"), pursuant to Rules 4:6 and 5:16(a) of the Rules of Practice and Procedure of the Commission, filed a Notice of Protest to VADVA's application. On November 15, 2000, Cavalier filed its Protest; and on the same date comments were filed by the Association of Communications Enterprises ("ASCENT").

On December 5, 2000, the Staff filed its report finding that VADVA's application was in compliance with 20 VAC 5-400-180, the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules"), and 20 VAC 5-400-60, the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"). The Staff's Report also discussed the Federal Communications Commission's ("FCC") requirements regarding the formation of a separate data affiliate to provide advanced services. Based upon its review of VADVA's application and unaudited financial statements, the Staff determined it would be appropriate to grant both local exchange and intraLATA interexchange certificates to the Applicant subject to three conditions: (1) any customer deposits collected by VADVA be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary (VADVA has agreed to provide for a bond in lieu of an escrow account); (2) VADVA shall provide audited financial statements of its immediate parent, Verizon Advanced Data, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of VADVA's initial tariff; and (3) at such time as voice services are initiated by the Company, VADVA shall comply with all requirements of § C (Conditions for certification) of the Local Rules.

A hearing was conducted on December 19, 2000. At the hearing, the application and accompanying attachments, the Staff Report, testimony, rebuttal testimony, and proofs of publication and notice were entered into the record without objection. The direct testimony of Thomas A. Kiernan was offered by VADVA at the hearing. All parties, including protestant Cavalier, were afforded the opportunity for cross-examination of witnesses. No public witnesses appeared at the December 19, 2000, hearing. VADVA agreed to the conditions contained in the Staff Report.

The Commission on this date has approved the request of Verizon Virginia and Verizon South in Case No. PUC000275 for withdrawal of intrastate advanced services and the transfer of existing customers to VADVA. Accordingly, the following two additional conditions recommended by Staff and agreed to by VADVA will be imposed: (4) VADVA shall submit initial tariffs for intrastate advanced services that contain the same terms and conditions and do not exceed the rates of those services currently available from the intrastate tariffs of Verizon Virginia and Verizon South; and (5) VADVA shall not increase its prices for ATM, Frame Relay, SMDS, and TLS Services without obtaining permission from the Commission for alternative treatment for these services pursuant to 20 VAC 5-400-180 D 3 d.

NOW UPON CONSIDERATION of the application, supplements, testimony, rebuttal testimony, and the Staff Report, the Commission finds that VADVA's application should be granted. Having considered § 56-481.1 of the Code of Virginia, the Commission also finds that, with the exception of ATM, Frame Relay, SMDS, and TLS Services, VADVA may price its intraLATA interexchange telecommunications services competitively.

Accordingly, IT IS ORDERED THAT:

(1) Verizon Advanced Data - Virginia Inc. f/k/a Bell Atlantic Network Data - Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-123A, to provide intraLATA interexchange telecommunications 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.

(2) Verizon Advanced Data - Virginia Inc. f/k/a Bell Atlantic Network Data - Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-529, 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, and the provisions of this Order.

(3) Pursuant to § 56-481.1 of the Code of Virginia, with the exception of ATM, Frame Relay, SMDS, and TLS Services, VADVA may price its intraLATA interexchange telecommunications services competitively.

(4) VADVA shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) Should VADVA collect customer deposits, it shall establish and maintain an escrow account, held by an unaffiliated third party, for such funds, or provide a bond in lieu thereof, and shall notify the Division of Economics and Finance of the arrangement. Any escrow arrangement or bond established pursuant to this Order shall be maintained for such time as the Staff or Commission determines is necessary.

(6) VADVA shall provide audited financial statements of its immediate parent, Verizon Advanced Data, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of VADVA's initial tariff.

(7) At such time as voice services are initiated by VADVA, the Company shall comply with all the requirements of § C (Conditions for certification) of the Local Rules.

(8) In addition, in accordance with the Order issued this date in Case No. PUC000275, the following two additional conditions shall apply:

A) VADVA shall submit initial tariffs for its intrastate advanced services that contain the same terms and conditions and do not exceed the rates of those currently available from the intrastate tariffs of Verizon Virginia Inc. and Verizon South Inc.

B) VADVA shall not increase its prices for ATM, Frame Relay, SMDS, or TLS Services without obtaining permission from this Commission for alternative treatment for these services pursuant to 20 VAC 5-400-180 D 3 d.

(9) 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. PUC000183
DECEMBER 12, 2000

APPLICATION OF
SIGMA NETWORKS TELECOMMUNICATIONS OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On July 26, 2000, Sigma Networks Telecommunications of Virginia, Inc. ("Sigma" or "Applicant"), completed an application for certificates of public convenience and necessity ("certificates") with the State Corporation Commission ("Commission") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. The Applicant also requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated August 25, 2000, 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 Sigma's application. On November 8, 2000, the Staff filed its report finding that Sigma's application was in compliance with 20 VAC 5-400-180, the Rules for Local Exchange

Telephone Competition ("Local Rules"), and 20 VAC 5-400-60, the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"). Based upon its review of Sigma's application and unaudited financial statements, the Staff determined it would be appropriate to grant both local exchange and interexchange certificates to the Applicant subject to three conditions: (1) any customer deposits collected by Sigma be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary; (2) Sigma shall provide audited financial statements of its parent, Sigma Networks, Inc., to the Staff of the Division of Economics and Finance no later than one (1) year from the effective date of Sigma's initial tariff; and (3) once voice services are provided, the Company shall comply with all requirements of § C of the Local Rules.

A hearing was conducted on November 21, 2000. At the hearing, the application and accompanying attachments and the Staff Report were entered into the record without objection. No public witnesses appeared at the November 21, 2000, hearing. Sigma agreed to the conditions contained in the Staff Report.

NOW UPON CONSIDERATION of the application and the Staff Report, the Commission finds that Sigma's application should be granted. Having considered § 56-481.1 of the Code of Virginia, the Commission also finds that Sigma may price its interexchange telecommunications services competitively.

Accordingly, IT IS ORDERED THAT:

(1) Sigma Networks Telecommunications of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-117A, to provide interexchange telecommunications 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.

(2) Sigma Networks Telecommunications of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-521, to provide local exchange telecommunications services subject to the restrictions set forth in the Local Rules and § 56-265.4:4 of the Code of Virginia.

(3) Pursuant to § 56-481.1 of the Code of Virginia, Sigma may price its interexchange telecommunications services competitively.

(4) Sigma shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) Should Sigma 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 Division of Economics and Finance of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained for such time as the Staff or Commission determines is necessary.

(6) Sigma shall provide audited financial statements of its parent, Sigma Networks, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of Sigma's initial tariff.

(7) At such time as voice services are initiated by Sigma, the Company shall provide/comply with all requirements of § C (Conditions for Certification) of the Local Rules

(8) 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. PUC000186
DECEMBER 15, 2000

APPLICATION OF
TALKINGNETS HOLDINGS, LLC

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On August 11, 2000, TalkingNets Holdings, LLC ("TalkingNets" or "Applicant"), completed an application for certificates of public convenience and necessity ("certificates") with the State Corporation Commission ("Commission") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. The Applicant also requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated August 28, 2000, 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 TalkingNets' application. On October 18, 2000, the Staff filed its report finding that TalkingNets' application was in compliance with 20 VAC 5-400-180, the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules"), and 20 VAC 5-400-60, the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"). Based upon its review of TalkingNets' application and unaudited financial statements of the parent, TalkingNets, Inc., the Staff determined it would be appropriate to grant both local exchange and interexchange certificates to the Applicant subject to two conditions: (1) any customer deposits collected by TalkingNets 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) TalkingNets shall provide audited financial statements of its parent, TalkingNets, Inc., to the Staff of the Division of Economics and Finance no later than one (1) year from the effective date of TalkingNets' initial tariff.

An initial hearing was held on November 1, 2000. Counsel for Applicant did not appear. The Commission accepted Applicant's prefiled proof of notice and proof of service, which had been filed on October 3 and September 15, 2000, respectively. There were no members of the public present at the November 1, 2000, hearing. The Commission continued the hearing date to November 21, 2000, in order to afford a full and complete hearing on TalkingNets' application.

The hearing was then held on November 21, 2000. At the hearing, the application and accompanying attachments and the Staff Report were entered into the record without objection. TalkingNets agreed to the conditions contained in the Staff Report.

NOW UPON CONSIDERATION of the application and the Staff Report, the Commission finds that TalkingNets' application should be granted. Having considered § 56-481.1 of the Code of Virginia, the Commission also finds that TalkingNets may price its interexchange telecommunications services competitively.

Accordingly, IT IS ORDERED THAT:

(1) TalkingNets Holdings, LLC, is hereby granted a certificate of public convenience and necessity, No. TT-120A, to provide interexchange telecommunications 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.

(2) TalkingNets Holdings, LLC, is hereby granted a certificate of public convenience and necessity, No. T-524, 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, and the provisions of this Order.

(3) Pursuant to § 56-481.1 of the Code of Virginia, TalkingNets may price its interexchange telecommunications services competitively.

(4) TalkingNets shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) Should TalkingNets collect customer deposits, it shall establish and maintain an escrow account, held by an unaffiliated third party, for such funds and shall notify the Division of Economics and Finance of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained for such time as the Staff or Commission determines is necessary.

(6) TalkingNets shall provide audited financial statements of its parent, TalkingNets, Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of TalkingNets' initial tariff.

(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. PUC000193
NOVEMBER 9, 2000

APPLICATION OF
CBEYOND COMMUNICATIONS, LLC

For a certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On June 30, 2000, Cbeyond Communications, LLC ("Cbeyond" or the "Company"), filed an application for a certificate of public convenience and necessity with the State Corporation Commission ("Commission") to provide local exchange telecommunications services throughout the Commonwealth of Virginia.

By Order dated August 1, 2000, 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 Cbeyond's application. Cbeyond filed proof of publication and proof of service as required by the August 1, 2000, Order on September 7, 2000.

On October 18, 2000, the Staff filed its Report finding that Cbeyond's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules"). Based upon its review of Cbeyond's application, the Staff determined it would be appropriate to grant the Company a certificate to provide local exchange telecommunications services subject to the following conditions: (1) should the Company collect customer deposits, Cbeyond shall establish and maintain an escrow account held by an unaffiliated third party, notify Staff of the escrow arrangement, and maintain the 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 Division of Economics and Finance no later than one (1) year from the effective date of Cbeyond's initial tariff.

A hearing was conducted on November 1, 2000. At the hearing, the application and accompanying attachments and the Staff Report were entered into the record without objection. No public witnesses appeared.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that the Company should be granted a certificate to provide local exchange telecommunications services.

Accordingly, IT IS ORDERED THAT:

(1) Cbeyond Communications, LLC, is hereby granted a certificate of public convenience and necessity, No. T-518, 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) Should the Company 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 Division of Economics and Finance of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained for such time as the Staff or Commission determines it is necessary.

(3) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(4) 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 Cbeyond's initial tariff.

(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. PUC000198
AUGUST 14, 2000

APPLICATION OF
BLUESTAR NETWORKS OF VIRGINIA, INC.

For cancellation of certificate of public convenience and necessity

ORDER

On September 22, 1999, the Commission issued Certificate No. T-460, permitting the provision of local exchange telecommunications services and Certificate No. TT-78A, permitting the provision of interexchange telecommunications services, by BlueStar Networks of Virginia, Inc. ("BlueStar" or "Company"), in Case No. PUC990106.

By application filed July 5, 2000, BlueStar advised that its corporate parent, BlueStar Communications, Inc., has entered into a plan of merger and reorganization with another entity already possessing certificates of public convenience and necessity in Virginia. Thus, the Company asserts there is no need for it to maintain the certificates we issued to it referenced above. Further, BlueStar represents that it serves no customers in Virginia. BlueStar has requested cancellation of its certificates of public convenience and necessity and its tariffs on file with the Commission.

NOW THE COMMISSION, being sufficiently advised, will grant the requested cancellations.

Accordingly, IT IS ORDERED THAT:

(1) This matter be docketed and assigned Case No. PUC000198.

(2) Certificate No. T-460, issued to BlueStar Networks of Virginia, Inc., is hereby cancelled.

(3) Certificate No. TT-78A, issued to BlueStar Networks of Virginia, Inc., is hereby cancelled.

(4) All tariffs for BlueStar Networks of Virginia, Inc., on file with the Commission, are hereby cancelled.

(5) This matter is dismissed.

CASE NO. PUC000199
DECEMBER 7, 2000

APPLICATION OF
LIGHTBONDING.COM VA INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On August 25, 2000, LightBonding.com VA Inc. ("LightBonding" or "Applicant") completed an application for certificates of public convenience and necessity ("certificates") with the State Corporation Commission ("Commission") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. The Applicant also requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated September 12, 2000, 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 LightBonding's application. On November 1, 2000, the Staff filed its report finding that LightBonding's application was in compliance with 20 VAC 5-400-180, the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules"), and 20 VAC 5-400-60, the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"). Based upon its review of LightBonding's application and unaudited financial statements, the Staff determined it would be appropriate to grant both local exchange and interexchange certificates to the Applicant subject to three conditions: (1) any customer deposits collected by LightBonding be retained in an unaffiliated third-party escrow account until such time as the Staff or Commission determines it is no longer necessary; (2) LightBonding shall provide audited financial statements of its ultimate parent, MediaCenters.com Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of LightBonding's initial tariff; and (3) at such time as voice services are initiated by the Applicant, LightBonding shall comply with all requirements of § C (Conditions for certification) of the Local Rules.

On September 21, 2000, LightBonding filed proof of service on all local exchange and interexchange carriers certificated in Virginia. On October 11, 2000, LightBonding filed proof of publication of notice.

A hearing was conducted on November 21, 2000. At the hearing, the application and accompanying attachments and the Staff Report were entered into the record without objection. LightBonding agreed to the recommendations and conditions contained in the Staff Report.

NOW UPON CONSIDERATION of the application and the Staff Report, the Commission finds that LightBonding's application should be granted. Having considered § 56-481.1 of the Code of Virginia, the Commission also finds that LightBonding may price its interexchange telecommunications services competitively.

Accordingly, IT IS ORDERED THAT:

(1) LightBonding.com VA Inc. is hereby granted a certificate of public convenience and necessity, No. TT-116A, to provide interexchange telecommunications 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.

(2) LightBonding.com VA Inc. is hereby granted a certificate of public convenience and necessity, No. T-520, 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, and the provisions of this Order.

(3) Pursuant to § 56-481.1 of the Code of Virginia, LightBonding may price its interexchange telecommunications services competitively.

(4) LightBonding shall provide tariffs to the Division of Communications that conform with all applicable Commission rules and regulations.

(5) Should LightBonding 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 Division of Economics and Finance of the escrow arrangement. Any escrow arrangement established pursuant to this Order shall be maintained for such time as the Staff or Commission determines is necessary.

(6) LightBonding shall provide audited financial statements of its ultimate parent, MediaCenters.com Inc., to the Division of Economics and Finance no later than one (1) year from the effective date of LightBonding's initial tariff.

(7) At such time as voice services are initiated by the Applicant, LightBonding shall comply with all requirements of § C (Conditions for certification) of the Local Rules.

(8) 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. PUC000204
NOVEMBER 2, 2000

JOINT APPLICATION OF
VERIZON VIRGINIA INC. f/k/a BELL ATLANTIC-VIRGINIA, INC.
and
VERIZON SOUTH INC. f/k/a GTE SOUTH INCORPORATED

To expand local calling between various exchanges

SECOND ORDER PRESCRIBING NOTICE AND AUTHORIZATION TO IMPLEMENT EXPANDED LOCAL CALLING IN PART

Pursuant to the Commission's Order Prescribing Notice and Authorization to Implement Expanded Local Calling In Part, issued on August 28, 2000,[1] Verizon Virginia Inc. ("Verizon Virginia") and Verizon South Inc. ("Verizon South") (hereafter collectively referred to as "the Joint Applicants") filed their second Joint Application to Expand Local Calling In Part on October 12, 2000 (hereinafter, "second Joint Application"). This second Joint Application proposes to implement phase two of their expanded local calling plan ("ELCP") which involves exchanges located primarily in the Norfolk, Virginia, LATA. Joint Applicants identify these exchanges in Attachment A and amended Attachment B (amended October 18, 2000) to the second Joint Application. For ease of reference, both attachments are incorporated into this Order by reference and attachment. Joint Applicants propose that all routes for expanded local calling between the affected exchanges be reciprocal. The routes proposed for implementation by Verizon Virginia are shown in Attachment A to this Order, and the routes proposed for implementation by Verizon South are shown in Attachment B to this Order.

NOW THE COMMISSION, upon consideration of the second Joint Application and applicable law, finds that Verizon Virginia should implement the second phase of its proposed ELCP for all routes as set out in Attachment A of the second Joint Application and in the manner described therein. The Commission finds that Verizon South should implement the second phase of its proposed ELCP for all routes identified in Attachment B of the second Joint Application except for routes originating from the Boykins, Chuckatuck, Courtland, Crittenden, Dendron, Franklin, Holland, Ivor, Smithfield, Surry, Wakefield, and Windsor exchanges. The Commission finds that customers served in these exchanges which would be billed in a higher rate group upon implementation of the ELCP should first receive notice and an opportunity to comment or request a hearing on whether to implement the expanded calling.

[1] Phased implementation of expanded local calling is in satisfaction of a condition of this Commission's approval of Joint Applicants' merger, ordered November 29, 1999, in Case No. PUC990100.

Accordingly, IT IS ORDERED THAT:

(1) Verizon Virginia Inc. shall implement the second phase of the ELCP for all routes set out in Attachment A of the second Joint Application (attached hereto).

(2) Verizon South Inc. shall implement the second phase of the ELCP for all routes set out in Attachment B of the second Joint Application (attached hereto) except for routes originating from the Boykins, Chuckatuck, Courtland, Crittenden, Dendron, Franklin, Holland, Ivor, Smithfield, Surry, Wakefield, and Windsor exchanges.

(3) A copy of this Order and the second Joint Application shall be made available for public inspection at the Commission's Document Control Center located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, from 8:15 a.m. to 5:00 p.m., Monday through Friday.

(4) On or before December 4, 2000, Verizon South shall directly mail a notice to each customer served in the Boykins, Chuckatuck, Courtland, Crittenden, Dendron, Franklin, Holland, Ivor, Smithfield, Surry, Wakefield, and Windsor exchanges separately addressing the expanded local calling for each exchange and detailing the basic monthly rate increase proposed. However, the form of this notice should first be reviewed by the Division of Communications. At a minimum, the notice should address the specific expanded local calling for the customer's exchange and contain the following:

NOTICE OF APPLICATION BY VERIZON SOUTH INC.
(f/k/a GTE SOUTH INCORPORATED) TO IMPLEMENT EXPANDED
LOCAL CALLING BETWEEN CERTAIN ADJACENT EXCHANGES

On October 12, 2000, Verizon South Inc. ("Verizon South") filed a joint application with the State Corporation Commission ("Commission") to implement additional expanded local calling routes as ordered by the Commission in approving the merger of GTE South Incorporated with Bell Atlantic-Virginia, Inc. (now Verizon South Inc. and Verizon Virginia Inc.).

Implementation of the expanded local calling to the adjacent exchanges will cause local monthly rates to increase, but this increase may be offset by the elimination of current long distance charges between the affected exchanges.

Accompanying this notice is an explanation of how your local exchange rates may increase, a notice showing your exchange's current and proposed new calling area, and your exchange's current rates and proposed new rates.

Any customer wishing to comment on the proposed implementation of the expanded local calling routes or to request a hearing on the application may do so by filing such comments or requests for hearing in writing with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, on or before January 2, 2001. Any such filing should refer to case No. PUC000204 and include the customer's telephone number and originating exchange. Any corporation shall be represented by counsel in accordance with Rule 4:8 of the Commission's Rules of Practice and Procedure, 5 VAC 5-10-200, and shall file an original and fifteen (15) copies of any such comments or requests for hearing. Individuals may file single copies of comments or requests for hearing.

VERIZON SOUTH INC.

(5) On or before December 20, 2000, Joint Applicants shall furnish proof of the notice given as prescribed herein.

(6) On or before January 2, 2001, customers of Verizon South who may be affected by the expanded local calling in their exchange may file written comments or requests for hearing about the proposed additional expanded local calling routes with the Clerk of the Commission. Any corporation shall be represented by counsel according to Rule 4:8 of the Commission's Rules of Practice and Procedure and shall file an original and fifteen (15) copies of any comments or requests for hearing on or before the deadline. Individuals may file single copies of comments and requests for hearing. All comments or requests for hearing shall be filed with 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. PUC000204.

NOTE: Copies of Attachment A and Attachment B 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 NO. PUC000204
DECEMBER 5, 2000

JOINT APPLICATION OF
VERIZON VIRGINIA INC. f/k/a BELL ATLANTIC-VIRGINIA, INC.
and
VERIZON SOUTH INC. f/k/a GTE SOUTH INCORPORATED

To expand local calling between various exchanges

ORDER APPROVING EXTENDED LOCAL CALLING PLAN FOR STAFFORD EXCHANGE

On August 28, 2000, the Commission authorized Verizon South Inc. ("Verizon South") to implement the first phase of their Extended Local Calling Plan ("ELCP") for all routes set out in Attachment A of the Joint Application filed July 21, 2000, except for routes originating from the Stafford exchange.[1] Implementation of ELCP from the Stafford exchange was not approved at that time pending notice to be given by Verizon South to the Stafford customers. The Order of August 28, 2000, found that the customers served in the Stafford exchange would be billed in a higher rate group upon implementation of the ELCP and should, therefore, first receive notice and an opportunity to comment or request a hearing on whether to implement ELCP.

On November 3, 2000, an affidavit was filed by Verizon South stating that notice was given to its customers served in the Stafford exchange as prescribed by the Commission. Comments have been received from ten customers served in the Stafford exchange, nine of which generally oppose implementation and one favoring the ELCP. There are no requests for hearing.

The Commission now finds that the requirements of the Commission's Order of August 28, 2000, have been met and that no substantial opposition has been raised against implementation of the ELCP for routes originating from the Stafford exchange.

NOW THE COMMISSION, upon consideration of the notice given and comments received, together with the Joint Application filed herein, finds that Verizon South should be authorized to include all routes originating from the Stafford exchange in the first phase of implementation of ELCP, consistent with the terms of the Commission's Order of August 28, 2000.

Accordingly, IT IS ORDERED THAT:

(1) Verizon South Inc. shall implement in its first phase of the ELCP all routes originating from the Stafford exchange, as set out in Attachment A of the Joint Application, consistent with the terms of the Commission's Order of August 28, 2000.

(2) This case shall remain open to review additional phases of implementation of the ELCP.

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[1] Order Prescribing Notice and Authorization to Implement Expanded Local Calling In Part, issued herein, Ordering Paragraph 3 ("Order of August 28, 2000").

CASE NO. PUC000205
JULY 26, 2000

APPLICATION OF
VF COMMUNICATIONS, INC. F/K/A PINNACLE TELECOMMUNICATIONS OF VIRGINIA, INC.

To amend certificates to reflect new corporate name

FINAL ORDER

On July 21, 2000, VF Communications, Inc. ("VF" or "Applicant"), filed a letter application with supporting documents establishing that its corporate name has been changed from Pinnacle Telecommunications of Virginia, Inc. ("Pinnacle").[1] Pinnacle holds certificates of public convenience and necessity, No. TT-36A and No. T-381, to provide interexchange and local exchange telecommunications services, respectively, throughout the Commonwealth. The Applicant seeks to amend its certificates of public convenience and necessity to reflect its new corporate name, VF Communications, Inc.

The Commission is of the opinion that revised certificates of public convenience and necessity should be granted.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) Certificate of Public Convenience and Necessity No. TT-36A is hereby canceled and shall be reissued as amended Certificate TT-36B in the name of VF Communications, Inc.

(2) The revised Certificate No. TT-36B shall grant VF authority to provide interexchange telecommunications services in accordance with § 56-265.4:4 of the Code of Virginia and the Commission's Rules governing the certification of interexchange carriers and subject to the original conditions set forth in Case No. PUC970040 which granted Certificate TT-36A.

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[1] On October 8, 1998, the Commission issued a Certificate of Amendment pertaining to the change of name from Pinnacle to VF and the amended Articles of Incorporation.

(3) Certificate of Public Convenience and Necessity No. T-381 is hereby canceled and shall be reissued as amended Certificate No. T-381a in the name of VF Communications, Inc.

(4) The revised Certificate No. T-381a shall grant VF authority to provide local exchange telecommunications services in accordance with § 56-265.4:4 of the Code of Virginia and the Commission's Rules for local exchange telephone competition and subject to the original conditions set forth in Case No. PUC970040 which granted Certificate T-381.

(5) The Applicant shall provide revised tariffs to the Division of Communications reflecting the new name, VF Communications, Inc., by October 1, 2000.

(6) There being nothing further to come before the Commission, this matter is dismissed and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC000212
NOVEMBER 1, 2000

PETITION OF
COX VIRGINIA TELCOM, INC.,
Requesting Party
v.
VERIZON VIRGINIA INC. f/k/a BELL ATLANTIC-VIRGINIA INC.,
Responding Party

For declaratory judgment and conditional petition for arbitration of unresolved issues by the State Corporation Commission pursuant to Section 252 of the Telecommunications Act of 1996 or alternative petition for dismissal

ORDER OF DISMISSAL

On July 27, 2000, Cox Virginia Telcom, Inc. ("Cox"), filed its Petition for Declaratory Judgment and Conditional Petition for Arbitration or Alternative Petition for Dismissal ("Petition"). The Petition first requests the Commission to issue a declaratory judgment that the requested arbitration of interconnection terms and conditions between Cox and Verizon Virginia Inc. f/k/a Bell Atlantic-Virginia Inc. ("Verizon Virginia"), proposed conditionally by Cox, shall be conducted by this Commission pursuant to Section 252 of the Telecommunications Act of 1996, 47 U.S.C. § 151, *et seq.* ("the Act"). If the Commission should not grant the declaratory judgment sought, then Cox requests that its Petition be dismissed.[1]

Verizon Virginia, by counsel, filed a letter in response to the Cox Petition on August 16, 2000, averring that it was under no duty to respond in conformance with the requirements of Section 252(b)(3) of the Act because the Petition conditionally requested this Commission to arbitrate an interconnection agreement under the Act. Verizon Virginia maintains that the Act does not speak to conditional petitions, and that as the non-petitioning utility, Verizon Virginia is under no duty to file a response to Cox's conditional petition to arbitrate.

Cox filed comments on September 11, 2000, responding to Verizon Virginia's letter filed August 16, 2000. Cox points out in its comments that Verizon Virginia has filed no objection to the judgment sought by Cox declaring that the Commission proceed under the Act to arbitrate the interconnection agreement between Cox and Verizon Virginia. Cox also alleges in its comments that Verizon Virginia has failed to comply with our rules implementing Section 252 of the Act, 20 VAC 5-400-190 C 2.

The Commission finds that it cannot rule on the declaratory relief sought by Cox as such ruling might be considered an exercise of jurisdiction under the Act and, therefore, a waiver of the Commonwealth's sovereign immunity. We recognize that the attention drawn by Cox (i.e., its petition for declaratory judgment) to this jurisdictional matter is simply to anticipate being given the same choice offered to Cavalier Telephone, LLC, by our Order of June 15, 2000, in Case No. PUC990191. There, we allowed Cavalier either to pursue the resolution of interconnection issues under state law or to take its petition for arbitration under the Act to the Federal Communications Commission ("FCC").

As discussed in our Order of June 15, 2000, in Case No. PUC990191,[2] the Commission has authority under state law to order interconnection between carriers operating within the Commonwealth, and § 56-38 of the Code of Virginia authorizes us, upon request of the parties, "to effect, by mediation, the adjustment of claims, and the settlement of controversies, between public service companies, and their employees and patrons." Further, our rules codified at 20 VAC 5-400-180 as "Rules Governing the Offering of Competitive Local Exchange Telephone Service" anticipate that we would address interconnection issues under the authority of the Virginia Code. Rules 20 VAC 5-400-180 F 5 and 6 specifically provide for our "arbitration" of contested matters. We stand ready to arbitrate this matter pursuant to these state authorities should Cox so request.

However, as evidenced by its Petition, Cox prefers to proceed with its arbitration of unresolved issues with Verizon before the FCC under the Act rather than before this Commission pursuant to 20 VAC 5-400-180 F 6 and other state authority. Cox has requested dismissal of its Petition in the event that

[1] Cox seeks an express statement in the dismissal by this Commission "that it will neither take action on Cox's Conditional Petition for Arbitration nor act to carry out the responsibilities of State commissions under 47 U.S.C. § 252, so that the Federal Communications Commission ("FCC") might take jurisdiction over this arbitration pursuant to 47 U.S.C. § 252(e)(5). . . ".

[2] Petition of Cavalier Telephone, LLC, For arbitration of interconnection rates, terms and conditions, and related relief, Document Control Center No. 000630199.

this Commission does not proceed under the Act. We note that under present controlling federal authority,[3] any action taken by us pursuant to 252(b) of the Act effects a waiver of the sovereign immunity of the Commonwealth. We previously have found no authority, and the parties here have suggested none, that would empower us to waive the Commonwealth's constitutional immunity from suit under the Eleventh Amendment to the U.S. Constitution. Until the issue of Eleventh Amendment immunity from federal appeal under the Act is resolved by the Courts of the United States,[4] we will not act solely under the Act's federally conveyed authority in matters that might arguably implicate a waiver of the Commonwealth's immunity, including the arbitration of rates, terms, and conditions of interconnection agreements between local exchange carriers.

Therefore, we will grant Cox's alternative request to dismiss this Petition so that it may proceed before the FCC. If Cox does proceed to the FCC, it shall be the responsibility of Cox to serve copies of all pleadings filed herein upon the FCC.

Accordingly, IT IS ORDERED THAT:

(1) This case is hereby dismissed pursuant to the laws of the Commonwealth of Virginia, without prejudice, consistent with the findings above. This Commission will not arbitrate the interconnection issues under federal law for the reasons given above.

(2) There being nothing further to come before the Commission this case is closed.

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[3] See GTE South Inc. v. Morrison, 957 F. Supp. 800 (1997); GTE South Inc. v. Morrison, 6 F. Supp. 2d 517, aff'd., 199 F. 3d 733 (4th Cir. 1999); AT&T of Virginia v. Bell Atlantic-Virginia, Inc., 197 F. 3d 663 (4th Cir. 1999).

[4] The 4th Circuit currently has pending before it a case involving sovereign immunity, BellSouth Telecommunications, Inc. v. North Carolina Utilities Commission, No. 99-1845(l), which was argued May 1, 2000. As of the date of this Order, the 4th Circuit has not ruled on this matter.

CASE NO. PUC0000217
AUGUST 4, 2000

APPLICATION OF
VERIZON VIRGINIA INC. (f/k/a BELL ATLANTIC-VIRGINIA, INC.)

To amend its certificates to reflect new corporate name

ORDER REISSUING CERTIFICATES

On August 1, 2000, Verizon Virginia Inc. ("Verizon Virginia") (formerly Bell Atlantic-Virginia, Inc.) filed a letter requesting that the Company's certificates of public convenience and necessity on file with the Division of Communications be amended to reflect the name change of the corporation. The previous name, Bell Atlantic-Virginia, Inc., was changed to Verizon Virginia Inc.

The Commission finds that the existing certificates of public convenience and necessity should be canceled and reissued to reflect the new corporate name.

Accordingly, IT IS ORDERED THAT:

(1) Each certificate of public convenience and necessity heretofore issued to Bell Atlantic-Virginia, Inc., is hereby canceled and shall be reissued to Verizon Virginia Inc. using the same certificate number and the next sequential alphabetical suffix.

(2) Verizon Virginia Inc. shall provide revised tariffs to the Division of Communications reflecting the name change by November 1, 2000.

(3) This matter is continued generally.

CASE NO. PUC000218
AUGUST 4, 2000

APPLICATION OF
VERIZON SOUTH INC. (f/k/a GTE SOUTH INCORPORATED)

To amend its certificates to reflect new corporate name

ORDER REISSUING CERTIFICATES

On August 1, 2000, Verizon South Inc. ("Verizon South") (formerly GTE South Incorporated) filed a letter requesting that the Company's certificates of public convenience and necessity on file with the Division of Communications be amended to reflect the name change of the corporation. The previous name, GTE South Incorporated, was changed to Verizon South Inc.

The Commission finds that the existing certificates of public convenience and necessity should be canceled and reissued to reflect the new corporate name.

Accordingly, IT IS ORDERED THAT:

(1) Each certificate of public convenience and necessity heretofore issued to GTE South Incorporated is hereby canceled and shall be reissued to Verizon South Inc. using the same certificate number and the next sequential alphabetical suffix.

(2) Verizon South Inc. shall provide revised tariffs to the Division of Communications reflecting the name change by November 1, 2000.

(3) This matter is continued generally.

CASE NO. PUC000219
NOVEMBER 22, 2000

APPLICATION OF
ENRON BROADBAND SERVICES OF VIRGINIA, INC.

For a certificate of public convenience and necessity to provide facilities-based interexchange telecommunications services

FINAL ORDER

On August 3, 2000, ENRON BROADBAND SERVICES OF VIRGINIA, INC. ("ENRON" or "Applicant"), filed an application for a certificate of public convenience and necessity ("certificate") with the State Corporation Commission ("Commission") to provide interexchange telecommunications services throughout the Commonwealth of Virginia. The Applicant also requests authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated August 22, 2000, the Commission directed the Applicant 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.

The Applicant filed its proof of publication and notice on October 25, 2000, and no comments or requests for hearing were received. On November 7, 2000, the Staff filed a report finding that ENRON's application was in compliance with the Commission's Rules Governing the Certification of Interexchange Carriers.[1]

Based upon its review of ENRON's application and the Applicant's responses to Staff data requests, the Staff determined it would be appropriate to grant an interexchange certificate to ENRON.

NOW THE COMMISSION, having considered ENRON's application and the Staff Report, is of the opinion and finds that ENRON should be granted a certificate to provide interexchange telecommunications services. Having considered § 56-481.1 of the Code of Virginia, the Commission further finds that ENRON may price its interexchange telecommunications services competitively.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) ENRON BROADBAND SERVICES OF VIRGINIA, INC., is hereby granted a certificate of public convenience and necessity, No. TT-115A, 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) ENRON shall provide tariffs to the Division of Communications that conform with all applicable Commission rules and regulations.

(3) Pursuant to § 56-481.1 of the Code of Virginia, ENRON may price its interexchange telecommunications 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.

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[1] 20 VAC 5-400-60.

CASE NO. PUC000221
DECEMBER 20, 2000

APPLICATION OF
IPVOICE COMMUNICATIONS OF VIRGINIA, INC.

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On September 5, 2000, IPVoice Communications of Virginia, Inc. ("IPVoice" or "the Company"), completed the filing with the State Corporation Commission ("Commission") of an application for certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. The Company also requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated September 13, 2000, 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 IPVoice's application. IPVoice filed proof of publication and proof of service as required by the September 13, 2000, Order on November 20, 2000.

On December 6, 2000, the Staff filed its Report finding that IPVoice's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules"), 20 VAC 5-400-180, and the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"), 20 VAC 5-400-60. Based upon its review of IPVoice's application, the Staff determined it would be appropriate to grant the Company certificates to provide local exchange and interexchange telecommunications services.

A hearing was conducted on December 19, 2000. At the hearing, the application and accompanying attachments and the Staff Report were entered into the record without objection. No public witnesses appeared.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that the Company should be granted certificates to provide local exchange and interexchange telecommunications services. Having considered § 56-481.1, the Commission further finds that the Company may price its interexchange telecommunications services competitively.

Accordingly, IT IS ORDERED THAT:

(1) IPVoice Communications of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. TT-124A, to provide interexchange telecommunications services subject to the restrictions set forth in the Commission's Rules Governing the Certification of Interexchange Carriers, 20 VAC 5-400-60, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(2) IPVoice Communications of Virginia, Inc., is hereby granted a certificate of public convenience and necessity, No. T-528, to provide local exchange telecommunications services subject to the restrictions set forth in the Rules Governing the Offering of Competitive Local Exchange Telephone Service, 20 VAC 5-400-180, § 56-265.4:4 of the Code of Virginia, and the provisions of this Order.

(3) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(4) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications 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. PUC000223
SEPTEMBER 22, 2000

APPLICATION OF
LIGHTYEAR COMMUNICATIONS OF VIRGINIA, INC.

For cancellation and reissuance of certificates of public convenience and necessity to reflect new corporate name

ORDER

On October 5, 1999, the Commission issued Certificate No. T-462, permitting the provision of local exchange telecommunications services, to UniDial Communications of Virginia, Inc. ("UniDial"), in Case No. PUC990025. On May 10, 2000, the Commission issued a certificate of amendment approving the action whereby UniDial changed its name to Lightyear Communications of Virginia, Inc. ("Lightyear"). By letter application filed August 9, 2000, Lightyear has requested cancellation of its certificate of public convenience and necessity issued to UniDial and reissuance of the certificate in the name Lightyear.

NOW THE COMMISSION, being sufficiently advised, will grant the requested cancellation and reissue the certificate in the name of Lightyear.

Accordingly, IT IS ORDERED THAT:

(1) This matter be docketed and assigned Case No. PUC000223.

(2) Certificate No. T-462 issued to UniDial Communications of Virginia is hereby cancelled.

(3) Certificate No. T-462a is issued to Lightyear Communications of Virginia, Inc.

(4) Lightyear shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.

(5) Any conditions upon the certificate previously issued in the name of UniDial remain in full force and effect.

(6) This matter is dismissed.

CASE NO. PUC000225
DECEMBER 20, 2000

PETITION OF
MCIMETRO ACCESS TRANSMISSION SERVICES OF VIRGINIA, INC.
and
MCI WORLDCOM COMMUNICATIONS OF VIRGINIA, INC.

For Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with Bell Atlantic-Virginia, Inc.

ORDER OF DISMISSAL

On August 10, 2000, MCImetro Access Transmission Services of Virginia, Inc., and MCI WORLDCOM Communications of Virginia, Inc., (collectively, "WorldCom"), filed with the State Corporation Commission ("Commission") a petition to arbitrate unresolved issues to enable WorldCom to enter into interconnection agreements to replace its existing interconnection agreements with Bell Atlantic-Virginia, Inc., pursuant to § 252(b) of the Telecommunications Act of 1996 and 20 VAC 5-400-190. On September 5, 2000, Verizon Virginia Inc. f/k/a Bell Atlantic-Virginia, Inc. ("Verizon"), filed a motion to dismiss WorldCom's arbitration petition.

On September 13, 2000, the Commission issued an Order advising WorldCom and Verizon that, in light of the Commission's concern regarding possible waiver of the Commonwealth's immunity, they may elect to proceed with their arbitration under the Act before the Federal Communications Commission ("FCC") or they may pursue resolution of unresolved issues before the Commission pursuant to Virginia law and the Commission's Rules. WorldCom was ordered to advise the Commission in writing within fifteen (15) days of the date of the Order whether it wishes to pursue its arbitration request before the Commission.

On September 27, 2000, WorldCom filed a letter stating that it does not wish to pursue its arbitration request before the Commission and instead intends to proceed with its request under the Act before the FCC.

As stated in our September 13, 2000, Order, until the issue of Eleventh Amendment immunity from federal appeal under the Act is resolved by the Courts of the United States,[1] we will not act solely under the Act's federally conveyed authority in matters that might arguably implicate a waiver of the Commonwealth's immunity, including the arbitration of rates, terms, and conditions of interconnection agreements between local exchange carriers.

Therefore, since WorldCom does not wish to pursue arbitration before the Commission, we will dismiss its petition for arbitration. If WorldCom proceeds to the FCC, it shall be the responsibility of WorldCom to serve copies of all pleadings filed herein upon the FCC.

Accordingly, IT IS ORDERED THAT:

(1) This case is hereby dismissed pursuant to the laws of the Commonwealth of Virginia, without prejudice, consistent with the findings above and our September 13, 2000, Order.

(2) There being nothing further to come before the Commission, this case is closed and the papers filed herein shall be placed in the file for ended causes.

[1] The 4th Circuit currently has pending before it a case involving sovereign immunity, BellSouth Telecommunications, Inc. v. North Carolina Utilities Commission, No. 99-1845(1), which was argued May 1, 2000. As of the date of this Order, the 4th Circuit has not ruled on this matter.

CASE NO. PUC000228
SEPTEMBER 8, 2000

APPLICATION OF
ATX TELECOMMUNICATIONS SERVICES OF VIRGINIA, LLC

For a certificate of public convenience and necessity to provide local exchange telecommunications services

ORDER FOR NOTICE AND HEARING AND GRANTING INTERIM AUTHORITY

On August 30, 2000, ATX Telecommunications Services of Virginia, LLC ("ATXVA" 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. ATXVA also requests authority to provide such services on an interim basis.[1]

[1] By Order dated October 8, 1997, in Case No. PUC970044, ATX Telecommunications Services, Ltd. ("ATXS"), was authorized to provide local telecommunications services in all exchanges in which Verizon Virginia Inc. f/k/a Bell Atlantic-Virginia, Inc., and Verizon South Inc. f/k/a GTE South Incorporated provide services in Virginia. Pursuant to a Joint Petition for Approval of Transfer of Control of ATX Services, Inc., to CoreComm Limited and Request for Expedited Relief, Case No. PUA000035, which was filed on May 8, 2000, and amended on August 16, 2000, ATX Services, Inc. ("ATX"), and CoreComm Limited ("CoreComm") advised the Commission that ATXS had changed its name to ATX Telecommunications Services, Inc., and changed its form of organization from a limited partnership to a corporation. In their August 16, 2000, filing, the parties noted that ATX Telecommunications Services of Virginia, LLC ("ATXVA"), a second tier subsidiary of ATX, will be providing the telecommunications services previously provided by ATXS. Accordingly, on August 30, 2000, ATXVA completed an application for a certificate to provide local exchange telecommunications services.

NOW UPON CONSIDERATION of the filing, the Commission is of the opinion that ATXVA's application should be docketed; that the Applicant should give notice to the public of its application; that the Commission Staff should conduct an investigation into the reasonableness of the application and present its findings in a Staff Report; and that a public hearing should be convened to receive evidence relevant to ATXVA's application. We will, considering ATXVA's request and the joint application filed in Case No. PUA000035, grant ATXVA authority to operate and to provide telecommunications services to customers under the tariffs of ATX Telecommunications Services, Ltd.

Accordingly, IT IS ORDERED THAT:

(1) This case is docketed and assigned Case No. PUC000228.

(2) ATX Telecommunications Services of Virginia, LLC, is hereby authorized to operate and to provide telecommunications services to customers under the tariffs of ATX Telecommunications Services, Ltd., until the Commission renders a decision in this proceeding.

(3) A public hearing for the purpose of receiving evidence relevant to ATXVA's application is scheduled for December 12, 2000, at 10:00 a.m. in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia.

(4) On or before October 13, 2000, the Applicant shall complete publication of the following notice to be published on one (1) occasion as classified advertising, in newspapers having general circulation throughout the Applicant's proposed service territory:

NOTICE TO THE PUBLIC OF AN APPLICATION BY
ATX TELECOMMUNICATIONS SERVICES OF VIRGINIA, LLC
FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES
THROUGHOUT THE COMMONWEALTH OF VIRGINIA,
CASE NO. PUC000228

On August 30, 2000, ATX Telecommunications Services of Virginia, LLC ("ATXVA" 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 an August 16, 2000, amendment to Joint Petition for Approval of Transfer of Control of ATX Services, Inc., to CoreComm Limited and Request for Expedited Relief, Case No. PUA000035, ATX Services, Inc. ("ATX"), and CoreComm Limited noted that ATXVA, a subsidiary of ATX, will be providing the telecommunications services previously provided by ATX Telecommunications Services, Ltd. Accordingly, on August 30, 2000, ATXVA completed an application for a certificate to provide local exchange telecommunications services.

A public hearing on ATXVA's application will be convened on December 12, 2000, at 10:00 a.m. in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, Richmond, Virginia, to hear evidence relevant to its application for a certificate to provide local exchange telecommunications services.

Copies of the application are available for public inspection between the hours of 8:15 a.m. and 5:00 p.m., Monday through Friday, in the Commission's Document Control Center located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia, or can be ordered from ATXVA's counsel, Eric M. Page, Esquire, LeClair Ryan, Innsbrook Corporate Center, 4201 Dominion Boulevard, Suite 200, Glen Allen, Virginia 23060.

Any person desiring to comment in writing on ATXVA's application may do so by directing such comments on or before November 6, 2000, to the Clerk of the Commission at the address listed below. Written comments must refer to Case No. PUC000228.

Any person desiring to make a statement at the public hearing concerning ATXVA's application need only appear in the Commission's second floor courtroom at 9:45 a.m. on the day of the hearing and identify himself or herself as a public witness to the Commission's Bailiff.

Any person who expects to submit evidence, cross-examine witnesses, or otherwise participate in the proceeding as a Protestant, pursuant to Rule 4:6 of the Commission's Rules of Practice and Procedure, should promptly obtain a copy of the Order for Notice and Hearing from the Clerk of the Commission for full details of the procedural schedule and instructions on participation.

Individuals with disabilities who require an accommodation to participate in the hearing should contact the Commission at least seven (7) days before the scheduled hearing date at 1-800-552-7945 (voice) or 1-804-371-9206 (TDD).

All written communications to the Commission concerning ATXVA's application should be directed to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, and should refer to Case No. PUC000228.

ATX TELECOMMUNICATIONS SERVICES OF VIRGINIA, LLC

(5) On or before October 13, 2000, Applicant shall provide a copy of the notice contained in ordering paragraph (4) to each local exchange telephone carrier certificated in Virginia and each interexchange carrier certificated in Virginia by personal delivery or first-class mail, postage prepaid, to the customary place of business or residence of the person served. Lists of all current local exchange and interexchange carriers in Virginia are attached to this Order as Appendices A and B, respectively.

(6) On or before September 29, 2000, the Applicant shall prefile with the Commission an original and fifteen (15) copies of any additional direct testimony it intends to present at the public hearing. Copies shall also be served on any person who files a Notice of Protest.

(7) Any person desiring to comment in writing on ATXVA's application may do so by directing such comments on or before November 6, 2000, to the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218. Comments must refer to Case No. PUC000228. Any person desiring to make a statement at the public hearing concerning the application need only appear in the Commission's second floor courtroom at 9:45 a.m. on the day of the hearing and identify himself or herself to the Bailiff as a public witness.

(8) On or before November 6, 2000, any person desiring to participate as a Protestant as defined in Rule 4:6 of the Commission's Rules of Practice and Procedure ("Rules") shall file an original and fifteen (15) copies of a Notice of Protest as provided in Rule 5:16(a) and shall serve a copy of the same on ATXVA's counsel, Eric M. Page, Esquire, LeClair Ryan, Innsbrook Corporate Center, 4201 Dominion Boulevard, Suite 200, Glen Allen, Virginia 23060.

(9) Any person who expects to submit evidence, cross-examine witnesses, or otherwise participate in the proceeding as a Protestant pursuant to Rule 4:6 shall file on or before November 6, 2000, an original and fifteen (15) copies of its Protest with the Clerk of the Commission at the address listed above, referring to Case No. PUC000228, and shall on the same day mail a copy thereof to ATXVA's counsel, Eric M. Page, Esquire, LeClair Ryan, Innsbrook Corporate Center, 4201 Dominion Boulevard, Suite 200, Glen Allen, Virginia 23060, and to any other Protestants. The Protest shall set forth (i) a precise statement of the interest of the Protestant in the proceeding; (ii) a full and clear statement of the facts which the Protestant is prepared to prove by competent evidence; and (iii) a statement of the specific relief sought and the legal basis therefor. Any corporate entity that wishes to submit evidence, cross-examine witnesses, or otherwise participate as a Protestant must be represented by legal counsel in accordance with the requirement of Rule 4:8 of the Commission's Rules.

(10) On or before November 6, 2000, each Protestant shall file with the Clerk of the Commission an original and fifteen (15) copies of the prepared testimony and exhibits the Protestant intends to present at the hearing and shall on the same day mail a copy of the same to counsel for ATXVA and other Protestants. Service upon counsel for ATXVA shall be made at the address set forth above.

(11) The Commission Staff shall analyze the reasonableness of ATXVA's application and present its findings in a Staff Report to be filed on or before November 30, 2000.

(12) On or before November 30, 2000, if necessary, the Commission Staff may file with the Clerk of the Commission an original and fifteen (15) copies of any prepared testimony and exhibits it intends to present at the public hearing. A copy of the Staff's direct testimony shall be mailed to counsel for the Applicant and to each Protestant.

(13) On or before December 6, 2000, the Applicant shall file with the Clerk of the Commission an original and fifteen (15) copies of any testimony it expects to introduce in rebuttal to any direct prefiled testimony of Staff and Protestants. A copy of the rebuttal testimony shall be mailed to Staff and each Protestant by overnight delivery.

(14) On or before November 27, 2000, ATXVA shall file with the Clerk of the Commission proof of the notice and service required by ordering paragraphs (4) and (5) herein.

(15) The Applicant shall respond to written interrogatories or data requests within seven (7) days after the receipt of the same. Protestants shall provide to the Applicant, other Protestants and Staff any workpapers or documents used in preparation of their prefiled testimony, promptly upon request. Except as so modified, discovery shall be in accordance with Part VI of the Rules.

CASE NO. PUC000228
DECEMBER 15, 2000

APPLICATION OF
ATX TELECOMMUNICATIONS SERVICES OF VIRGINIA, LLC

For certificate of public convenience and necessity to provide local exchange telecommunications services

FINAL ORDER

On August 30, 2000, ATX Telecommunications Services of Virginia, LLC ("ATXVA" or "Applicant"), completed an application with the State Corporation Commission ("Commission") for a certificate of public convenience and necessity ("certificate") requesting authority to provide local exchange telecommunications services throughout the Commonwealth of Virginia. ATXVA also requested authority to provide such services on an interim basis.[1]

[1] By Order dated October 8, 1997, in Case No. PUC970044, ATX Telecommunications Services LTD. ("ATX LTD"), was authorized to provide local telecommunications services in all exchanges in which Verizon Virginia Inc. f/k/a Bell Atlantic-Virginia, Inc., and Verizon South Inc. f/k/a GTE South Incorporated provide services in Virginia. Pursuant to a Joint Petition for Approval of Transfer Control of ATX Services, Inc., to CoreComm Limited and Request for Expedited Relief, Case No. PUA000035, which was filed on May 8, 2000, and amended on August 16, 2000, ATX Services, Inc. ("ATX"), and CoreComm Limited ("CoreCom") advised the Commission that ATX LTD had changed its form of organization from a limited partnership to a corporation. In their August 16, 2000, filing, the parties noted that ATX Telecommunications Services of Virginia, LLC ("ATXVA"), a second tier subsidiary of ATX,

By Order dated September 8, 2000, 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 ATXVA's application. That Order also authorized ATXVA to operate and provide telecommunications services to customers under the tariffs of ATX Telecommunications Services LTD. ("ATX LTD") until the Commission renders a decision in this proceeding.

On October 25, 2000, ATXVA filed proof of publication and proof of service as required by the Commission's Order dated September 8, 2000.

Pursuant to a November 30, 2000, Order, Staff filed its Report on December 4, 2000, finding that ATXVA was in compliance with the Rules Governing the Offering of Competitive Local Exchange Service ("Local Rules"), 20 VAC 5-400-180. Based on its review of ATXVA's application, the Staff determined that it would be appropriate to grant the Applicant a certificate to provide local exchange telecommunications services in the Commonwealth of Virginia, subject to the following condition and recommendation:

(1) ATXVA should be required to provide tariffs in its own name within sixty (60) days of the final order in this case. Once ATXVA's tariffs are received and accepted, the tariffs of its predecessor, ATX LTD, should be administratively cancelled; and

(2) Any order authorizing ATXVA to provide local exchange telecommunications services in Virginia should also reflect the cancellation of Certificate No. T-388 issued to ATX LTD on October 8, 1997, in Case No. PUC970044, since this entity no longer exists.

A hearing was conducted on December 12, 2000. The application and accompanying exhibits and the Staff Report were entered into the record without objection.

There were no written comments or notices of protest filed in this proceeding. No public witnesses appeared at the December 12, 2000, hearing.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that ATXVA should be granted a certificate to provide local exchange telecommunications services in Virginia, subject to the condition detailed herein.

Accordingly, IT IS ORDERED THAT:

(1) ATX Telecommunications Services of Virginia, LLC, is hereby granted a certificate of public convenience and necessity, No. T-388a, 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, and the provisions of this Order.

(2) ATXVA shall provide tariffs in its own name no later than sixty (60) days from the date of this Order.

(3) Certificate No. T-388 issued to ATX Telecommunications Services LTD. is hereby cancelled.

(4) The Commission's Division of Communications shall administratively cancel the tariffs of ATX LTD concurrent with the acceptance of the tariffs provided in ordering paragraph (2) herein.

(5) There being nothing further to come before the Commission, this case shall be dismissed.

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will be providing the telecommunications services previously provided by ATX LTD. Accordingly, on August 30, 2000, ATXVA completed an application for a certificate to provide local exchange telecommunications services.

CASE NO. PUC000239
NOVEMBER 2, 2000

APPLICATION OF
360NETWORKS (USA) OF VIRGINIA INC.

To amend its certificate to reflect new corporate name

FINAL ORDER

On September 29, 2000, 360networks (USA) of Virginia inc. ("360networks" or "Applicant") completed an application with supporting documents to the State Corporation Commission ("Commission") establishing that its corporate name has been changed from Worldwide Fiber Networks of Virginia, Inc. ("Worldwide Fiber"). Worldwide Fiber holds a certificate of public convenience and necessity, No. TT-91A, to provide interexchange telecommunications services throughout the Commonwealth. The Applicant seeks to amend its certificate of public convenience and necessity to reflect its new corporate name, 360networks (USA) of Virginia inc.

The Commission is of the opinion that a revised certificate of public convenience and necessity should be granted.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) Certificate of Public Convenience and Necessity No. TT-91A issued in the name Worldwide Fiber Networks of Virginia, Inc., is hereby canceled and shall be reissued as amended Certificate No. TT-91B in the name of 360networks (USA) of Virginia inc.

(2) The revised Certificate No. TT-91B shall grant 360networks authority to provide interexchange telecommunications services in accordance with § 56-265.4:4 of the Code of Virginia, the Commission's Rules Governing the Certification of Interexchange Carriers, and the Commission's May 5, 2000, Final Order in Case No. PUC990144.

(3) There being nothing further to come before the Commission, this matter is dismissed, and the papers filed herein shall be placed in the file for ended causes.

CASE NO. PUC000242
DECEMBER 4, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, In re: Investigation of the appropriate level of intrastate access service prices of Verizon Virginia Inc.

ORDER ON PROPOSED SETTLEMENT

On August 8, 2000, Verizon Virginia Inc. ("Verizon Virginia") and the Staff of the State Corporation Commission ("Staff") filed a joint Motion to Approve Settlement of Case ("Motion") in Case No. PUC000003 and set forth a proposed Settlement Agreement ("Agreement") regarding intrastate access services and prices relative only to Verizon Virginia. Responses to this Motion were filed on August 14, 2000, by AT&T Communications of Virginia, Inc., and the Office of the Attorney General, Division of Consumer Counsel. On August 17, 2000, the Hearing Examiner assigned to Case No. PUC000003 entered a Certification of Ruling to the Commission recommending that the Commission separate consideration of the Agreement from the ongoing proceedings and establish a procedure for considering comments on the merits of the changes in the access rates set forth in said Agreement and any issues related thereto.

By Order dated September 13, 2000, we established this case to consider the Agreement separately from the issues remaining in Case No. PUC000003.[1] In that Order, we established a schedule for receiving comments or requests for hearing on the Agreement and set aside the date of November 7, 2000, for hearing evidence if there had been a request for hearing. None was filed. Comments on the Agreement were filed by AT&T Communications of Virginia, Inc. ("AT&T"), the Association of Communications Enterprises ("ASCENT"), and the Office of Attorney General's Division of Consumer Counsel ("Consumer Counsel"). Verizon Virginia filed reply comments.

ASCENT argues that the Telecommunications Act of 1996 requires access rates to be "cost-based" and asserts that "basing access charges on a negotiated agreement is improper, because there appears to be a direct correlation between [Verizon Virginia's] actual costs and access charges." ASCENT urges us to reject the Agreement and resolve this matter in a way "which would tie [Verizon Virginia's] access charges to costs."

We do not agree that the Telecommunications Act of 1996 imposes any particular pricing scheme on intrastate access charges. The original Communications Act clearly delineated the areas subject to federal jurisdiction, i.e., interstate communications and services, from those remaining subject to state jurisdiction, i.e., intrastate communications and services. The Act does require that certain network elements be provided to competitors of the local exchange company at rates based on cost, but use of network elements is distinct from the access service to be provided using those elements.

AT&T did not suggest in its comments that federal law obligated the use of any particular pricing scheme and recognized that the Commission may find just reason to set prices at levels in excess of simple costs. That company did argue that the proposed prices contained in the Agreement represented, in its opinion, insufficient reductions from the present level of access charges. AT&T proposed alternatives for our consideration. It first argued for an immediate reduction of access rates to cost. Alternatively, it suggested we establish the price for local switching at ½ cent per minute, rather than the 1 cent per minute rate envisioned in the Agreement, either as of January 1, 2001, or in 1/10 cent increments beginning with a 9/10 cent per minute rate January 1, 2001, and declining by an additional 1/10 cent per minute each year concluding at January 1, 2005.

Consumer Counsel's comments focused on whether the savings to the interexchange carriers ("IXCs") from lowered access prices would be passed on to their customers in the form of lowered rates. It noted that "Virginia consumers will see any benefit from this Agreement only if the IXCs pass these reductions along in the form of lower rates on in-state long-distance calls." Consumer Counsel asks that any order approving the Agreement should "explicitly require the IXCs, upon request by Staff, to provide information documenting whether, and the extent to which, savings arising from the reduction in intrastate switched access charges have been passed-along to Virginia consumers." Consumer Counsel notes, for example, that the legislature in Texas enacted a statute requiring the pass-through of access charge reductions in that state and that the Public Service Commissions in Illinois and Georgia have also ordered such results.

Verizon Virginia's reply comments dispute AT&T's assertions and proposals and support Consumer Counsel's recommendation that we impose requirements on the IXCs to demonstrate the pass-through of any savings.

NOW THE COMMISSION, having considered the documents and pleadings of record, the Agreement, and the comments and reply comments thereto, as well as the applicable statutes and rules, is of the opinion and finds that the Agreement is reasonable and should be approved. We find that the negotiated access price reductions contained in the Agreement are in the public interest.

In our Order establishing Case No. PUC000003, we discussed that factors other than cost alone would be considered in establishing the proper level of intrastate access charges and invited all interested parties to submit testimony and evidence as to any other factors the Commission should consider in setting these prices. We agree with AT&T that Verizon Virginia's access rates will, even as reduced, remain above the cost of providing this service. From the outset of this investigation, the subject local exchange carriers were required to file cost studies so that the absolute floor of access prices could be

[1] Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte, In re: Investigation of the appropriate level of intrastate access service prices.

determined, but cost alone has been only one of the factors for our consideration in setting access prices. For example, revenues earned by local exchange carriers from access service reduce the pressure on those carriers for increases to basic local exchange services.

The price reductions proposed in the Agreement are significant and substantial. Over a five-year period, Verizon Virginia will halve the rate for switched access. Over the period of the Agreement, this represents an estimated revenue reduction to that company of $270 million, which it has agreed will not be made up in the form of higher rates for basic local exchange services. We find no compelling reason to order further reductions at this time.

Correspondingly, we find no need at this time to impose upon the IXCs any reporting requirements regarding the pass-through of savings they have realized from the ordered access charge reductions. We have long relied upon market forces in Virginia to establish prices for interexchange services and find no evidence in the record here to suggest that that particular market will fail to continue to provide its benefits to Virginia consumers. Further, our notice order establishing this case did not suggest that any such reporting obligation was under our consideration. Among the IXCs, only AT&T, which has committed to pass-through savings to its customers, participated in this proceeding, and we are reluctant to impose unforeseen regulatory obligations upon carriers that might otherwise have been active participants in this matter, particularly as the record establishes no compelling reason to do so.

Accordingly, IT IS ORDERED THAT:

(1) The Agreement is approved and adopted in its entirety.

(2) Verizon Virginia shall forthwith file with the Division of Communications tariff revisions effecting the access price reductions contained in the Agreement and approved herein.

(3) Verizon Virginia shall make timely tariff revisions to effect each successive access price reduction contained in the Agreement and approved herein.

(4) There being nothing further to come before the Commission, this matter is dismissed.

CASE NO. PUC000245
OCTOBER 6, 2000

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For amended certificate under Utility Facilities Act

ORDER GRANTING AMENDED CERTIFICATE

On June 26, 2000, the Central Telephone Company of Virginia ("Centel") submitted to the Division of Communications a letter requesting a revision to its Certificate No. T-103 for Henry County, issued April 11, 1951. Centel explained in its letter that the boundary between Henry County and Franklin County has been changed since Certificate No. T-103 was issued in 1951. Centel's territory is presently certificated to run along the boundary between Henry and Franklin Counties. Therefore, Centel proposes to amend Certificate No. T-103 to comport with the new boundary line between Henry and Franklin Counties. Copies of maps published by the Virginia Department of Transportation depicting the new boundaries of Henry and Franklin Counties were also submitted in support of Centel's proposed revision to its Certificate No. T-103. According to Centel's letter, no customers will be affected by the change in Centel's Certificate No. T-103.

The Commission finds that it is in the public interest that Certificate No. T-103 be amended as proposed.

Accordingly, IT IS ORDERED THAT an amended certificate of public convenience and necessity be issued to Centel, authorizing the furnishing of telephone service in Henry County, which shall be numbered as Certificate No. T-103a. The certificated territory shall be outlined in red on the map of Henry County to be attached to amended Certificate No. T-103a, which shall cancel and replace Certificate No. T-103 issued April 11, 1951.

CASE NO. PUC000246
OCTOBER 6, 2000

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For amended certificate under Utility Facilities Act

ORDER GRANTING AMENDED CERTIFICATE

On June 26, 2000, the Central Telephone Company of Virginia ("Centel") submitted to the Division of Communications a letter requesting a revision to its Certificate No. T-102f which reflects certain boundary changes in Franklin County. Centel explained in its letter that it proposes to transfer a portion of its Rocky Mount Exchange in Franklin County to the Bent Mountain Exchange of Verizon Virginia Inc. ("Verizon Virginia") in order to avoid splitting a landowner's property with the boundary between Centel and Verizon Virginia. This will allow the landowner to be served by Verizon Virginia when telephone service is installed. No existing customers are affected.

The Commission finds that the public interest is served by the proposed boundary change as described above and should be approved. This boundary change should become effective with the boundary change approved this date in Case No. PUC000247.

Accordingly, IT IS ORDERED THAT an amended certificate of public convenience and necessity be issued to Centel authorizing the furnishing of telephone service in Franklin County, which shall be numbered as Certificate No. T-102g. The certificated territory shall be outlined in red on the map of Franklin County to be attached to amended Certificate No. T-102g, which shall cancel and replace Certificate No. T-102f issued on March 15, 1978.

CASE NO. PUC000247
OCTOBER 6, 2000

APPLICATION OF
VERIZON VIRGINIA INC. f/k/a BELL ATLANTIC-VIRGINIA, INC.

For amended certificate under Utilities Facilities Act

ORDER GRANTING AMENDED CERTIFICATE

On June 26, 2000, Verizon Virginia Inc. f/k/a Bell Atlantic-Virginia, Inc. ("Verizon Virginia"), submitted to the Division of Communications a letter requesting a revision to its Certificate No. T-251f which reflects certain boundary changes in Franklin County. Verizon Virginia explained in its letter that Centel proposes to transfer a portion of its Rocky Mount Exchange in Franklin County to Verizon Virginia's Bent Mountain Exchange in order to avoid splitting a landowner's property with the boundary between Centel and Verizon Virginia. This will allow the landowner to be served by Verizon Virginia when telephone service is installed. No existing customers are affected.

The Commission finds that the public interest is served by the proposed boundary change as described above and should be approved. This boundary change should become effective with the boundary change approved this date in Case No. PUC000246.

Accordingly, IT IS ORDERED THAT an amended certificate of public convenience and necessity be issued to Verizon Virginia, authorizing the furnishing of telephone service in Franklin County, which shall be numbered as Certificate No. T-251g. The certificated territory shall be outlined in red on the map of Franklin County to be attached to the amended Certificate No. T-251g, which shall cancel and replace Certificate No. T-251f issued on August 4, 2000.

CASE NO. PUC000248
OCTOBER 6, 2000

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For amended certificate under Utility Facilities Act

ORDER GRANTING AMENDED CERTIFICATE

On June 26, 2000, the Central Telephone Company of Virginia ("Centel") submitted to the Division of Communications a letter requesting a revision to its Certificate No. T-102g for Franklin County. Centel explained in its letter that the boundary between Franklin County and Henry County has been changed. Centel's territory is presently certificated to run along the boundary between Henry and Franklin Counties. Therefore, Centel proposes to amend Certificate No. T-102g to comport with the new boundary line between Henry and Franklin Counties. Copies of maps published by the Virginia Department of Transportation depicting the new boundaries of Henry and Franklin Counties were also submitted in support of Centel's proposed revision to its Certificate No. T-102g. According to Centel's letter, no customers will be affected by the change in Centel's Certificate No. T-102g.

The Commission finds that it is in the public interest that Certificate No. T-102g be amended as proposed.

Accordingly, IT IS ORDERED THAT an amended certificate of public convenience and necessity be issued to Centel, authorizing the furnishing of telephone service in Franklin County, which shall be numbered as Certificate No. T-102h. The certificated territory shall be outlined in red on the map of Franklin County to be attached to amended Certificate No. T-102h, which shall cancel and replace Certificate No. T-102g.

CASE NOS. PUC000261 and PUC000282
NOVEMBER 22, 2000

PETITION OF
AT&T COMMUNICATIONS OF VIRGINIA, INC.,
TCG VIRGINIA, INC.,
and
NATIONAL TELECOM CORP.

For declaratory judgment

and

APPLICATION OF
AT&T COMMUNICATIONS OF VIRGINIA, INC.,
TCG VIRGINIA, INC.,
ACC NATIONAL TELECOM CORP.,
MEDIAONE OF VIRGINIA,
and
MEDIAONE TELECOMMUNICATIONS OF VIRGINIA, INC.

For arbitration of interconnection rates, terms and conditions, and related arrangements with Verizon-Virginia Inc. pursuant to Section 252(b) of the Telecommunications Act of 1996

ORDER

On September 25, 2000, AT&T Communications of Virginia, Inc., TCG Virginia, Inc., and ACC National Telecom Corp. (collectively "AT&T"), filed a petition for declaratory judgment seeking a ruling on whether the Commission would decline to arbitrate, in accordance with §§ 251 and 252 of the Telecommunications Act of 1996 ("the Act"), issues that remain unresolved in negotiations between AT&T and Verizon Virginia Inc. ("Verizon") for a new interconnection agreement. That case was docketed as Case No. PUC000261. Verizon filed a response to AT&T's petition on October 2, 2000, and AT&T filed a reply to Verizon's response on October 10, 2000.

Before the Commission could rule on AT&T's petition, on October 20, 2000, AT&T Communications of Virginia, Inc., TCG Virginia, Inc., ACC National Telecom Corp., MediaOne of Virginia, and MediaOne Telecommunications of Virginia, Inc. (again, collectively "AT&T"), filed a petition for arbitration of interconnection rates, terms, conditions, and related arrangements with Verizon pursuant to § 252(b) of the Act. On November 14, 2000, Verizon filed its Answer to AT&T's petition.

Until the issue of Eleventh Amendment immunity from federal appeal under the Act is resolved by the Courts of the United States, we will not act solely under the Act's federally conveyed authority in matters that might arguably implicate a waiver of the Commonwealth's immunity, including the arbitration of rates, terms, and conditions of interconnection agreements between local exchange carriers.

As discussed in our Order of June 15, 2000, in Case No. PUC990101,[1] the Commission has authority under state law to order interconnection between carriers operating within the Commonwealth, and § 56-38 of the Code of Virginia authorizes us, upon request of the parties, "to effect, by mediation, the adjustment of claims, and the settlement of controversies, between public service companies, and their employees and patrons." Further, our rules codified at 20 VAC 5-400-180 as "Rules governing the offering of competitive local exchange telephone service" anticipate that we would address interconnection issues under the authority of the Virginia Code. Rules 20 VAC 5-400-180 F 5 and 6 specifically provide for our "arbitration" of contested matters.

The parties may elect to proceed with AT&T's arbitration under the Act before the Federal Communications Commission in lieu of this Commission, or the parties may pursue resolution of unresolved issues pursuant to 20 VAC 5-400-180 F 6. If AT&T wishes to pursue this matter before the Commission, the proceeding before us will be deemed to be requesting our action only under authority of Virginia law and our Rules.

Accordingly, IT IS ORDERED THAT:

(1) AT&T shall, within fifteen (15) days of the date of this Order, advise us in writing whether it wishes to pursue its arbitration request before us, consistent with the findings above.

(2) As a result of AT&T's subsequent petition for arbitration in Case No. PUC000282, AT&T's petition for declaratory judgment filed in Case No. PUC000261 is hereby declared moot.

(3) Case No. PUC000261 is hereby dismissed, and the papers filed herein shall be placed in the file for ended causes.

(4) Case No. PUC000282 is continued for further orders of the Commission.

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[1] Petition of Cavalier Telephone, LLC, For arbitration of interconnection rates, terms and conditions, and related relief, Document Control Center No. 000630199.

CASE NO. PUC000265
DECEMBER 21, 2000

APPLICATION OF
VERIZON SOUTH INC.

For approval of its Plan for Alternative Regulation

ORDER APPROVING PLAN

On October 2, 2000, Verizon South Inc. ("Verizon South" or "Company") filed the above-captioned application with the State Corporation Commission ("Commission"). The Company requested the Commission approve a Plan for Alternative Regulation ("Plan") for the Company that employs a price indexing mechanism similar to those previously approved for Verizon Virginia Inc. and the Sprint local exchange telecommunications companies, United Telephone-Southeast, Inc. and Central Telephone Company of Virginia.

Verizon South asserted that its proposed Plan, which it attached to its motion, met the statutory requirements for approval and was in the public interest. The Company represented that it worked extensively with the Staff of the Commission to develop the Plan.

The Plan's major provisions cap prices for Verizon South's basic local exchange telecommunications services to January 1, 2004, and permit (but not require) increases to these services at no more than one half the change in the Gross Domestic Product Price Index thereafter. For services classified as discretionary, price increases would be limited to no more than 10% per year. The Plan also provides that no price increases will be permitted unless Verizon South is meeting Commission standards for service quality and reliability.

On October 18, 2000, we issued our Order for Notice and Comment inviting interested parties to file comments or requests for hearing on the application. Comments, but not requests for hearing, were received from the Office of Attorney General, Division of Consumer Counsel ("Consumer Counsel") and AT&T Communications of Virginia, Inc. ("AT&T").

Neither Consumer Counsel nor AT&T opposed the adoption of the proposed Plan, though AT&T noted that it contained features comparable to those that AT&T found objectionable when similar plans were adopted in Case No. PUC930036 for Bell Atlantic-Virginia and the Sprint companies.[1] These include the mechanism whereby revenue-neutral changes may be made in rates; an alleged deficiency in the productivity sharing mechanism; and the failure of the Plan adequately to prevent subsidization of competitive services with revenues from monopoly services.

Consumer Counsel opined that we should convene a "going-in" rate case for Verizon South, or else "evaluate — before approving the plan — whether the going-in rates are appropriate and do not harm consumers" on the basis of evidence to be taken at a hearing. Consumer Counsel also requested that we expressly recognize, if problems with the Plan arise, that we will issue notice and convene a hearing pursuant to Code § 56-235.5 D "to determine if [the] alternative plan is failing to meet legal requirements or expectations."

NOW THE COMMISSION, upon consideration of the application, the comments thereto, and the applicable statutes and rules finds that the Plan as proposed should be adopted and approved for use by Verizon South on and after January 1, 2001.

We have examined the revenues of the Company annually since it entered its current Plan of Alternative Regulation on January 1, 1995, through the mechanism of its annual informational filings ("AIFs"). On Friday, December 15, 2000, we approved a $200 million refund to the Company's customers based on a settlement negotiated between our Staff, Consumer Counsel, AT&T, and the Company, resolving all issues in each AIF case that remained pending.[2] Since it entered its original alternative regulatory plan, GTE South (as the Company was then known) has also undergone one comprehensive general rate case,[3] which resulted in approximately $27 million in rate reductions.

Late last year, we approved the merger of Bell Atlantic Corporation and GTE Corporation, the parent companies of, respectively, the entities now known as Verizon Virginia Inc. and Verizon South Inc.[4] Due to conditions imposed by the Commission on the merger, Verizon South will experience certain reductions to its revenues as a result of the expansion of local calling areas for many of its customers and from adjustments to rates in its former Southwest operating territory to align those customers' rates with those paid by similarly situated customers in the rest of the newly merged company. These two changes will, in our analysis, lower the Company's revenues by approximately $15.5 million on an annual basis. Additionally, the Company has agreed to advance the deployment of certain enhanced network features in its service area. Specifically, it will make its Customer Local Area Signaling Services available to all customers within 24 months after the merger and, further, the Company agreed to specific annual minimum levels of plant investment in Virginia in years 2000-02.

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[1] Commonwealth of Virginia ex rel. State Corporation Commission, Ex parte: In the matter of investigating telephone regulatory methods pursuant to Virginia Code § 56-235.5, etc., 1994 S.C.C. Ann. Rep. 262 (Final Order, October 18, 1994).

[2] Application of Verizon South Inc., Annual Informational Filings, Case Nos. PUC960134, PUC970071, PUC970072, PUC980098, PUC990121, PUC000192, PUC000266 (Order Approving Joint Agreement and Requiring Refund, December 15, 2000).

[3] Application of GTE South Incorporated, For revisions to its local exchange, access, and intraLATA long distance rates, Case No. PUC950019, 1997 S.C.C. Ann Rep. 216 (Order, August 7, 1997), aff'd sub. nom. GTE South Incorporated v. AT&T Communications of Virginia, Inc. et al., 259 Va. 338, 527 S.E.2d 437 (March 3, 2000).

[4] Joint Petition of Bell Atlantic Corporation and GTE Corporation For Approval of Agreement and Plan of Merger, Case No. PUC990100 (Final Order, November 29, 1999)

Finally, earlier this month we approved a negotiated reduction in Verizon South's access revenues.[5] As a result of this action, the Company will experience a cumulative revenue reduction over a five-year period of more than $100 million. The initial rate reductions effective January 1, 2001, will reduce the Company's access charge revenues by approximately $6 million in that year. Further rate reductions will be implemented for each of the next four years thereafter. At the end of the 5th year, access revenues will be approximately $36 million lower than they are today.

We recite these facts to demonstrate both that the Company's rates have been re-established through a general rate proceeding to just and reasonable levels subsequent to its entry into its current Plan of Alternative Regulation and that its rates have been substantially reduced further by succeeding regulatory actions. We have analyzed the effect of these reductions and are satisfied that given the reductions over the next five years, the rates and price increase provisions of the Plan should be appropriate for the foreseeable future.

We are not persuaded by AT&T's specific criticisms of the proposed plan, which in large measure restate its objections to the original price cap plans. There are factors in the current circumstances and in Verizon South's Plan that do not appear in the Verizon Virginia and Sprint plans and which are refinements to these original price cap plans. Foremost is the agreement by the Company that it will not be eligible for any rate adjustment unless it is meeting all service quality rules now or hereafter promulgated. AT&T asserts that the price change mechanism in the Plan does not allow customers to share in decreasing costs from all productivity gains. While true, the cumulative access charge reductions over the next several years serve to offset the potential enhancement to the Company's revenues from the "productivity" mechanism.

With respect to the "revenue-neutral" price change mechanism, we note that there have been only two instances when Verizon Virginia or the Sprint companies have successfully used this feature of their Plans. The inclusion of the specific language in Paragraph R of the Plan to forbid inclusion of access prices in any revenue-neutral change is a positive refinement as well. We find that the Plan meets all the requirements set forth in § 56-235.5 of the Code of Virginia and its adoption is in the public interest.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) The Verizon South Inc. Plan for Alternative Regulation attached hereto is approved and shall be effective as of January 1, 2001.

(2) Verizon South shall notify the Commission, by letter addressed to the Director of the Division of Communications, of any election to adopt the Plan approved herein not later than five (5) days prior to its proposed implementation date.

(3) There being nothing further to come before the Commission in this case, this matter is dismissed.

NOTE: A copy of the Attachment entitled "Verizon South Inc. Plan for Alternative Regulation" 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.

[5] Commonwealth of Virginia ex rel. State Corporation Commission, Ex parte, In re: Investigation of the appropriate level of intrastate access service prices of Verizon South Inc., Case No. PUC000283, D.C.C. No. 001210230 (Final Order, December 7, 2000).

CASE NO. PUC000268
NOVEMBER 20, 2000

PETITION OF
CAVALIER TELEPHONE, LLC

For Arbitration Pursuant to Section 252(b) of the Telecommunications Act of 1996 to Establish an Interconnection Agreement with Verizon Virginia Inc. and for Expedited Declaratory Relief

FINAL ORDER

On October 6, 2000, Cavalier Telephone, LLC ("Cavalier"), filed its Petition in the above-captioned matter; and on October 31, 2000, Verizon Virginia Inc. ("Verizon Virginia") filed its Motion To Dismiss. Cavalier then filed on November 13, 2000, its request to withdraw the above-captioned Petition.

The Commission finds that with the withdrawal of Cavalier's Petition there remains nothing to be addressed in this matter.

Accordingly, IT IS THEREFORE ORDERED THAT this case is hereby closed.

CASE NO. PUC000275
DECEMBER 19, 2000

IN THE MATTER OF
THE TARIFF FILING BY
VERIZON VIRGINIA INC.
and
VERIZON SOUTH INC.

For withdrawal of intrastate advanced services

ORDER APPROVING WITHDRAWAL OF ADVANCED SERVICES

On October 16, 2000, Verizon Virginia Inc. ("Verizon Virginia") and Verizon South Inc. ("Verizon South") filed with the State Corporation Commission ("Commission") their proposed tariff revisions to withdraw all of their intrastate advanced services offerings.[1] The effective date for such withdrawal is proposed to be contemporaneous with the effective date of their affiliate,[2] Verizon Advanced Data-Virginia Inc. ("VADVA") tariffs.

In conjunction with this tariff withdrawal request, Verizon Virginia's and Verizon South's existing intrastate advanced services customers would be transferred to their affiliate, VADVA, upon that competitive local exchange carrier's ("CLEC") application being granted by this Commission.[3]

On November 8, 2000, the Commission issued an Order Providing Notice and Inviting Comments. Notice was given as ordered.[4] Comments of Network Access Solutions L.L.C. ("NAS") were filed on December 11, 2000. On December 18, 2000, VADVA filed a motion for leave to file comments out of time, together with its Comments. The Commission grants VADVA's motion and receives into the record the Comments filed December 18, 2000.

The Comments of NAS and VADVA refer to the application of VADVA in Case No. PUC000181. The Commission takes judicial notice of the record made in the certification of VADVA on December 19, 2000, in Case No. PUC000181.

The Commission finds that notice was given, as prescribed and in the manner provided in the Order of November 8, 2000. Notwithstanding the Comments of NAS, the Commission concludes that the notice given to the present customers of intrastate advanced services offered by Verizon South and Verizon Virginia is sufficient.

In its Comments, NAS does not oppose the transfer of intrastate advanced services to VADVA. However, NAS does contend that such transfer of advanced services should be conditioned upon VADVA complying with the specific requirements for an incumbent local exchange carrier ("ILEC") as set out in § 251(c)(4) of the Telecommunications Act of 1996 ("Act"). NAS argues that such a condition is in the public interest and is nondiscriminatory.[5] We will not impose the condition requested by NAS. The Commission this date, in Case No. PUC000181, has imposed five conditions for VADVA's certification as follows:

(1) At such time as voice services are initiated by the Company, VADVA shall 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, or a bond shall be provided in lieu thereof, until such time as the Staff or Commission determines it is no longer necessary.

(3) The Company shall provide audited financials for its immediate parent, VADI, to the Division of Economics and Finance no later than one year from the effective date of VADVA's initial tariff.

(4) VADVA shall submit initial tariffs for intrastate advanced services which contain the same terms and conditions and do not exceed the rates of those currently available from the intrastate tariffs of Verizon Virginia and Verizon South.

(5) VADVA shall not increase its prices for ATM, Frame Relay, SMDS, and TLS Services without obtaining permission from the Commission for alternative treatment for these services pursuant to 20 VAC 5-400-180 D 3 d.

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[1] The intrastate advanced services tariffed offerings of Verizon Virginia are Frame Relay Service; ATM Cell Relay Service; Fiber Distributed Data Interface Network Services; and Switched Multi-Megabit Data Services.

The intrastate advanced services tariffed offerings of Verizon South are Frame Relay Service and MegaConnect Service ("SMDS"), and the Frame Relay Service component of the FlexGrow Trunk Service tariff. In addition, Verizon South will withdraw numerous Special Service Arrangements which include these services, as well as Asynchronous Transfer Mode ("ATM").

[2] Interstate advanced services, including xDSL, will also be provided by a separate affiliate. The formation of a separate affiliate to provide both interstate and intrastate advanced services is a condition required by the Federal Communications Commission in conjunction with the approval of the merger between Bell Atlantic and GTE.

[3] The Commission granted the application of VADVA, subject to the recommendations of Staff, pursuant to its Order of December 19, 2000, in Case No. PUC000181.

[4] Proof of the mailing of the notice to all intrastate advanced services customers was filed in this case on November 22, 2000.

[5] The statutory authority to impose this condition is cited by NAS as § 56-481.1-2 of the Code of Virginia. NAS asserts that such condition would have no negative effect upon the "affordability of basic local exchange telephone service" or "any [other] class of . . . customer or . . . service provider," as required by § 56-481.2 of the Code of Virginia.

Accordingly, IT IS ORDERED THAT:

(1) The tariff filings of Verizon Virginia and Verizon South are hereby approved and effective upon the transfer of the customers to VADVA.

(2) This cause is placed in the file for ended causes.

CASE NO. PUC000282
DECEMBER 20, 2000

APPLICATION OF
AT&T COMMUNICATIONS OF VIRGINIA, INC.,
TCG VIRGINIA, INC.,
ACC NATIONAL TELECOM CORP.,
MEDIAONE OF VIRGINIA,
and
MEDIAONE TELECOMMUNICATIONS OF VIRGINIA, INC.

For arbitration of interconnection rates, terms and conditions, and related arrangements with Verizon Virginia Inc. pursuant to Section 252(b) of the Telecommunications Act of 1996

ORDER OF DISMISSAL

On October 20, 2000, AT&T Communications of Virginia, Inc., TCG Virginia, Inc., ACC National Telecom Corp., MediaOne of Virginia, and MediaOne Telecommunications of Virginia, Inc. (collectively "AT&T"), filed with the State Corporation Commission ("Commission") a petition for arbitration of interconnection rates, terms, conditions, and related arrangements with Verizon Virginia Inc. ("Verizon") pursuant to § 252(b) of the Telecommunications Act of 1996 ("the Act"). On November 14, 2000, Verizon filed its Answer to AT&T's petition.

On November 22, 2000, the Commission issued an Order advising AT&T and Verizon that, in light of the Commission's concern regarding possible waiver of the Commonwealth's immunity, they may elect to proceed with their arbitration under the Act before the Federal Communications Commission ("FCC") or they may pursue resolution of unresolved issues before the Commission pursuant to Virginia law and the Commission's Rules. AT&T was ordered to advise the Commission in writing within fifteen (15) days of the date of the Order whether it wishes to pursue its arbitration request before the Commission.

On December 4, 2000, AT&T filed a letter stating that it does not wish to pursue its arbitration request before the Commission and instead intends to proceed with its request under the Act before the FCC.

As stated in our November 22, 2000, Order, until the issue of Eleventh Amendment immunity from federal appeal under the Act is resolved by the Courts of the United States,[1] we will not act solely under the Act's federally conveyed authority in matters that might arguably implicate a waiver of the Commonwealth's immunity, including the arbitration of rates, terms, and conditions of interconnection agreements between local exchange carriers.

Since AT&T does not wish to pursue arbitration before the Commission, we will dismiss its request for arbitration. If AT&T proceeds to the FCC, it shall be the responsibility of AT&T to serve copies of all pleadings filed herein upon the FCC.

Accordingly, IT IS ORDERED THAT:

(1) This case is hereby dismissed pursuant to the laws of the Commonwealth of Virginia, without prejudice, consistent with the findings above and our November 22, 2000, Order.

(2) There being nothing further to come before the Commission, this case is closed and the papers filed herein shall be placed in the file for ended causes.

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[1] The 4th Circuit currently has pending before it a case involving sovereign immunity, BellSouth Telecommunications, Inc. v. North Carolina Utilities Commission, No. 99-1845(1), which was argued May 1, 2000. As of the date of this Order, the 4th Circuit has not ruled on this matter.

CASE NO. PUC000283
DECEMBER 7, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, In re: Investigation of the appropriate level of intrastate access service prices of Verizon South Inc.

ORDER ON PROPOSED SETTLEMENT

On October 3, 2000, Verizon South Inc. ("Verizon South") and the Staff of the State Corporation Commission ("Staff") filed a Motion to Approve Settlement of Case ("Motion") in Case No. PUC000003 and set forth a proposed Settlement Agreement ("Agreement") regarding intrastate access

services and prices relative only to Verizon South. Responses to this Motion were filed by AT&T Communications of Virginia, Inc. ("AT&T") and the Division of Consumer Counsel, Office of the Attorney General ("Consumer Counsel"). On October 18, 2000, the Hearing Examiner assigned to Case No. PUC000003 entered a Certification of Ruling to the Commission recommending that the Commission separate consideration of the Agreement from the ongoing proceedings and establish a procedure for considering comments on the merits of the changes in the access rates set forth in said Agreement and any related issues thereto. A similar procedure was recommended, and adopted by us, in Case No. PUC000242, for consideration of the proper level of access charges for Verizon Virginia Inc., Verizon South's sister company.

By Order dated October 25, 2000, we established this case to consider the Agreement separately from the issues remaining in Case No. PUC000003.[1] In that Order, we established a schedule for receiving comments or requests for hearing on the Agreement and set aside the date of December 19, 2000, for hearing evidence if there had been a request for hearing. None was filed. Comments on the Agreement were filed by AT&T and by Consumer Counsel.

AT&T argues in its comments for further reductions to access charges than those provided for by the Agreement. AT&T recognized that the Commission may find just reason to set prices at levels in excess of simple costs. That company argues that the proposed prices contained in the Agreement represent, in its opinion, insufficient reductions from the present level of access charges. AT&T proposed alternatives for our consideration. It first argued for an immediate reduction of access rates to cost. Alternatively, it suggested we establish the price for local switching at ½ cent per minute, rather than the 1 cent per minute rate envisioned in the Agreement, either as of January 1, 2001, or in 1/10 cent increments beginning with a 9/10 cent per minute rate January 1, 2001, and declining by an additional 1/10 cent per minute each year concluding at January 1, 2005.

Consumer Counsel, by contrast, makes no request for any further rate reductions. Instead, Consumer Counsel asks that we adopt procedures to require the interexchange carriers ("IXCs") that will receive the benefits of the rate reductions called for in the Agreement to document their savings and the manner and extent to which these savings have been passed on to their customers. It noted that "Virginia consumers will see any benefit from this Agreement only if the IXCs pass these reductions along in the form of lower rates on in-state long-distance calls."

Consumer Counsel asks that any order approving the Agreement should "explicitly require the IXCs, upon request by Staff, to provide information documenting whether, and the extent to which, savings arising from the reduction in intrastate switched access charges have been passed-along to Virginia consumers." Consumer Counsel notes, for example, that the legislature in Texas enacted a statute requiring the pass-through of access charge reductions in that state and that the Public Service Commissions in Illinois and Georgia have also ordered such results.

NOW THE COMMISSION, having considered the documents and pleadings of record, the Agreement, and the comments and reply comments thereto, as well as the applicable statutes and rules, is of the opinion and finds that the Agreement is reasonable and should be approved. We find that the negotiated access price reductions contained in the Agreement are in the public interest.

In our Order establishing Case No. PUC000003, we discussed that factors other than cost alone would be considered in establishing the proper level of intrastate access charges and invited all interested parties to submit testimony and evidence as to any other factors the Commission should consider in setting these prices. We agree with AT&T that Verizon South's access rates will, even as reduced, remain above the cost of providing this service. From the outset of this investigation, the subject local exchange carriers were required to file cost studies so that the absolute floor of access prices could be determined, but cost alone has been only one of the factors for our consideration in setting access prices. For example, revenues earned by local exchange carriers form access service reduce the pressure on those carriers for increases to basic local exchange services.

The price reductions proposed in the Agreement are significant and substantial. Over the period of the Agreement, this represents an estimated revenue reduction to that company of $101 million, which it has agreed will not be made up in the form of higher rates for basic local exchange services. We find no compelling reason to order further reductions at this time.

Correspondingly, we find no need at this time to impose upon the IXCs any reporting requirements regarding the pass-through of savings they have realized from the ordered access charge reductions. We have long relied upon market forces in Virginia to establish prices for interexchange service and find no evidence in the record here to suggest that particular market will fail to continue to provide its benefits to Virginia consumers. Further, our Notice Order establishing this case did not suggest that any such reporting obligation was under our consideration. Among the IXCs, only AT&T, which has committed to pass-through savings to its customers, participated in this proceeding, and we are reluctant to impose unforeseen regulatory obligations upon carriers that might otherwise have been active participants in this matter, particularly as the record establishes no compelling reason to do so.

Accordingly, IT IS ORDERED THAT:

(1) The Agreement is approved and adopted in its entirety.

(2) Verizon South shall forthwith file with the Division of Communications tariff revisions effecting the access price reductions contained in the Agreement and approved herein.

(3) Verizon South shall make timely tariff revisions to effect each successive access price reduction contained in the Agreement and approved herein.

(4) There being nothing further to come before the Commission, this matter is dismissed.

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[1] Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte, In re: Investigation of the appropriate level of intrastate access service prices.

CASE NO. PUC000293
DECEMBER 5, 2000

JOINT APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.
and
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For approval of a Master Interconnection and Resale Agreement with Winstar Wireless, Inc., under § 252 (e) of the Telecommunications Act of 1996

ORDER GRANTING MOTION TO WITHDRAW AND DISMISSING PROCEEDING

On December 1, 2000, United Telephone-Southeast, Inc., and Central Telephone Company of Virginia (collectively "the Applicants"), by their counsel, filed a motion to withdraw their joint application for approval of a master interconnection and resale agreement with Winstar Wireless, Inc., which was filed on October 27, 2000. In support of their motion, the Applicants state that certain revisions need to be made to their agreement and that they will subsequently file a new agreement incorporating the necessary revisions.

NOW THE COMMISSION, having considered the matter, is of the opinion that the Applicants' request is reasonable and should be granted.

Accordingly, IT IS ORDERED THAT:

(1) The Applicants' motion to withdraw their joint application is hereby granted; and

(2) This matter is hereby dismissed from the Commission's docket of active cases.

CASE NO. PUC000300
NOVEMBER 9, 2000

APPLICATION OF
OPENBAND OF VIRGINIA, INC. F/K/A DEAN NETWORKS OF VIRGINIA, INC.

To amend certificates to reflect new corporate name

ORDER

On October 10, 2000, OpenBand of Virginia, Inc. ("OpenBand" or "Applicant"), filed an application and supporting exhibits establishing that its corporate name had been changed from Dean Networks of Virginia, Inc. ("Dean Networks").[1] Dean Networks held certificates of public convenience and necessity, No. TT-104A and No. T-500, to provide interexchange and local exchange telecommunications services, respectively, throughout the Commonwealth.

On October 25, 2000, the State Corporation Commission ("Commission") issued an order in Case. No. PUC000119 directing the amendment of the Applicant's certificates of public convenience and necessity to reflect its new corporate name, OpenBand. Certificates No. TT-104A and No. T-500 referenced above were reissued as Certificate No. TT-104B and No. T-500a to provide interexchange and local exchange telecommunications services, respectively, throughout the Commonwealth.

On November 6, 2000, it was discovered that two corrections are required in the October 25, 2000, Order. As Case No. PUC000119 had been closed by the Commission on July 26, 2000, this case number was inappropriately employed in the name change from Dean Networks to OpenBand. In addition, the date referenced in Ordering Paragraph (5) was incorrectly identified as January 1, 2000.

The Commission is of the opinion and finds that the October 25, 2000, Order should be corrected as provided herein.

Accordingly, IT IS ORDERED THAT:

(1) A new case number shall be established and the matter shall be docketed as PUC000300.

(2) Our October 25, 2000, Order in Case No. PUC000119 shall be associated with this matter, Case No. PUC000300.

(3) Ordering Paragraph (5) of our October 25, 2000, Order that reads, "The Applicant shall provide revised tariffs to the Division of Communications reflecting the new name, OpenBand of Virginia, Inc., by January 1, 2000," shall be revised as follows, "The Applicant shall provide revised tariffs to the Division of Communications reflecting the new name, OpenBand of Virginia, Inc., by January 1, 2001."

(4) All other provisions of our October 25, 2000, Order shall remain in effect.

(5) There being nothing further to come before the Commission, this matter is dismissed and the papers filed herein shall be placed in the file for ended causes.

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[1] On October 6, 2000, the Commission issued a Certificate of Amendment pertaining to the change of name from Dean Networks to OpenBand and the amended Articles of Incorporation.

CASE NO. PUC000325
DECEMBER 8, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, In re: Investigation of provision of service of PICUS Communications of Virginia, Inc.

ORDER ESTABLISHING INVESTIGATION

By letter to the Director of the Commission's Division of Communications, counsel for PICUS Communications of Virginia, Inc., ("PICUS" or the "Company") advised that PICUS had filed, on November 7, 2000, for protection under Chapter 11 of the United States Bankruptcy Code. Counsel further advised that PICUS had sent, or was to send, letters to its customers informing them that they must move their service to another telecommunications carrier. Further, we have been advised by our Staff that the Company is alleged to be in arrears under its interconnection agreement with Verizon Virginia Inc. ("Verizon Virginia") and that the latter company proposes to discontinue providing service to PICUS on or about December 18, 2000.[1] Upon this occurrence, PICUS will be unable to furnish dial tone to many of its customers, who will thereafter be unable to use their telephone. The Staff has further advised that at last report that, despite PICUS' effort, approximately 4,000 customers, more or less, of PICUS' approximately 6,000 customers have not selected another carrier.

The Commission views the imminent termination of service to thousands of Virginia telephone customers as inimical to the public interest. Therefore, we establish this investigation of PICUS and invite other interested carriers to advise us of their willingness and ability to render assistance to avert this potential emergency. The Commission envisions assignment, to such other carrier or carriers willing to provide service, of those customers of PICUS who have not yet designated or do not designate an alternative carrier. After such emergency assignment, customers so assigned may designate, in the normal and usual course of business, any other carrier they wish to provide service to them. We ask interested carriers in the former PICUS area to advise us whether they are willing and able to accept an assignment of customers and, if so, how many such customers they could accept and whether or not they would propose to impose transfer or connection fees on such customers.

The Commission solicits comment as to the appropriate manner in which such assignment of customers may be made and, indeed, welcomes any and all other suggestions from any carrier or interested member of the public as to how to avert the impending extensive termination of customer service.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUC000325.

(2) On or before December 14, 2000, any local exchange carrier certified to provide service in the area where PICUS provides service submit comment responsive to the issues raised herein and advise us of its ability to provide service to PICUS' customers for whom termination of service appears imminent, and the terms upon which it proposes to provide service.

(3) On or before December 14, 2000, any interested member of the public may submit comments responsive to the issues raised herein.

(4) The Director of the Division of Information Resources forthwith disseminate this Order among the media in the area in which PICUS provides service, requesting the cooperation of the media in advising the public as to the imminent loss of dial tone service by customers of PICUS.

(5) The Director of the Division of Communications shall forthwith disseminate this Order, to the maximum extent possible, to certificated local exchange carriers via telefax or email.

(6) This matter is continued for further orders of the Commission.

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[1] PICUS is also alleged to be in arrears to at least one other carrier, Cox Virginia Telcom, Inc., which has likewise indicated an intent to discontinue service to the Company.

CASE NO. PUC000328
DECEMBER 20, 2000

APPLICATION OF
NCN VIRGINIA CORP.

For cancellation of its certificates of public convenience and necessity

ORDER

By letter of counsel, NCN Virginia Corp. ("NCN"), has requested the State Corporation Commission ("Commission") to cancel its certificates of public convenience and necessity, Nos. T-458 and TT-76A, issued by Final Order dated September 22, 1999, in Case No. PUC990079. By these certificates, NCN was permitted to provide competitive local exchange and interexchange telecommunications services. NCN 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 certificates should be granted.

Accordingly, IT IS ORDERED THAT:

(1) This matter should be docketed and assigned Case No. PUC000328.

(2) The request of NCN for cancellation of its certificates of public convenience and necessity, No. T-458, to provide local exchange telecommunications services, and No. TT-76A, to provide interexchange telecommunications services, shall be granted and said certificates are hereby cancelled.

(3) This matter is dismissed.

The Commission issued 144 orders in 2000 approving interconnection agreements or amendments to agreements between telecommunications companies in the Commonwealth. The full text of these orders can be found on WESTLAW and on the Commission's website http://www.state.va.us/scc.

Case No. PUC960103, Application of Bell Atlantic-Virginia, Inc. and TCG Virginia, Inc., Order Approving Agreement dated April 26, 2000.

Case No. PUC970010, Application of Bell Atlantic-Virginia, Inc. and Winstar Wireless of Virginia, LLC, Order Approving Amendment dated January 24, 2000.

Case No. PUC970066, Application of Bell Atlantic-Virginia, Inc. and R&B Network, Inc., Order Approving Amendment dated January 27, 2000.

Case No. PUC970165, Application of Bell Atlantic-Virginia, Inc. and Teligent of Virginia, Inc., Order Approving Agreement dated January 7, 2000.

Case No. PUC970183, Application of Verizon South Inc. f/k/a GTE South Incorporated and Teligent of Virginia, Inc., Order Approving Interim Agreement dated August 17, 2000.

Case No. PUC980015, Application of Bell Atlantic-Virginia, Inc. and Dynamic Telco Services of Virginia, Inc., Order Approving Amendment dated January 27, 2000.

Case No. PUC980054, Application of Bell Atlantic-Virginia, Inc. and Level 3 Communications, LLC, Order Approving Amendment dated January 13, 2000.

Case No. PUC980062, Application of Bell Atlantic-Virginia, Inc. and Frontier Telemanagement, L.L.C., Order Approving Amendment dated February 8, 2000.

Case No. PUC980105, Application of United Telephone-Southeast, Inc. and NA Communications, Inc., Order Approving Amendment dated November 2, 2000.

Case No. PUC980115, Application of Bell Atlantic-Virginia, Inc. and ACC National Telecom Corp., Order Approving Amendment dated April 26, 2000.

Case No. PUC980130, Application of GTE South Incorporated and AirTouch Paging, Order Approving Amendment dated April 26, 2000.

Case No. PUC990007, Application of Bell Atlantic-Virginia, Inc. and PaeTec Communications, Inc., Order Approving Amendment dated February 7, 2000.

Case No. PUC990016, Application of Bell Atlantic-Virginia, Inc. and Prism Virginia Operations, LLC f/k/a Transwire Operations, LLC, Order Approving Amendment dated January 7, 2000.

Case No. PUC990075, Application of Verizon Virginia Inc. f/k/a Bell Atlantic-Virginia, Inc. and DSLnet Communications VA, Inc., Order Approving Amendments dated November 1, 2000.

Case No. PUC990103, Application of GTE South Incorporated and DIECA Communications Company d/b/a Covad Communications Company, Order Approving Amendment dated April 7, 2000.

Case No. PUC990103, Application of GTE South Incorporated and DIECA Communications, Inc. d/b/a Covad Communications Company, Order Approving Amendment dated August 3, 2000.

Case No. PUC990180, Application of GTE South Incorporated and NOW Communications, Inc., Order Approving Agreement dated January 10, 2000.

Case No. PUC990181, Application of United Telephone-Southeast, Inc. and NOW Communications, Inc., Order Approving Amendment dated January 10, 2000.

Case No. PUC990182, Application of Central Telephone Company of Virginia and Max-Tel Communications Inc., Order Approving Agreement dated January 10, 2000.

Case No. PUC990183, Application of United Telephone-Southeast, Inc. and Universal Telecom, Inc., Order Approving Agreement dated January 10, 2000.

Case No. PUC990184, Application of Central Telephone Company of Virginia and NOW Communications, Inc., Order Approving Agreement, dated January 10, 2000.

Case No. PUC990185, Application of United Telephone-Southeast, Inc. and Max-Tel Communications Inc., Order Approving Agreement dated January 10, 2000.

Case No. PUC990186, Application of Central Telephone Company of Virginia and Universal Telecom, Inc., Order Approving Agreement dated January 10, 2000.

Case No. PUC990188, Application of Bell Atlantic-Virginia, Inc. and CoreComm Virginia, Inc., Order Approving Agreement dated January 12, 2000.

Case No. PUC990190, Application of Bell Atlantic-Virginia, Inc. and essential.com, inc., Order Approving Agreement dated January 12, 2000.

Case No. PUC990192, Application of Bell Atlantic-Virginia, Inc. and SmartBeep, Inc., Order Approving Agreement dated January 12, 2000.

Case No. PUC990197, Application of Central Telephone Company of Virginia and Choctaw Communications, Inc., Order Approving Agreement dated January 20, 2000.

Case No. PUC990198, Application of United Telephone-Southeast, Inc. and Choctaw Communications, Inc., Order Approving Agreement dated January 20, 2000.

Case No. PUC990200, Application of GTE South Incorporated and DSLnet Communications of Virginia, Inc., Order Approving Agreement dated January 12, 2000.

Case No. PUC990200, Application of GTE South Incorporated and DSLnet Communications VA, Inc., Order Approving Supplement to Agreement dated June 15, 2000.

Case No. PUC990200, Application of Verizon South Inc. f/k/a GTE South Incorporated and DSLnet Communications VA, Inc., Order Approving Amendment dated October 3, 2000.

Case No. PUC990203, Application of GTE South Incorporated and 1-800-RECONEX, Inc., Order Approving Agreement dated January 20, 2000.

Case No. PUC990204, Application of GTE South Incorporated and AT&T Wireless Services, Inc., Order Approving Agreement dated February 10, 2000.

Case No. PUC990205, Application of Central Telephone Company of Virginia and United Telephone-Southeast, Inc. and Comm South Companies, Inc., Order Approving Agreement dated January 27, 2000.

Case No. PUC990214, Application of GTE South Incorporated and Appalachian Cellular, Order Approving Agreement dated February 15, 2000.

Case No. PUC990215, Application of GTE South Incorporated and Comm South Companies, Inc., Order Approving Agreement dated February 22, 2000.

Case No. PUC990216, Application of Bell Atlantic-Virginia, Inc., Computer Business Sciences, Inc. d/b/a CBS and IG2, Inc., Order Approving Agreement dated February 16, 2000.

Case No. PUC990217, Application of GTE South Incorporated and Frontier Telemanagement, LLC, Order Approving Agreement dated February 15, 2000.

Case No. PUC990218, Application of GTE South Incorporated and Network Access Solutions, LLC, Order Approving Agreement dated January 13, 2000.

Case No. PUC990223, Application of Central Telephone Company of Virginia and NorthPoint Communications of Virginia, Inc., Order Approving Agreement dated February 29, 2000.

Case No. PUC990223, Application of Central Telephone Company of Virginia and NorthPoint Communications, Inc., Order Approving Amendment dated August 3, 2000.

Case No. PUC990224, Application of United Telephone-Southeast, Inc. and NorthPoint Communications of Virginia, Inc., Order Approving Agreement dated February 29, 2000.

Case No. PUC990224, Application of United Telephone-Southeast, Inc. and NorthPoint Communications of Virginia, Inc., Order Approving Amendment dated August 3, 2000.

Case No. PUC990225, Application of Central Telephone Company of Virginia and DSLnet Communications of Virginia, Inc., Order Approving Agreement dated February 29, 2000.

Case No. PUC990225, Application of Central Telephone Company of Virginia and DSLnet Communications of Virginia, Inc., Order Approving Amendment dated August 3, 2000.

Case No. PUC990226, Application of United Telephone-Southeast, Inc. and DSLnet Communications of Virginia, Inc., Order Approving Agreement dated February 29, 2000.

Case No. PUC990226, Application of United Telephone-Southeast, Inc. and DSLnet Communications VA, Inc., Order Approving Amendment dated August 3, 2000.

Case No. PUC990227, Application of Bell Atlantic-Virginia, Inc. and The Furst Group, Order Approving Agreement dated February 29, 2000.

Case No. PUC990228, Application of GTE South Incorporated and Choctaw Communications of Virginia, Inc., Order Approving Agreement dated March 2, 2000.

Case No. PUC990229, Application of GTE South Incorporated and Business Telecom of Virginia, Inc., Order Approving Agreement dated March 2, 2000.

Case No. PUC990233, Joint Application of Bell Atlantic-Virginia, Inc. and ACSI Local Switched Services, Inc. d/b/a e.spire, Order Approving Agreement dated March 3, 2000.

Case No. PUC990234, Joint Application of Central Telephone Company of Virginia and United Telephone-Southeast, Inc. and Business Telecom Inc., Order Approving Agreement dated March 3, 2000.

Case No. PUC990235, Joint Application of Central Telephone Company of Virginia and United Telephone-Southeast, Inc. and 360° Communications Company, Order Approving Agreement dated March 3, 2000.

Case No. PUC990236, Joint Application of Central Telephone Company of Virginia and United Telephone-Southeast, Inc. and Sprint Spectrum L.P. d/b/a Sprint PCS, Order Approving Agreement dated March 3, 2000.

Case No. PUC990240, Application of Bell Atlantic-Virginia, Inc. and TSR Wireless LLC, Order Approving Agreement dated March 3, 2000.

Case No. PUC990241, Application of Bell Atlantic-Virginia, Inc. and Arbros Communications Licensing Company, VA, Order Approving Agreement dated March 1, 2000.

Case No. PUC990242, Application of Bell Atlantic-Virginia, Inc. and Phone-Link, Inc., Order Approving Agreement dated March 1, 2000.

Case No. PUC990247, Joint Application of GTE South Incorporated and Highland Cellular, Inc., Order Approving Agreement dated March 24, 2000.

Case No. PUC000005, Application of Bell Atlantic-Virginia, Inc. and Advanced Telcom Group of Virginia Incorporated d/b/a Advanced Telcom Group, Inc., Order Approving Agreement dated April 5, 2000.

Case No. PUC000006, Application of Bell Atlantic-Virginia, Inc. and Interpath Communications, Inc., Order Approving Agreement dated March 24, 2000.

Case No. PUC000008, Application of Bell Atlantic-Virginia, Inc. and Appalachian Cellular, LLC, Order Approving Agreement dated March 24, 2000.

Case No. PUC000009, Application of Bell Atlantic-Virginia, Inc. and Appalachian Cellular, LLC, Order Approving Agreement dated March 24, 2000.

Case No. PUC000012, Application of Bell Atlantic-Virginia, Inc. and Jones Telecommunications of Virginia, Inc., Order Approving Amendment dated April 6, 2000.

Case No. PUC000013, Application of Bell Atlantic-Virginia, Inc. and DMJ Communications, Inc., Order Approving Agreement dated April 6, 2000.

Case No. PUC000016, Application of GTE South Incorporated and PV Tel of Virginia, L.L.C., Order Approving Agreement dated April 14, 2000.

Case No. PUC000022, Application of GTE South Incorporated and NorthPoint Communications of Virginia, Inc., Order Approving Agreement dated April 28, 2000.

Case No. PUC000022, Application of Verizon South Inc. f/k/a GTE South Incorporated and NorthPoint Communications of Virginia, Inc., Order Approving Amendments dated August 28, 2000.

Case No. PUE000023, Application of GTE South Incorporated and EZ Talk Communications, L.L.C., Order Approving Agreement dated April 25, 2000.

Case No. PUC000024, Application of GTE South Incorporated and Advanced Telcom Group of Virginia, Incorporated, Order Approving Agreement dated April 25, 2000.

Case No. PUC000024, Application of Verizon South Inc. f/k/a GTE South Incorporated and Advanced Telcom Group of Virginia, Incorporated, Order Approving Amendment dated August 14, 2000.

Case No. PUC000025, Application of Bell Atlantic-Virginia, Inc. and StarPower Communications, LLC, Order Approving Agreement dated April 25, 2000.

Case No. PUC000029, Application of Bell Atlantic-Virginia, Inc. and 2nd Century Communications, Order Approving Agreement dated April 28, 2000.

Case No. PUC000030, Application of United Telephone-Southeast, Inc. and Interpath Communications, Inc., Order Approving Agreement dated April 6, 2000.

Case No. PUC000031, Application of Bell Atlantic-Virginia, Inc. and U S West !nterprise America of Virginia, Inc., Order Approving Agreement dated May 4, 2000.

Case No. PUC000032, Application of Central Telephone Company of Virginia and Interpath Communications, Inc., Order Approving Agreement dated April 6, 2000.

Case No. PUC000034, Application of Bell Atlantic-Virginia, Inc. and ICG Telecom Group of Virginia, Inc., Order Approving Agreement dated April 25, 2000.

Case No. PUC000036, Application of GTE South Incorporated and Chesapeake Telecommunications Corporation, Order Approving Agreement dated April 26, 2000.

Case No. PUC000050, Application of Bell Atlantic-Virginia, Inc. and Quantrex Communications, Inc., Order Approving Agreement dated April 20, 2000.

Case No. PUC000051, Application of Bell Atlantic-Virginia, Inc. and Broadslate Networks of Virginia, Inc. f/k/a Cardinal Communications of Virginia, Inc., Order Approving Agreement dated May 12, 2000.

Case No. PUC000052, Application of Bell Atlantic-Virginia, Inc. and PageMart Wireless, Inc. n/k/a WebLink Wireless, Inc., Order Approving Agreement dated May 26, 2000.

Case No. PUC000068, Application of United Telephone-Southeast, Inc. and GCR Telecommunications, Inc., Order Approving Agreement dated June 19, 2000.

Case No. PUC000068, Application of United Telephone-Southeast, Inc., Central Telephone Company of Virginia, and GCR Telecommunications, Inc., Order Approving Amendment dated August 14, 2000.

Case No. PUC000069, Application of GTE South Incorporated and Cavalier Telephone, Order Approving Agreement dated June 19, 2000.

Case No. PUC000070, Application of GTE South Incorporated and Prism Virginia Operations, LLC, Order Approving Agreement dated June 19, 2000.

Case No. PUC000071, Application of GTE South Incorporated and 2nd Century Communications of Virginia, Inc., Order Approving Agreement dated May 10, 2000.

Case No. PUC000074, Application of Bell Atlantic-Virginia, Inc. and New Edge Network of Virginia, Inc., Order Approving Agreement dated May 10, 2000.

Case No. PUC000077, Application of Bell Atlantic-Virginia, Inc. and RCN Telecom Services of Virginia, Inc., Order Approving Agreement dated May 2, 2000.

Case No. PUC000114, Application of Bell Atlantic-Virginia, Inc. and MCI WorldCom Communications of Virginia, Inc., Order Approving Agreement dated April 25, 2000.

Case No. PUC000115, Application of Central Telephone Company of Virginia and United Telephone-Southeast, Inc. and New Edge Network of Virginia, Inc., Order Approving Agreement dated July 10, 2000.

Case No. PUC000122, Application of Central Telephone Company of Virginia and Rhythms Links Inc.-Virginia, Order Approving Agreement and Amendments dated August 1, 2000.

Case No. PUC000123, Application of United Telephone-Southeast, Inc. and Rhythms Links Inc.-Virginia, Order Approving Agreement and Amendments dated August 1, 2000.

Case No. PUC000124, Application of Bell Atlantic-Virginia, Inc. and We Connect Communications of Virginia, Inc., Order Approving Agreement dated July 17, 2000.

Case No. PUC000125, Application of Bell Atlantic-Virginia, Inc. and Hooks Communications Group, Inc., Order Approving Agreement dated June 15, 2000.

Case No. PUC000126, Application of Bell Atlantic-Virginia, Inc. and Transbeam, Inc., formerly known as Media Log, Inc., Order Approving Agreement dated July 19, 2000.

Case No. PUC000138, Application of GTE South Incorporated and TSR Wireless LLC, Order Approving Agreement dated July 14, 2000.

Case No. PUC000139, Application of 360° Communications Company of Charlottesville d/b/a Alltel and Central Telephone Company of Virginia; United Telephone-Southeast, Inc. (Sprint), Order Approving Agreement dated August 1, 2000.

Case No. PUC000140, Application of Bell Atlantic-Virginia, Inc. and JATO Communications Corp. of Virginia, Order Approving Agreement dated August 3, 2000.

Case No. PUC000141, Application of GTE South Incorporated and 360° Communications Company of Charlottesville d/b/a Alltel, Order Approving Agreement dated July 26, 2000.

Case No. PUC000142, Application of GTE South Incorporated and Broadslate Networks of Virginia, Inc., Order Approving Agreement dated June 23, 2000.

Case No. PUC000143, Application of GTE South Incorporated and SBC Telcom, Inc., Order Approving Agreement dated June 22, 2000.

Case No. PUC000145, Application of Bell Atlantic-Virginia, Inc. and NA Communications, Inc., Order Approving Agreement dated July 14, 2000.

Case No. PUC000146, Application of Verizon South Inc. f/k/a GTE South Incorporated and Affinity Network Incorporated, Order Approving Agreement dated August 21, 2000.

Case No. PUC000147, Application of Verizon South Inc. f/k/a GTE South Incorporated and NOS Communications, Inc., Order Approving Agreement dated August 22, 2000,

Case No. PUC000155, Application of United Telephone-Southeast, Inc. and Sprint Communications Company of Virginia, Inc., Order Approving Agreement dated August 21, 2000.

Case No. PUC000156, Application of Central Telephone Company of Virginia and Sprint Communications Company of Virginia, Inc., Order Approving Agreement dated August 21, 2000.

Case No. PUC000158, Application of Central Telephone Company of Virginia and PATHNET, Inc., Order Approving Agreement dated August 22, 2000.

Case No. PUC000159, Application of United Telephone-Southeast, Inc. and PATHNET, Inc., Order Approving Agreement dated August 22, 2000.

Case No. PUC000162, Application of Verizon Virginia Inc. f/k/a Bell Atlantic-Virginia, Inc. and BroadBand Office Communications-Virginia, Inc., Order Approving Agreement dated August 22, 2000.

Case No. PUC000169, Application of GTE South Incorporated and NET-tel Corporation of Virginia, Inc., Order Approving Agreement dated July 26, 2000.

Case No. PUC000170, Application of Verizon Virginia Inc. and ServiSense.com, Inc., Order Approving Agreement dated September 14, 2000.

Case No. PUC000171, Application of Verizon Virginia Inc. f/k/a Bell Atlantic-Virginia, Inc. and OneStar Long Distance, Inc., Order Approving Agreement dated August 14, 2000.

Case No. PUC000176, Application of Verizon Virginia Inc. f/k/a Bell Atlantic-Virginia, Inc. and BroadStreet Communications of Virginia, L.L.C., Order Approving Agreement dated August 14, 2000.

Case No. PUC000179, Application of Verizon Virginia Inc. f/k/a Bell Atlantic-Virginia, Inc. and SBC Telecom, Inc., Order Approving Agreement dated September 20, 2000.

Case No. PUC000179, Application of Verizon Virginia Inc. f/k/a Bell Atlantic-Virginia, Inc. and SBC Telecom, Inc., Order Approving Amendment dated December 20, 2000.

Case No. PUC000182, Application of Verizon South Inc. f/k/a GTE South Incorporated and FairPoint Communications Corp. - Virginia, Order Approving Agreement dated August 22, 2000.

Case No. PUC000185, Application of United Telephone-Southeast, Inc. and BroadStreet Communications of Virginia, L.L.C., Order Approving Agreement dated September 22, 2000.

Case No. PUC000187, Application of Verizon Virginia Inc. f/k/a Bell Atlantic-Virginia, Inc. and Affinity Network Incorporated, Order Approving Agreement dated September 8, 2000.

Case No. PUC000188, Application of Verizon Virginia Inc. f/k/a Bell Atlantic-Virginia, Inc. and Mpower Communications of Virginia, Inc., Order Approving Agreement dated September 5, 2000.

Case No. PUC000189, Application of Verizon Virginia Inc. f/k/a Bell Atlantic-Virginia, Inc. and Bell Atlantic Network Data-Virginia, Inc., Order Approving Agreement dated September 22, 2000.

Case No. PUC000190, Application of Verizon South Inc. f/k/a GTE South Incorporated and Bell Atlantic Network Data-Virginia, Inc., Order Approving Agreement dated September 22, 2000.

Case No. PUC000201, Application of Verizon Virginia Inc. f/k/a Bell Atlantic-Virginia, Inc. and Digital Broadband Communications of Virginia, L.L.C., Order Approving Agreement dated October 3, 2000.

Case No. PUC000203, Application of Verizon Virginia Inc. f/k/a Bell Atlantic-Virginia, Inc. and NET-tel Corporation of Virginia, Inc., Order Approving Agreement dated October 19, 2000.

Case No. PUC000206, Application of Central Telephone Company of Virginia, United Telephone-Southeast, Inc., and GTE Wireless of the South Incorporated, Order Approving Agreement dated September 22, 2000.

Case No. PUC000207, Application of Central Telephone Company of Virginia, United Telephone-Southeast, Inc., and GTE Mobilnet of Tennessee Incorporated, Order Approving Agreement dated September 22, 2000.

Case No. PUC000208, Application of Verizon South Inc. and BroadBand Office Communications - Virginia, Inc., Order Approving Agreement dated September 12, 2000.

Case No. PUC000210, Application of Central Telephone Company of Virginia and United Telephone-Southeast, Inc. and Sprint Spectrum L.P., SprintCom, Inc., Cox Communications PCS, L.P., APC PCS, L.L.C., and Phillieco, L.P., Order Approving Agreement dated October 3, 2000.

Case No. PUC000211, Application of Verizon South Inc. and CAT Communications International, Inc., Order Approving Agreement dated October 24, 2000.

Case No. PUC000213, Application of Verizon South Inc. and American Fiber Network of Virginia, Inc., Order Approving Agreement dated October 3, 2000.

Case No. PUC000214, Application of Verizon South Inc. and MFN of VA, L.L.C., Order Approving Agreement dated October 3, 2000.

Case No. PUC000220, Application of Verizon South Inc. f/k/a GTE South Incorporated and MediaOne Telecommunications of Virginia, Inc., Order Approving Agreement dated October 24, 2000.

Case No. PUC000226, Application of United Telephone-Southeast, Inc., Central Telephone Company of Virginia, and FairPoint Communications Solutions Corp. - Virginia, Order Approving Agreement dated November 9, 2000.

Case No. PUC000227, Application of Verizon Virginia Inc. f/k/a Bell Atlantic-Virginia, Inc. and Essex Telecommunications of Virginia, Inc., Order Approving Agreement dated September 22, 2000.

Case No. PUC000230, Application of Verizon Virginia Inc. f/k/a Bell Atlantic-Virginia, Inc. and Williams Communications of Virginia, Inc., Order Approving Agreement dated October 11, 2000.

Case No. PUC000231, Application of Verizon South Inc. and New Edge Network of Virginia, Inc. d/b/a New Edge Networks, Order Approving Agreement dated November 9, 2000.

Case No. PUC000232, Application of Central Telephone Company of Virginia and United Telephone-Southeast, Inc. and BroadBand Office Communications, Inc., Order Approving Agreement dated November 17, 2000.

Case No. PUC000233, Application of Central Telephone Company of Virginia and United Telephone-Southeast, Inc. and IG2, Inc., Order Approving Agreement dated November 17, 2000.

Case No. PUC000234, Application of Verizon South Inc. and Metrocall, Inc., Order Approving Agreement dated November 9, 2000.

Case No. PUC000255, Application of Amelia Telephone Corporation, New Castle Telephone Company, and Virginia Telephone Company and Nextel Communications of the Mid-Atlantic, Inc., Order Approving Agreement dated November 22, 2000.

Case No. PUC000257, Application of Verizon South Inc. and NETtel Corporation of Virginia, Order Approving Agreement dated December 8, 2000.

Case No. PUC000258, Application of Verizon South Inc. and Nextel Partners, Order Approving Agreement dated December 8, 2000.

Case No. PUC000259, Application of Verizon Virginia Inc. and Focal Communications Corporation of Virginia, Order Approving Agreement dated December 12, 2000.

Case No. PUC000260, Application of Verizon South Inc. f/k/a GTE South Incorporated and PATHNET OPERATING OF VIRGINIA, INC., Order Approving Agreement dated December 8, 2000.

Case No. PUC000264, Application of Verizon South Inc. and Sprint Communications Company of Virginia, Inc., Order Approving Agreement dated December 8, 2000.

Case No. PUC000297, Application of Verizon Virginia Inc. and MVX.COM Communications of Virginia, Inc., Order Approving Agreement dated December 20, 2000.

DIVISION OF ENERGY REGULATION

CASE NOS. PUE890074, PUE910064, PUE920073, PUE940003, PUE950004, PUE960001, PUE980049, PUE990005, and PUE000004
OCTOBER 18, 2000

APPLICATION OF
THE POTOMAC EDISON COMPANY D/B/A ALLEGHENY POWER

To close open fuel factor cases

ORDER CLOSING FUEL FACTOR CASES

On August 18, 2000, The Potomac Edison Company, d/b/a Allegheny Power ("AP" or "Company"), filed a motion to close certain fuel factor cases related to AP currently pending on the Commission's docket. In support of its motion, the Company stated as follows:

(1) In a Memorandum of Understanding ("MOU") filed as part of Phase I of its Functional Separation Plan in Case No. PUE000280, AP agreed to roll its fuel factor into base rates at a defined level and to thereafter terminate its Virginia fuel factor mechanism. According to AP, under the terms of the MOU, deferred accounting for items included in the fuel factor would cease upon Commission approval of the appropriate tariff changes. In addition, it was agreed that any deferred over or under recovery of fuel costs would be written off the Company's books with no refunding or charging to AP's customers.

(2) The Commission approved the elimination of the Company's fuel factor in its July 26, 2000, Order in Case No. PUE000280. The Company filed tariffs eliminating the fuel factor that were accepted and became effective for service on and after August 7, 2000.

(3) There are currently pending on the Commission's docket eight fuel factor cases relating to AP awaiting a final audit of fuel cost information. These cases are PUE890074, PUE910064, PUE920073, PUE940003, PUE950004, PUE960001, PUE980049, and PUE990005. The Company's present fuel factor case, PUE000004, was suspended pending the Commission's consideration of the fuel roll-in feature contained in the MOU as part of Phase I of the Company's Functional Separation Plan in Case No. PUE000280.

(4) According to AP, with the inclusion of fuel costs in base rates, the elimination of the fuel factor and the write-off of any deferred over or under recovery of fuel costs, fuel cost recovery issues have now been settled for AP in Virginia. Therefore, the Company believes that there is no need to continue the pending AP fuel factor cases that were part of the Company's historic fuel recovery process in Virginia.

On September 7, 2000, the Commission issued an Order Giving Notice and Providing an Opportunity to Comment on AP's motion to close the pending cases. Comments were due by September 28, 2000, and none were received.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) Pending fuel factor cases PUE890074, PUE910064, PUE920073, PUE940003, PUE950004, PUE960001, PUE980049, PUE990005, and PUE000004 are hereby closed.

(2) There being nothing further to come before the Commission, these matters are dismissed from the docket, and the record developed herein shall be placed in the file for ended causes.

CASE NO. PUE900013
AUGUST 28, 2000

APPLICATION OF
COMMONWEALTH ATLANTIC LIMITED PARTNERSHIP

For a certificate of public convenience and necessity pursuant to Virginia Code § 56-265.2

ORDER CLOSING CASE

In accordance with the Commission's June 12, 1990, Final Order in the captioned case, Commonwealth Atlantic Limited Partnership ("CALP"), on November 24, 1999, filed supporting documents and Amendment No. 2 to the Power Purchase and Operating Agreement between CALP and Virginia Electric and Power Company.

NOW UPON CONSIDERATION we are of the opinion that it is no longer necessary to receive copies of the contracts, amendments, and arrangements specified in paragraph (4)(c) of our June 12, 1990, Final Order.

Accordingly, IT IS ORDERED THAT:

(1) CALP hereby is released from the filing obligations imposed by paragraph (4)(c) of the June 12, 1990, Final Order.

(2) Since there is nothing further to come before the Commission, this case hereby is dismissed and the papers herein placed in the Commission's file for ended causes.

CASE NO. PUE940080
MARCH 7, 2000

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of experimental real time pricing schedule

ORDER ACCEPTING TARIFF REVISIONS

Virginia Electric and Power Company ("Virginia Power" or "Company") has filed revisions to its Schedule RTP—Real Time Pricing, that would close the availability of the schedule to new customers, eliminate the "Experimental" designation from the tariff and cap certain price adders at their 1999 levels. The revision would allow continuation of service to customers now served under the schedule past the current expected end of service date of April 2000.

On February 7, 2000, Virginia Power filed its Motion to Amend Reporting Requirements. In the motion, the Company stated that the end of the experimental period of the tariff and the enactment of the Electric Utility Restructuring Act of 1999, which effectively caps the Company's rates for service at the July 1, 1999, level for a period of 8 years, has negated the need for continued reporting as previously ordered. Instead, the Company and Commission Staff have prepared and presented for our consideration modified reporting requirements. The modified reports would continue to be filed semi-annually, but contain information abridged to that which will be relevant under the new regulatory setting in the Commonwealth. Further, the Company proposes to file such reports on January 31 and July 31 of each calendar year.

NOW THE COMMISSION, being sufficiently advised, is of the opinion that it should accept and approve the proposed revisions to the tariff and grant the proposed revisions to the reporting requirements. Accordingly,

IT IS ORDERED THAT:

(1) The tariff revisions to Schedule RTP are accepted and approved.

(2) The Motion to Amend Reporting Requirements is granted.

(3) This matter is continued for further orders of the Commission.

CASE NO. PUE940080
MARCH 20, 2000

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of experimental real time pricing schedule

ORDER VACATING MARCH 7, 2000, ORDER AND ESTABLISHING SCHEDULE FOR COMMENTS

On or about February 7, 2000, Virginia Electric and Power Company ("Virginia Power" or "the Company") filed revisions to its Schedule RTP-Teal Time Pricing that would close the availability of the schedule to new customers, eliminate the "Experimental" designation from the tariff, and cap certain price adders at their 1999 levels. The revisions would allow continuation of service to customers now served under the schedule past the current expected end of service date of April 2000.

At the same time, Virginia Power also filed a Motion to Amend Reporting Requirements. In that Motion, the Company stated that the end of the experimental period of the tariff and the enactment of the Electric Utility Restructuring Act of 1999, which effectively caps the Company's rates for service at the July 1, 1999, level for a period of eight (8) years has negated the need for continued reporting as previously ordered. The Company presented modified reporting requirements, which were collectively prepared by the Company and the Commission's Staff. As proposed, these reports would be filed January 31 and July 31 of each year and would contain information relevant under the new regulatory setting in the Commonwealth.

On March 7, 2000, the Commission entered an Order accepting and approving the tariff revisions to Schedule RTP and granting the Company's Motion to Amend Reporting Requirements. Meanwhile, on March 6, 2000, the Virginia Committee for Fair Utility Rates ("Virginia Committee") filed a Protest in the captioned matter. The Virginia Committee asserts that its members are affected by the changes to the terms and conditions of the RTP tariff and that Virginia Power's proposed modifications to its RTP experimental rate program are unjust, unreasonable, and unlawful.

NOW the Commission, having considered the matter, is of the opinion that we should provide the Virginia Committee time to file comments addressing its concerns. Accordingly,

IT IS ORDERED THAT:

(1) The Commission's March 7, 2000, Order Accepting Tariff Revisions hereby is vacated.

(2) On or before April 5, 2000, the Virginia Committee may file comments addressing its concerns with Virginia Power's proposed tariff revisions.

(3) On or before April 17, 2000, Virginia Power may file a response to the comments of the Virginia Committee.

(4) This case is continued for further orders of the Commission.

CASE NO. PUE940080
NOVEMBER 30, 2000

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of experimental real time pricing schedule

ORDER

On or about February 7, 2000, Virginia Electric and Power Company ("Virginia Power" or "the Company") filed revisions to its Schedule RTP-Real Time Pricing ("Schedule RTP") that would close the availability of that Schedule to new customers, eliminate the "Experimental" designation from the tariff, and cap certain price adders at their 1999 levels. These revisions would allow continuation of service to customers now served under the Schedule past the current expected end of service date of April 2000. At the same time, the Company filed a Motion to Amend Reporting Requirements, stating that the end of the experimental tariff and the 1999 enactment of the Virginia Electric Utility Restructuring Act, Chapter 23 (§ 56-576 et seq.) of Title 56 of the Code of Virginia ("Restructuring Act" or "Act") effectively caps the Company's rates for service at the July 1, 1999, level for a period of eight (8) years, and has negated the need for continued reporting as previously ordered by the Commission.

On June 28, 2000, Virginia Power filed further revisions to its Schedule RTP-Real Time pricing. The Company represented that this filing reflected discussions among itself, the Commission Staff, and the Virginia Committee for Fair Utility Rates ("Virginia Committee"), concerning procedures for determining the system load level that triggers Generation and Transmission Capacity Adder prices. The Company proposed that the revised tariff become effective for usage on and after January 1, 2000.

The Company's June 28, 20000, tariff incorporated the following changes: (1) the tariff provided a method for incorporating actual area peak loads, in addition to the forecasts of peak loads, into the procedure used for determining the generation capacity adder and transmission capacity adder hours; (2) the tariff capped the maximum number of generation capacity adder hours at 190 per calendar year, and the maximum number of transmission capacity adder hours at 140 per calendar year; and (3) the tariff revised the notice of termination requirements. The June 28, 2000, tariff revisions closed the Schedule effective January 1, 2000, and provided that the Schedule was "available only to customer locations that were being served on the Schedule on the closure date."

On July 27, 2000, the Commission issued an Order inviting comments on the remaining area of disagreement between Virginia Power and the Virginia Committee, a participant in this proceeding. That issue is whether RTP customers who obtain service from a competitive electric supplier on or after January 1, 2002, may later return to service under Virginia Power's RTP rate schedule. In its July 27 Order, the Commission approved the Company's revised tariff filed on June 28, 2000, with the exception of the portions of the tariff addressing the issue of whether RTP customers who obtain service from a competitive service provider on or after January 1, 2002, may later return to service under Virginia Power's RTP Rate Schedule. The Commission invited interested parties to file simultaneous comments on this issue on or before August 17, 2000. It also granted Virginia Power's February 7, 2000, Motion to Amend Reporting Requirements.

Comments responsive to the issue posed by the July 27, 2000, Order Inviting Comments were filed by Virginia Power, the Virginia Committee, and the Staff. Virginia Power contends in its Comments, among other things, that this proceeding was narrowly focused on the issues whether the proposed modifications to Schedule RTP, as later revised on June 28, 2000, should be approved, and whether the reporting requirements should be amended as the Company requested. The Company further asserts that it is premature to decide the issue posed in the July 27, 2000, Order because, in its view, the issue does not become ripe until January 1, 2002. It maintains the most appropriate time to address the issue whether customers may return to closed rate schedules if they leave after January 1, 2002, is when the Commission considers the Company's functional unbundling plan. The Company notes that it has several rate schedules that are currently closed to new customers, and that each of these schedules raises the issue of how customers previously served under those schedules but who elect to receive electric service from a competitive service provider on or after January 1, 2002, should be treated if they seek to return after that date. Virginia Power contends that to address the issue with respect to Schedule RTP alone would be an inefficient use of the Commission's resources.

The Virginia Committee asserts that RTP customers who elect to receive electricity service from a competitive service provider on or after January 1, 2002, may later return to Virginia Power's RTP rate schedule. The Virginia Committee does not object to closure of the RTP rate to new customers, i.e., those customers not served on the RTP rate on January 1, 2000 -- if, and only if, closure of the rate does not affect the right of customers taking service before the closure date ("existing customers"). If closure of the RTP rate to new customers will affect that protection for existing RTP customers, the Virginia Committee maintains that the Commission should deny Virginia Power's request to close the rate to new customers or, at a minimum, should make clear that closure of the rate to new customers does not affect the rights of pre-closure, existing RTP customers, who, following the availability of customer choice, seek to return to Schedule RTP after taking service from an alternative supplier.

According to the Virginia Committee's comments, Virginia Power's rates on July 1, 1999, are capped through July 1, 2007, and the Company's customers have a right to be served under such capped rates through July 1, 2007, or until such capped rates are terminated upon a Commission finding of an

effectively competitive generation market pursuant to § 56-582 C of the Code of Virginia. Such capped rates include "experimental rates" such as the RTP rate, regardless of whether such experimental rates otherwise would expire. The Virginia Committee asserts that § 56-582 D of the Code of Virginia specifically requires that "until the expiration or termination of capped rates . . . the incumbent electric utility . . . shall make electric service available at capped rates established under this section [56-582] to any customer in the incumbent electric utility's service territory. . ." According to the Virginia Committee, the Virginia Electric Utility Restructuring Act ("Act") imposes on incumbent utilities the obligation to make available to their customers, following the availability of retail customer choice, the opportunity for such customers to return to the incumbent's capped rates if such customers seek to do so following their use of services of another supplier.

Moreover, while the Virginia Committee does not object to the closure of the RTP rate to new customers, it notes that Virginia Power never justified closure of the rate. It observes that the Act provided for Virginia Power's rates, including its experimental rates in effect on July 1, 1999, to be "capped" and for those rates to expire on July 1, 2007. According to the Virginia Committee, § 56-582 A 3 defines capped rates to "include . . . experimental rates, regardless of whether they would otherwise expire. . ." The Committee asserts that nothing in the Restructuring Act eliminates experimental rates, including the experimental RTP tariff.

The Staff filed comments, taking the view that Virginia Power must allow a customer who was receiving RTP service on July 1, 1999, to return to such service after taking generation service for a time in the competitive market. According to Staff, such customer should be permitted to return to the RTP tariff the amount of the load served under the RTP tariff before the customer shopped in the competitive market. Staff discussed § 56-582 A 3 and -582 D of the Act, and the availability of the RTP rate as of July 1, 1999, the date Virginia Power's rates were capped under the Act. According to Staff, a customer could leave and later return to RTP tariffed service as of July 1, 1999, and the RTP tariffed rate was part of the customer's capped rate that the customer would pay until July 1, 2007, as long as the customer remained with Virginia Power. Staff urged the Commission to require Virginia Power's June 28, 2000, RTP tariff filing to include language allowing customers who were served under Virginia Power's RTP tariff on or before July 1, 1999, to return to RTP service after receiving electric service from the competitive energy market, to the extent that such a customer's load was previously served under the RTP tariff.

NOW, UPON consideration of the record in this matter, the comments filed herein and the applicable statutes, the Commission is of the opinion and finds that existing RTP customers have the right to return to Virginia Power's capped RTP rate the amount of their load served under Rate Schedule RTP as of the date of the closure of Schedule RTP, after shopping for competitive services. The RTP rate is closed to customers who were not served under Rate Schedule RTP as of the date that the Schedule was closed, i.e., January 1, 2000. However, the RTP rate will remain available to existing RTP customers, who, following the availability of customer choice, seek to return to Virginia Power's RTP service after taking service from an alternative electric supplier.

Section 56-582 A 3 of the Restructuring Act establishes that capped rates shall be effective on January 1, 2001, and expire on July 1, 2007, and shall be the rates in effect for each incumbent utility as of the effective date of the Act, i.e., July 1, 1999. Virginia Power's capped rates include "experimental rates" such as Virginia Power's RTP tariff, "regardless of whether . . . [these rates] otherwise would expire." See § 56-582 A 3 of the Code of Virginia. Virginia Power's RTP tariff was "in effect" on July 1, 1999. To the extent that a customer was receiving service under the RTP tariff on January 1, 2000, that tariffed rate is a part of the customer's capped rate as defined by § 56-582 and is the rate the customer will pay until July 1, 2007, as long as the customer remains with Virginia Power.

Section 56-582 D recognizes the opportunity of customers to return to an incumbent electric utility's capped rates if such customers seek to do so following their use of the services of another supplier. It provides:

> D. Until the expiration or termination of capped rates as provided in this section, the incumbent electric utility, consistent with the functional separation plan implemented under § 56-590, shall make electric service available at capped rates established under this section to any customer in the incumbent electric utility's service territory, including any customer that, until the expiration or termination of capped rates, requests such service after a period of a utilizing service from another supplier.

(Emphasis added).

Given the clarity and specificity of § 56-582 D, we find it appropriate to decide the issue now of whether RTP customers who were receiving RTP service on January 1, 2000, may return to such service after shopping for competitive services rather than considering that issue as part of Virginia Power's functional separation plan. The Company's RTP customers may now be making decisions regarding whether to participate in the Company's retail access pilot. Their planning process will undoubtedly be affected by whether they may return to the RTP Schedule after shopping for competitive services. Therefore, we find that RTP customers taking service prior to the closure of the RTP experimental rate may continue to take service under such rate, even though it has been closed to "new customers".

Accordingly, IT IS ORDERED THAT:

(1) Virginia Power may close Schedule RTP to new customers, but must allow any customer who was receiving RTP service on January 1, 2000, to return to such service after taking generation service in the competitive market. The customer will be permitted to return to the RTP tariff that amount of load served under the RTP tariff as of January 1, 2000.

(2) Virginia Power's June 28, 2000, RTP tariff filing shall be revised to include language embodying the directive of Ordering Paragraph (1) herein.

(3) Virginia Power shall continue to file with the Division of Energy Regulation ("Division") the reports identified in the February 7, 2000, Motion until such time as the Division no longer requires such reports.

(4) This matter shall be dismissed from the Commission's docket of active cases, and the papers filed herein made a part of the Commission's file for ended causes.

CASE NO. PUE950009
APRIL 26, 2000

APPLICATION OF
BASTIAN WATER WORKS

For a certificate of public convenience and necessity

ORDER DISMISSING THE PROCEEDING

On February 17, 1995, Kenneth W. Carter, t/a Bastian Water Works ("Bastian Water" or "the Company") filed an application for a certificate of public convenience and necessity. In its application, the Company requested authority to provide water service to the Town of Bastian located in Bland County, Virginia ("the County"). On March 29, 1995, the Commission issued an Order inviting written comments and requests for hearing and directing its Staff to analyze the application and to file a report detailing its findings and recommendations.

In response to that Order, the Virginia Department of Health ("VDH") filed written comments on June 14, 1995. The VDH noted that it had cited Bastian Water for several water quality violations and had required Mr. Carter to submit final plans, specifications, and a schedule to replace two surface-influenced springs. VDH stated that, although the Company planned on connecting to the new County regional water distribution system when it was available, connection to the system would not eliminate the Company's distribution system problems.

On October 19, 1995, Staff filed its Report. In its Report Staff concluded that Bastian Water was not providing adequate and reliable water service to its customers.

On January 10, 1996, the Commission issued an Order setting the matter for hearing on September 25, 1996, and establishing a procedural schedule for the filing of testimony and exhibits. In response to a Staff motion filed on July 22, 1996, Mr. Carter, in a July 31, 1996, filing, stated that the County was in the process of installing a water system that would serve all the customers currently served by Bastian Water. In a Hearing Examiner's Ruling dated August 12, 1996, the procedural schedule established by the Commission's Order dated January 10, 1996, was suspended to facilitate the monitoring of the progress of the County's efforts and the service of Bastian Water.

In reports filed on February 5, 1997, and August 1, 1997, Staff noted that the County had not commenced construction of its water system. Staff also noted that the quality of service provided by the Company remained unchanged. In its August 1st Report, Staff recommended that the case be continued until the County could complete construction of its water system and the Company could be relieved of its statutory obligation to provide water service to its customers.

On February 28, 2000, Staff filed another document detailing the progress of the construction of the County system and the service provided by Bastian Water. Staff noted that the County completed construction of its water system in April of 1999 and that Bastian Water was no longer in operation. The County did not acquire any assets of Bastian Water. Based on information provided by the VDH, Staff reported that the Company no longer served any customers, and Staff recommended that the application be dismissed from the Commission's docket of active cases.

In a Report issued on April 4, 2000, the Hearing Examiner, relying on information provided by Staff, recommended that the case be dismissed.

No comments on the Hearing Examiner's Report were filed.

NOW THE COMMISSION, having considered the matter, is of the opinion that the Examiner's recommendation is proper and should be adopted.

Accordingly, IT IS ORDERED THAT the above-captioned proceeding shall be and hereby is dismissed from the Commission's docket of active cases.

CASE NOS. PUE970063, PUE970148, PUE970559, PUE970715, PUE970813, PUE980002, and PUE980470
JUNE 14, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
AMERICAN TRENCHING CO., INC.,

STEVE T. MILLER, Individually
and/or as a Trustee in Liquidation
for American Trenching Co., Inc.,

MICHAEL F. KOLODZIEJ, Individually
and/or as a Trustee in Liquidation
for American Trenching Co., Inc.,
and
KEN KOLODZIEJ, Individually
and/or as a Trustee in Liquidation
for American Trenching Co., Inc.,
Defendants

ORDER DISMISSING PROCEEDING WITHOUT PREJUDICE

On September 7, 1999, the State Corporation Commission ("Commission") issued a Rule to Show Cause ("Rule") against American Trenching Co., Inc. ("American Trenching" or "the Company"), alleging various violations of the Underground Utility Damage Prevention Act, Chapter 10.3 (§ 56-265.14 et seq.) of Title 56 of the Code of Virginia ("the Act"). That Order, among other things, appointed a Hearing Examiner to conduct all further proceedings in this matter.

On February 11, 2000, the Staff moved to amend the September 7, 1999, Rule, among other things, to add Steve T. Miller, Michael F. Kolodziej, and Ken Kolodziej, Directors of American Trenching, as defendants in their capacities as individuals and as trustees in liquidation for the Company. The Hearing Examiner granted the Staff's Motion to Amend the September 7, 1999, Rule (hereafter "Amended Rule") in his Ruling dated March 13, 2000.

On May 19, 2000, the Staff, by counsel, filed a "Motion to Withdraw Rule to Show Cause". Citing the Answers, pleadings, and letters filed in the proceeding, among other things, the Staff asserted that the interests of justice and use of Staff enforcement resources could be best served if the Staff was permitted to withdraw the Amended Rule without prejudice.

On May 24, 2000, the Hearing Examiner issued a Report which granted the Staff's May 19 Motion. The Hearing Examiner recommended that the Commission dismiss the Amended Rule without prejudice and remove the matter from the Commission's docket of active proceedings. The Hearing Examiner invited the parties to the proceeding to file any comments to his Report within fifteen days of the date of the Report. No comments to the Hearing Examiner's report were filed.

NOW HAVING considered the Hearing Examiner's Report, together with the pleadings filed herein and applicable statutes, the Commission is of the opinion and finds that the findings and recommendations of the May 24, 2000, Hearing Examiner's Report should be adopted, and this matter should be dismissed from the Commission's docket of active proceedings.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the May 24, 2000, Hearing Examiner's Report are hereby adopted.

(2) The Amended Rule to Show Cause shall be dismissed without prejudice.

(3) This matter shall be removed from the Commission's docket of active proceedings and the papers filed herein passed to the Commission's file for ended causes.

CASE NO. PUE970617
AUGUST 8, 2000

APPLICATION OF
VIRGINIA NATURAL GAS, INC.

For an Annual Informational Filing

FINAL ORDER

On November 25, 1998, Virginia Natural Gas, Inc. ("VNG" or "the Company"), filed its Annual Informational Filing ("AIF") for the twelve months ended June 30, 1998, with the State Corporation Commission ("Commission"). VNG included both a weather-normalized earnings test for the test period and an earnings test based on actual weather as part of its AIF filing.

On April 15, 1999, the Staff of the State Corporation Commission ("Staff") filed its report in the captioned matter. Among other things, the report noted that, after employing an earnings test based on actual test year jurisdictional earnings, average rate base, average capital structure, and after

making limited adjustments, the Company earned a return on equity of 11.09%, within its authorized return on equity range of 10.40%-11.40%. The only regulatory asset identified in the Staff report for VNG related to the implementation costs of accrual accounting for post-retirement benefits other than pensions ("OPEB"). Staff reported that it had analyzed the results of VNG's earnings test on a normal weather basis because, among other things, the accruals related to OPEB were established as a regulatory asset on the basis of normal weather. The Staff asserted that because VNG was earning above the bottom of its authorized return on equity range, the Company had recovered its OPEB regulatory asset and should be required to write off this regulatory asset. Staff reported that after the write-off of the implementation costs associated with accrual accounting for OPEB, the Company's return on equity was 10.55%, a return above the bottom of the Company's currently authorized return on equity range of 10.40%-11.40%.

On May 13, 1999, VNG, by counsel, filed a motion indicating its disagreement with the Staff's conclusions and recommendations. It asserted that the methodology employed by Staff in the application of the Rules Governing Utility Rate Increase Applications and Annual Informational Filings and in the calculation of the earnings test was flawed. It asked, among other things, that the Commission hold a hearing on these matters and defer ruling on the Staff's recommendations until such time as VNG had an opportunity to present its arguments on these issues.

On May 21, 1999, the Commission issued its Order Scheduling Hearing in this matter. That Order appointed a Hearing Examiner to the proceeding, provided for a hearing to be convened on July 28, 1999, and established a procedural schedule for VNG and the Staff.

The matter came on for hearing before Deborah V. Ellenberg, Chief Hearing Examiner, on July 28, 1999. Post-hearing memoranda were filed by the Staff and the Company on October 6, 1999.

On July 13, 2000, the Chief Hearing Examiner filed her Report. In this Report, she made the following findings:

1. The OPEB deferral is a regulatory asset subject to review using an earnings test;

2. The earnings test in this case should not be weather normalized;

3. VNG test period earnings produce a 9.18% return on equity which is below the bottom of its authorized range of 10.4% to 11.4%; and

4. The regulatory asset for OPEB implementation costs was not fully recovered during the test period.

The Chief Hearing Examiner recommended that the Commission enter an order that adopts the findings set forth above and dismisses the case from the Commission's docket of active proceedings. The Chief Hearing Examiner invited parties to the proceeding to file comments on her Report within twenty-one (21) days of its issuance.

Comments were filed by VNG and the Staff, respectively, on August 3, 2000. VNG's comments supported the findings and recommendations of the Chief Hearing Examiner's Report and urged the Commission to adopt the findings and recommendations in that Report.

The Staff filed comments which reviewed the arguments it had advanced in the proceeding below. The Staff urged the Commission, if it determined to adopt the Chief Hearing Examiner's findings and recommendations, to limit its ruling to the facts and issues as they pertain to VNG, and to reserve judgment as to how the recovery of the OPEB regulatory asset should be evaluated for natural gas companies other than VNG, since these circumstances were not developed in the record below. The Staff stated that the use of actual weather to evaluate the recovery of the OPEB deferral may, in some instances, adversely affect gas utilities other than VNG whose OPEB costs were established using a weather-normalized earnings test.

NOW, UPON CONSIDERATION of the Company's application, the record developed herein, the Chief Hearing Examiner's Report, the comments thereon, and the applicable statutes, the Commission is of the opinion and finds that the findings and recommendations set out in the July 13, 2000, Report as they pertain to VNG should be adopted, and this matter should be dismissed.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the July 13, 2000, Report of the Chief Hearing Examiner are hereby adopted.

(2) VNG's regulatory asset for OPEB implementation costs was not fully recovered during the test period for the twelve months ended June 30, 1998, when evaluating the recovery of these costs using an earnings test employing actual weather.

(3) This matter is hereby dismissed from the Commission's docket of active proceedings.

CASE NO. PUE970948
APRIL 21, 2000

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For modifications to the Virginia Power annual qualifying facility monitoring program

FINAL ORDER

On October 31, 1997, Virginia Electric and Power Company ("Virginia Power" or "the Company") filed the Company's Annual Qualifying Facility ("QF") Monitoring Program Report ("Report") pursuant to our order in Case No. PUE960090.

Under the program, each QF annually provides certain information and prior year operational data for the Company to evaluate and determine whether the QF is in compliance with the requirements specified in the Public Utility Regulatory Policies Act of 1978 ("PURPA") and applicable federal regulations. The annual data reporting requirement is based on the Federal Energy Regulatory Commission ("FERC") Form 556. Additionally, each QF must report any change to the information previously supplied that significantly affects its continuing status as a QF within thirty (30) days of the change in circumstances.

In the Report, the Company summarizes compliance of cogeneration facilities and small power producers under FERC 18 C.F.R. Part 292 criteria with QF standards.

In the Report, the Company requests that the information requirements for certain facilities be modified. Such facilities are: Alexandria/Arlington Resource Recovery; Core Electric, Inc.; Landfill Energy Systems (I-95 Phase II); Michigan Cogeneration Systems, Inc. (I-95 Landfill); Multitrade of Pittsylvania County, L.P.; Ogden Martin Systems of Fairfax; Shoosmith Bros., Inc. (Dale); STS HydroPower, Ltd (Schoolfield Dam); and Suffolk Energy Partners, L.P. (Suffolk Landfill #1). These facilities are qualified as small power producers under FERC 18 C.F.R. Part 292 based on their size, ownership, and fuel content and are not held to the operating criteria of cogeneration facilities. The Company recommends that, in lieu of requiring the small power producers named herein to annually submit data for a compliance report, the small power producers merely be required to notify the Company of any change in fuel input or ownership.

NOW THE COMMISSION, having considered the Report, is of the opinion that the Company's recommendation should be adopted and the reporting criteria for all small power producers be modified to require notification of the Company only upon any change in fuel input or ownership, rather than annual data submission

As discussed in our order in Case No. PUE960090 establishing the QF monitoring program, PURPA permits states to implement a program for monitoring QF compliance with federal standards so long as those programs do not impose any undue burdens on the QFs. In light of these considerations, the Commission implemented a monitoring program that exempted QFs with less than 3 MW of contract capacity from its application, and allowed QFs with contract capacity of 3 MW or more to apply for an exemption. In addition, the Company was directed to collect no more information than necessary and to use the collected information only for the purposes of evaluating continuing QF status.

In order to reduce further the QF's reporting burdens, we find that annual reporting by small power producers is no longer necessary. Virginia Power is now directed to collect information from small power producers only upon change in ownership or fuel input within thirty (30) days of such change in circumstance. Virginia Power shall file a report with the Commission's Division of Energy Regulation detailing changes in such information and identifying to the Commission whether the company continues to comply with the qualifying requirements for exemption as a QF. If any company fails to provide the information specified herein, Virginia Power shall so inform the Division of Energy Regulation, which may recommend action to be taken by the Commission.

Accordingly, IT IS ORDERED THAT:

(1) The request to modify the Virginia Power annual qualifying facility monitoring program for small power producers under FERC 18 C.F.R. Part 292 is hereby adopted and shall be applicable to all small power producers.

(2) Small power producers shall notify Virginia Power and supply information detailing changes in ownership or fuel input within thirty (30) days of such change in circumstance, and Virginia Power shall collect, audit, and analyze such operating information only to verify compliance with the required PURPA standards.

(3) Within sixty (60) days of receiving such notification, Virginia Power shall file a report with the Commission's Division of Energy Regulation setting forth in detail the results of the evaluation.

(4) Any disputes between Virginia Power and the QFs subject to the program shall be governed by Rule 5:4 of the Commission's Rules of Practice and Procedure and shall be directed to the Division of Energy Regulation.

(5) On or before April 28, 2000, Virginia Power shall serve by first-class mail, with sufficient postage paid, a copy of this order on all QFs having contracts with Virginia Power.

(6) On or before June 9, 2000, Virginia Power shall file with the Clerk of the Commission a certificate showing the name, address, business affiliation, and date of service upon all persons served with the notice required in ordering paragraph (5) above.

(7) There being nothing further to be done herein, this matter shall be dismissed, and the papers filed herein made a part of the Commission's files for ended causes.

CASE NOS. PUE980267, PUE980553, PUE980613, PUE980680, and PUE980903
FEBRUARY 17, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ATLANTIC CABLE & TRENCH, INC.,
Defendant

DISMISSAL ORDER

On November 19, 1999, the Virginia State Corporation Commission ("Commission") entered an Order Accepting Offer of Settlement in the captioned matter. Among other things, Paragraph (2) of that Order required Atlantic Cable & Trench, Inc. ("Atlantic" or "the Company"), to: (i) conduct a training session under the auspices of the Division of Energy Regulation of the State Corporation Commission ("Division") for the Company's employees on the subject of underground utility damage prevention within ninety (90) days of the entry of the November 19 Order; and (ii) file an affidavit including the Company's federal tax identification number and identifying the Company's employees participating in the training session. The Order also provided that if Atlantic failed to conduct a training session for its employees on the subject of underground utility damage prevention and failed to submit the documentation required by the Order with ninety (90) days of the entry of the November 19, 1999, Order, $5,000 of the $15,000 fine imposed by the Commission would be immediately due and payable. The Order further provided that $5,000 of the penalty could be suspended and vacated if the Company tendered evidence of having conducted a training session and submitted an affidavit and the accompanying information required by Paragraph (2). The Company tendered $10,000, contemporaneously with the entry of the November 19 Order.

On February 4, 2000, the Company delivered an affidavit identifying the Company's federal tax identification number, together with a list of the Company's employees attending training sessions conducted on December 9 and 10, 1999, to the Division.

NOW, UPON CONSIDERATION of the foregoing, the Commission is of the opinion and finds that the Company has complied with the requirements of Paragraph (2) of the November 19 Order; that the remaining $5,000 of the $15,000 civil penalty should be suspended and vacated; and that this matter should be dismissed from the Commission's docket of active cases. In dismissing this matter, we note that in Paragraph (3) of the Order Accepting Offer of Settlement, the Company agreed to make a good faith effort to cooperate with the Division as the Division investigated incidents involving Atlantic which arose from the Commission's enforcement of the Underground Utility Damage Prevention Act, Chapter 10.3 (§ 56-265.14 et seq.) of Title 56 of the Code of Virginia ("the Act"). Consequently, the Company is under a continuing obligation to use its good faith efforts to cooperate with the Division as the Division investigates any incidents involving Atlantic which arise from our enforcement of the Act.

Accordingly, IT IS ORDERED THAT:

(1) The $5,000 portion of the $15,000 civil penalty shall be suspended and vacated.

(2) This matter shall be dismissed and the papers filed herein shall be made a part of the Commission's file for ended causes.

CASE NO. PUE980335
APRIL 25, 2000

APPLICATION OF
APPALACHIAN POWER COMPANY

For approval of tariff rider

FINAL ORDER

On June 26, 1998, Appalachian Power Company, d/b/a AEP-Virginia ("AEP-Virginia" or the "Company"), filed an application for approval of its RIDER TEC (Temporary Emergency Curtailable Service). Designed to address a temporary capacity situation in the Midwest, RIDER TEC provided for voluntary curtailments of electric usage by large customers taking firm service under Schedule LPS-TOD in return for a credit applicable to energy curtailed by the customer. The tariff expired September 30, 1998.

On July 15, 1998, AEP-Virginia filed modifications to the original tariff revising the "Monthly Credit" and "TEC Demands" sections. These revisions were filed in response to questions raised by the Commission staff in conversations with Company representatives

By Order dated July 20, 1998, the Commission approved the revised RIDER TEC for immediate implementation, subject to certain conditions. The Order stated that: approval of RIDER TEC had no implication for rulemaking purposes; implementation of RIDER TEC and expenses thereunder was at the Company's risk; and costs incurred or revenues received as a result of the operation of RIDER TEC would be considered in the next filed rate proceeding. In addition, the Commission directed the Commission Staff to investigate capacity shortage situation and file a report on its findings. The Commission expressed concern that conditions had come to exist that necessitated the Company to make an emergency filing of the tariff rider.

On September 15, 1998, Staff filed its report on the June 1998 Midwest power supply crisis. The Staff Report addressed the events and conditions causing the spike in wholesale electricity prices and contained an analysis of the behavior of the wholesale power market at that time. The Staff Report concluded that both scheduled and forced capacity outages, unusually hot and sustained weather driving demand, and the financial collapse of several market participants caused prices to rise to unprecedented levels. The Staff Report concluded that the lack of preparedness of market participants for the market situation at that time highlighted needs for risk management.

RIDER TEC expired September 30, 1998.

Based on this record, the Commission concludes that no further action needs to take place and the case should be dismissed.

Accordingly, IT IS THEREFORE ORDERED THAT this case shall be dismissed and the papers placed in the filed for ended causes.

CASE NO. PUE980463
JULY 28, 2000

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To revise its cogeneration tariff pursuant to PURPA Section 210

ORDER ESTABLISHING COGENERATION TARIFF

On August 11, 1998, Virginia Electric and Power Company ("Virginia Power" or "the Company") filed with the Commission written testimony and exhibits to support its proposal to modify its cogeneration and small power production rates under Schedule 19. Specifically, the Company seeks to decrease its avoided energy and capacity payments to cogenerators, expand the effective period for this schedule through 2001, and decrease the minimum contract term that can be executed pursuant to Schedule 19. On September 30, 1998, the Commission issued an Order establishing this proceeding, appointing a Hearing Examiner, and setting a procedural schedule.

On February 24, 1999, a hearing was conducted by Chief Hearing Examiner Deborah V. Ellenberg. Counsel appearing at the hearing were: Richard D. Gary, Esquire, and Michael C. Regulinski, Esquire, for Virginia Power; Mark J. LaFratta, Esquire, on behalf of Appomatox Cogeneration Limited Partnership ("ACLP"), and M. Renae Carter, Esquire, and Don R. Mueller, Esquire, for the Commission Staff. St. Laurent Paperboard (U.S.) Inc. and Westvaco were Protestants in this case and supported the testimony of Mr. Roy J. Shanker along with ACLP. The Alexandria/Arlington Resource Recovery Corporation filed a Notice of Protest but did not file a Protest and did not participate in the hearing.

Virginia Power presented the testimony of Daniel J. Green, W.R. Eckroade, and J.E. McIntyre, Jr. These witnesses testified that the Company used the PROVIEW computer model to develop an optimal capacity expansion plan and the PROMOD computer model to determine the expected total system dispatch and energy mix to serve as a base case. In employing the Differential Revenue Requirement ("DRR") methodology to calculate its avoided costs, the Company developed two alternate cases assuming the addition of a 150 MW block of a new qualifying facility ("QF") at zero cost. One alternate case assumed the block of QF capacity operated as a baseload facility, while the other case assumed the block of QF capacity operated as a peaking facility. The difference in revenue requirements between each alternate case and the base case due to capital investments and fixed operating and maintenance expenses is classified as the avoided capacity cost, while the difference in energy mixes is the basis for avoided energy costs.

Mr. Green testified that, based on Virginia Power's 1998 resource plan, the Company needs 864 MW of peaking capacity for 2000 with additional capacity needs in 2001 and 2002. The Company plans to meet the year 2000 need by constructing four 150 MW combustion turbine units and by making other energy purchases.[1] Mr. Green testified that these planning decisions are the basis of the Company's use of a 150 MW block size for avoided capacity when conducting the "with" case PROMOD run.

Virginia Power proposed to allow qualifying facilities several options for energy payments based on firmness, time differentiation, and whether the Company could avoid energy costs during an on-peak or off-peak period. The Company also offered, to qualifying facilities delivering firm energy and capacity, a levelized avoided energy mix applicable for each year of the contract term.

Under Virginia Power's proposal, those qualifying facilities making firm deliveries are eligible to receive capacity payments beginning in 2000. The Company's proposed levelized capacity payments are based on the Company's estimated capacity prices for market purchases in 2000-2001.

Regarding the term for Schedule 19 contracts, Virginia Power proposed to limit the contract term to three years due to industry restructuring. The Company later modified this proposed term to four years, asserting that a four-year contract term would be consistent with the transition to the competitive market.

The Commission Staff presented the testimony of Jarilaos Stavrou and Thomas E. Lamm. Mr. Stavrou's testimony concerned the Company's avoided energy costs. Mr. Stavrou testified that a 100 MW avoided block size was used in the previous Schedule 19 case but that the Company used a 150 MW block size in this case, even though no combustion turbine was avoided in the Company's simulation plans. Mr. Stavrou concluded that approval of the Company's new construction of combustion turbines could affect the avoided energy mix and associated avoided energy costs.

Mr. Stavrou also expressed concern that the Company did not model off-system energy sales in its forecast of avoided energy costs, as it had been ordered to do by Commission Order in the 1997-98 fuel factor.[2] Mr. Stavrou recommended that the Company perform additional simulation runs to test the sensitivity of energy costs to avoided block size, off-system sales, and the elimination of one of the combustion turbines from the expansion plan. The Company provided much of this data in rebuttal testimony, after which Mr. Stavrou testified that the Staff no longer supported including off-system sales in the avoided cost calculations in this case. Mr. Stavrou supported the energy payments proposed by the Company.

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[1] Order, 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, May 14, 1999, Case No. PUE980462, 1999 S.C.C. Ann. Rep. 431.

[2] Order Approving Application, Application of Virginia Electric and Power Company To revise its cogeneration tariff pursuant to PURPA section 210, January 21, 1998, Case No. PUE960117, 1998 S.C.C. Ann. Rep. 331.

Mr. Lamm testified concerning capacity issues and contract term. He proposed to base avoided capacity costs on the estimated costs of a planned 150 MW combustion turbine unit. However, if the Commission were to decide that market purchases should be used to determine the avoidable capacity, Mr. Lamm testified that the capacity block should be reduced to 100 MW, consistent with the Commission's determination in the last Schedule 19 case. Concerning contract term, Mr. Lamm testified that if, the Commission adopts the Staff's recommendation that a combustion turbine serve as the basis for the avoided cost calculation, and in light of electric industry restructuring, then a contract of between 10 and 25 years could be justified.

St. Laurent Paper Products Corporation, Westvaco Corporation, and ACLP jointly sponsored the testimony of Roy J. Shanker. Dr. Shanker recommended that Virginia Power be required to modify the demand forecast used in Schedule 19 to be consistent with the assumptions for off-system sales used in the Company's most recent fuel factor filing. He asserted that failing to make this adjustment would under-compensate qualifying facilities.

Virginia Power also presented the rebuttal testimony of Daniel J. Green and Jeffrey L. Jones. Generally, the Company asserted that off-system sales should not be included in the calculation of avoided costs, that the Company should not have to perform a sensitivity study based on 1 MW of avoided energy, and that Staff's recommendations regarding contract term should be rejected.

On February 11, 2000, the Chief Hearing Examiner issued her Report. Her findings were as follows:

(1) Virginia Power should offer contracts under Schedule 19 for terms up to ten years;

(2) Virginia Power should use a 150 megawatt block of assumed displaced capacity in its DRR calculation;

(3) Avoided energy payments for 1999 as proposed by Virginia Power should be approved;

(4) Avoided energy payments for 2000 and 2001 should be based on avoided energy fuel mixes derived by displacing one of the Faquier County 150 MW combustion turbines approved for the summer of 2000;

(5) Avoided capacity payments should be based on the same displaced 150 MW CT [combustion turbine]; and

(6) The payments made under interim rates should be adjusted with revised payments made for power purchased under Schedule 19 since January 1, 1999, as appropriate.

She recommended that the Commission enter an order adopting the above findings, directing Virginia Power to file a revised Schedule 19 consistent with the findings contained herein within 60 days of a final order in this case, and dismissing this case from the Commission's docket of active cases.

On or about March 3, 2000, Virginia Power and ACLP filed comments on the Chief Hearing Examiner's Report. Virginia Power's comments concerned contract term and treatment of off-system energy sales. The Company reasserted its position that contracts with qualifying facilities not be required to extend beyond December 31, 2002, because, as of January 1, 2002, the Company will no longer have the exclusive right to supply electricity within its service territory. Virginia Power further asserted that, once customer choice is implemented, the Company would bear the responsibility for the new combustion turbines. The Company agreed with the Chief Hearing Examiner's recommendation that off-system sales should not be included in the calculation of avoided energy cost but took issue with the Chief Hearing Examiner's statement that, in the future, conservative estimates of off-system sales should be factored into the calculation. The Company stated that off-system sales should be left out of any such calculation because the Public Utility Regulatory Policies Act of 1978 ("PURPA") focuses on native load and not off-system sales, because off-system sales are made to maximize efficiency and not to meet the energy requirements of native load customers, and because half the financial benefit of off-system sales is returned to customers as a credit through Virginia Power's fuel factor. The Company also noted that modeling difficulties arise when off-system sales are factored into the DRR methodology and that these modeling difficulties cannot be corrected by reducing the level of off-system sales.

ACLP took issue with the Chief Hearing Examiner's recommendation that off-system sales not be included in the calculation of Schedule 19 avoided energy costs. ACLP asserted that rates for qualifying facilities should be based upon the actual avoided costs of Virginia Power, so the assumptions in the Schedule 19 analysis, including the load forecast the Company expects to serve, must be as close as possible to the actual anticipated operations of the Company. It would be unreasonable, according to ACLP, to include off-system purchases without also including off-system sales. ACLP noted that Virginia Power itself has included off-system sales in its fuel factor forecasts and argued that to disregard off-system sales would be to undercompensate qualifying facilities. ACLP contended that off-system sales should be recognized in the simulation of system performance and that the Chief Hearing Examiner declined to include them in this instance only because of modeling deficiencies. ACLP argued that these deficiencies could be mitigated with the economy interchange transaction module for PROMOD.

NOW UPON CONSIDERATION we find that we should adopt in part the findings and recommendations of the Chief Hearing Examiner. We agree that the DRR methodology is the proper method to use to determine avoided costs in this case. We further find that off-system sales should be excluded from the present calculation of avoided costs and that the cogeneration rate we are setting should be effective through 2001. However, we find that a contract length of less than 10 years is preferable, given the restructuring occurring throughout the industry.

In its application Virginia Power used the DRR methodology to calculate the Company's avoided costs over a five-year study period. This methodology was approved by the Commission in Case No. PUE870081.[3] By our Order of January 31, 1998, in Case No. PUE960117, we directed both the Company and Staff to consider alternative methodologies to DRR. In testimony Virginia Power stated that it considered basing avoided costs on a determination of market prices but decided that current projections of market prices for 1999-2001 were too uncertain to be the basis for an avoided cost calculation at this time. The Company therefore used the DRR methodology to determine avoided energy and capacity payments based on a 150 MW avoided block size and, for avoidable capacity, considered undesignated market purchases in the 2000 to 2002 planning horizon.

[3] Final Order, Ex Parte: In the matter of adopting appropriate methodology for use in calculating, pursuant to PURPA, the Schedule 19 avoided costs of Virginia Electric & Power Company, December 30, 1988, Case No. PUE870081, 1988 S.C.C. Ann. Rep. 301.

The Staff recommended that the Commission employ the methodology best fitting the circumstances present at the time of each avoided cost filing. While agreeing with the use of the DRR methodology in this case, the Staff cited the Company's intent to construct four 150 MW combustion turbines and thus proposed that avoided costs for energy and capacity be calculated by factoring into the DRR methodology the displacement of one of these units.

We agree with the Staff that DRR is the appropriate methodology to use in this case and that both avoided energy and capacity payments should reflect the displacement of one of the combustion turbine units. The Company has sought and been granted certificates of public convenience and necessity to construct four new 150 MW combustion turbines, and we find that 150 MW is an appropriate avoided block size to use when conducting the "with" and "without" cases required by the DRR methodology. While the costs associated with one of the 150 MW combustion turbines were well developed as part of the approval process in that case, the costs for undesignated purchases are speculative at this time.

We also find that the Schedule 19 tariff we are establishing should be effective for a three-year period, through 2001. Though previous Schedule 19 tariffs have been available for two-year periods of time, Virginia Power proposed a three-year period because deregulation of electricity generation services will be phased in starting January 1, 2002. Neither the Staff nor any protestant objected to the three-year life of the tariff. We, too, recognize the changing landscape of the regulatory environment for generating electricity and realize that market prices may significantly impact avoided costs in the future. Therefore, we find it appropriate for the expiration of this tariff to coincide with the start of retail choice for the generation of electricity.

We agree with the Chief Hearing Examiner that off-system sales should be excluded from the present calculation of avoided costs. In testimony, the Company admitted that it prepared forecasts for this case using a mainframe PROMOD software system that did not accurately model off-system sales and purchases. Thus, the Chief Hearing Examiner is correct in stating that no portion of the record in this case accurately quantifies the impact of off-system sales.

The Chief Hearing Examiner also found that, absent such modeling deficiencies, a conservative estimate of off-system sales should be included at some level in the calculation of avoided costs if they are reflected in the fuel factor. We disagree with this assessment. Virginia Power's fuel factor includes a calculation for projected off-system sales. However, unlike the setting of avoided costs for purposes of Schedule 19, the fuel factor also contains a mechanism by which inaccurate forecasts used to set the previous fuel factor may be corrected. Such a true-up mechanism does not exist for purposes of setting the Schedule 19 avoided cost rate. Thus, any inaccuracy in the prediction of off-system sales could act as a windfall to cogenerators at the expense of ratepayers, contrary to the intent of PURPA.[4]

Additionally, in the present evolving world of industry restructuring, the off-system sales market has grown exponentially in recent years. Off-system sales are now made more often and are more unpredictable in frequency and price than in previous years. Thus, it would be nearly impossible to develop a conservative estimate of off-system sales, as the Chief Hearing Examiner would recommend absent the modeling deficiencies present in this case. In short, the Company could not develop any reasonably accurate forecast or conservative estimate of off-system sales that could be used in the avoided cost calculation.

We recognize that off-system sales are becoming an increasingly significant factor for Virginia Power and other utilities. In the future, it may be possible to include them by using a market-based methodology to better account for the frequency, consistency, timing, and the price at which off-system sales are made. Indeed, new cogenerators now have the option of selling directly into the wholesale energy market and thereby capturing the benefits of off-system sales, as well as other marketplace benefits and risks, if cogenerators believe that such action would be more profitable than making routine sales to Virginia Power at Commission-approved prices. For all of these reasons, for purposes of this case in which the DRR methodology is used, we decline to include off-system sales in the calculation of avoided costs.

Finally, though the Chief Hearing Examiner recommended a contract length of up to 10 years, we find that a contract length of up to four years, through 2002, is appropriate. Once Virginia Power's customers begin selecting alternative providers for generation services on January 1, 2002, Virginia Power's demand will change. While the Company will continue to have an obligation to serve customers who do not select an alternative provider and while the Company will still have an obligation to purchase generation from qualifying cogeneration facilities, the Company will not be able to accurately predict its demand on a long-term basis. Contracts of shorter term will provide the Company the flexibility it may need to renegotiate the terms for the purchase of generation services from qualifying congenerators.

Accordingly, IT IS ORDERED THAT:

(1) The Findings and Recommendations of the February 11, 2000, Chief Hearing Examiner's Report, as modified and supplemented herein, are hereby adopted.

(2) Virginia Power should offer contracts under Schedule 19 with terms extending up to four years, through December 31, 2002.

(3) Since there is nothing further to come before the Commission, this case is hereby dismissed and the papers herein placed in the Commission's file for ended causes.

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[4] "[I]n requiring any electric utility to offer to purchase electric energy from any qualifying cogeneration facility or qualifying small power production facility, the rates for such purchase--(1) shall be just and reasonable to the electric consumers of the electric utility and in the public interest. 16 U.S.C. § 824a-3(b).

CASE NO. PUE980628
MAY 26, 2000

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
AUBON WATER COMPANY

ORDER ON SETTLEMENT PROGRESS REPORT

On May 1, 2000, Hearing Examiner Michael D. Thomas issued a Settlement Progress Report ("May 1 Report") in the captioned matter. By Order dated February 17, 2000, the Commission had assigned a Hearing Examiner to monitor the efforts of the Aubon Water Company ("Aubon" or "the Company") to comply with the requirements of the Commission's Order of Settlement issued on December 16, 1998 ("Order of Settlement"). In the Order of Settlement, the Commission had required Aubon to install water treatment facilities for its Long Island Estates subdivision, near Smith Mountain Lake in Franklin County, Virginia. More specifically, Aubon was required to install a water treatment facility to remove the iron and manganese from the subdivision's water system and to meet certain deadlines for the design and construction of the facility.

The May 1 Report described in detail what has occurred since the Hearing Examiner began monitoring the Company's efforts to comply with the directives of the Settlement. The Hearing Examiner stated that he had scheduled and presided over a hearing in this matter on March 7, 2000, to gather evidence of the current status of the construction of the water treatment facility, and to attempt to resolve any issues that may have been impeding the construction. The Report summarizes the testimony of the witnesses at the hearing, and discusses the Examiner's assessment of Aubon's difficulties and his view of the possible outcomes in this case.

The Hearing Examiner also made several recommendations to the Commission that would, in his opinion, advance the resolution of this matter. More specifically, the Hearing Examiner recommended that the Commission extend the date by which Aubon must secure financing for construction of the water treatment facility from August 17, 2000, to December 31, 2000. He also recommended that the Staff be directed to evaluate whether a small water company should maintain a capital account to address unexpected repairs and improvements to its water system, or meet a minimum net worth requirement as a condition of operating in Virginia. Finally, he recommended that the Commission direct him to continue to monitor Aubon's compliance with the Order of Settlement. The Hearing Examiner provided an opportunity for parties to file comments on the May 1 Report within 15 days of the date of the issuance of that report.

No party filed comments on the May 1 Report.

NOW THE COMMISSION, having considered the May 1 Report and the applicable law, is of the opinion and finds that the Hearing Examiner's recommendations, set forth in the May 1 Report, are reasonable and should be adopted. Accordingly,

IT IS ORDERED THAT:

(1) Staff shall conduct an investigation into the matters recommended by the Hearing Examiner, as discussed herein.

(2) Aubon shall secure financing for construction of the water treatment facility on or before December 31, 2000.

(3) The Hearing Examiner is hereby directed to continue monitoring the Company's compliance with the Commission's Order of Settlement in Case No. PUE980628.

CASE NO. PUE980737
APRIL 14, 2000

APPLICATION OF
BLUE SPRINGS, INC.

For a certificate of public convenience and necessity

FINAL ORDER

On November 3, 1998, Blue Springs, Inc. ("Blue Springs" or "the Company"), filed an application to obtain a certificate of public convenience and necessity to allow the Company to continue to provide water service to the residents of the community of Rose Hill in Lee County. On January 13, 1999, the Commission entered an Order Inviting Written Comments and Requests for Hearing. Numerous customers and the Lee County Board of Supervisors and Public Service Authority filed comments objecting to the Company's application. The Lee County Public Service Authority also requested a local hearing.

On May 21, 1999, the Commission entered an order setting forth a procedural schedule and appointing a Hearing Examiner to conduct further proceedings in this matter. By Hearing Examiner's ruling of June 30, 1999, the procedural schedule was suspended based upon information received by the Commission Staff that Blue Springs and Lee County officials were negotiating for the acquisition of the Company's water system by Lee County. However, Blue Springs never withdrew its application for a certificate and failed to produce a copy of any written agreement concerning the acquisition of the Company's water system.

On February 22, 2000, the Staff filed a Motion to Dismiss the Company's application. The Staff stated in its motion that on January 13, 2000, it obtained from the Virginia Department of Health a copy of what appeared to be an undated, partially executed agreement among the Company, Lee County,

and BSGFS, LLC, for the transfer of Blue Springs' Rose Hill water system to Lee County. The Staff stated that it had repeatedly attempted to contact both the Company and Lee County officials to verify the validity of this agreement but received no response to its inquiries. The Staff sought dismissal of Blue Springs' application in view of this purported agreement and the lethargy of the parties to participate in this proceeding.

On February 23, 2000, Hearing Examiner Michael D. Thomas filed his Report in this matter, recommending that the Commission enter an order dismissing this matter from the Commission's docket of active cases.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that this case should be dismissed. Accordingly,

IT IS ORDERED THAT:

(1) The recommendations in the February 23, 2000, Report of Michael D. Thomas, Hearing Examiner, are adopted in full; and

(2) This matter is DISMISSED and, there being nothing further to come before the Commission, the papers herein are passed to the file for ended causes.

CASE NO. PUE980812
MAY 26, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of establishing interim rules for retail access pilot programs

FINAL ORDER

On March 20, 1998, the State Corporation Commission ("Commission") entered an Order establishing an investigation requiring various parties to perform activities and provide information to assist the Commission in moving forward in the evolving world of electric utility restructuring.[1] Among other things, this Order required Virginia Electric and Power Company ("Virginia Power") and American Electric Power – Virginia ("AEP-VA") each to begin work toward implementing at least one retail access pilot program. On November 2, 1998, Virginia Power and AEP-VA filed pilot programs in Case No. PUE980138.[2]

Pilot programs also have been established within Columbia Gas of Virginia, Inc.'s ("CGVA") and Washington Gas Light Company's ("WGL") service territories.[3] Upon approving the pilot program for CGVA, the Commission determined that a task force should be convened to develop a generic code of conduct applicable to natural gas retail unbundling programs. The Commission Staff subsequently filed a motion expressing a similar need for a code of conduct to govern retail access pilot programs for electric utilities and stating that there would be advantages in developing codes of conduct for the electric and natural gas utilities concurrently.

On December 3, 1998, the Commission established this docket to consider the adoption of interim rules to govern issues common to both natural gas and electricity retail access pilot programs including certification, codes of conduct, and standards of conduct governing relationships among entities participating in such programs. The Order Establishing Procedural Schedule directed the Commission Staff to select and lead a task force to consider and propose such rules by March 9, 1999, and established dates for the filing of comments and an evidentiary hearing in this matter.

On March 9, 1999, the Task Force filed its report in this matter and, after comments and rebuttal comments were filed, an evidentiary hearing was conducted by Chief Hearing Examiner Deborah V. Ellenberg. On August 6, 1999, the Chief Hearing Examiner issued her Report recommending that the

[1] This Order and other related documents may be found in Commonwealth of Virginia ex. rel. State Corporation Commission, Ex Parte: In the matter of requiring reports and actions related to independent system operators, regional power exchanges and retail access pilot programs, Case No. PUE980138.

[2] Separate dockets have been created for consideration of these programs. The docket for consideration of Virginia Power's Pilot Program is Commonwealth of Virginia At the relation of the State Corporation Commission, Ex parte: In the matter of considering an electricity retail access pilot program – Virginia Electric and Power Company, Case No. PUE980813. A Final Order in this case was issued April 28, 2000, Document Control No. 000440141. The docket for consideration of AEP-VA's pilot program is Commonwealth of Virginia At the relation of the State Corporation Commission, Ex Parte: In the matter of considering an electricity retail access pilot program – American Electric Power – Virginia, Case No. PUE980814. This case is awaiting a final Commission decision.

[3] Order Approving Commonwealth Choice Program, Phase I, Application of Commonwealth Gas Services, Inc. For general increase in natural gas rates and approval of performance-based regulation methodology pursuant to Va. Code § 56-235.6, Case No. PUE970455, 1997 S.C.C. Ann. Rep. 417, *modified,* Final Order, 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, issued February 19, 1999, in Case No. PUE970455, Document Control No. 990220274 and Order Granting Application, Application of Columbia Gas of Virginia, Inc., Application to Extend Customer Choice, issued August 24, 1999, in Case No. PUE990245, Document Control No. 990830025; Final Order, Application of Washington Gas Light Company For approval of a Pilot Delivery Service Program, Case No. PUE971024, 1998 S.C.C. Ann. Rep. 390, *modified,* Order Granting Approval for an Amendment to Pilot Delivery Service Program, Application of Washington Gas Light Company For an amendment to Pilot Service Program, Case No. PUE980631, 1998 S.C.C. Ann. Rep. 429, and Order Granting Motion for Further Amendment to Pilot Delivery Service Program, Application of Washington Gas Light Company For a further amendment to Pilot Delivery Service Program, Case No. PUE980895, 1998 S.C.C. Ann. Rep. 434.

Commission, by and large, adopt the Task Force's proposed rules with certain limited modifications and clarifications.[4] Comments to the Chief Hearing Examiner's Report were filed on or before August 27, 1999.

On February 10, 2000, the Commission issued an Order Inviting Comments on Retail Access Pilot Program Rules. With this Order the Commission published a revised set of rules designed to address specific substantive issues and to add detail to many of the rules recommended by the Chief Hearing Examiner, including the addition of a "definitions" section and a section specifically setting forth rules applicable to aggregators. Comments to these revised rules were filed on or before February 24, 2000.

Meanwhile, the Staff held various informal discussions with parties regarding their concerns with the February 10, 2000, proposed rules. On April 12, 2000, the Staff filed a Motion for the Filing of Proposed Revised Interim Retail Access Pilot Program Rules. These rules, dated March 29, 2000, were based upon the Commission's February 10, 2000, rules but included changes designed to address parties' concerns with the February 10 rules. The Staff's proposed rules were accepted for filing, and parties were once again given an opportunity to comment on the proposed retail access pilot program rules.

On or about April 27, 2000, comments were filed by the following parties: AARP Virginia State Legislative Committee; WGL; Virginia Citizens Consumer Council ("VCCC"); Division of Consumer Counsel, Office of the Attorney General; Virginia Power; the Virginia Electric Cooperatives[5]; the Potomac Edison Company, d/b/a/ Allegheny Power ("Allegheny Power"); Old Mill Power Company; CGVA; Washington Gas Energy Services ("WGES"); Roanoke Gas Company; Diversified Energy Company; and AEP-VA. No party requested oral argument.

NOW UPON CONSIDERATION, we find that we should adopt the attached rules applicable to retail access pilot programs in the electric and natural gas industries effective as of the date of this Order. A complete set of these rules is Attachment A to this Order. We appreciate the comments of all the parties in this proceeding and have carefully considered them in crafting this final version of the pilot program rules.

We recognize that these rules are limited to pilot programs of limited scope and duration and may require alteration in the future to accommodate full scale retail choice and competition. For example, these rules require a local distribution company ("LDC") and its affiliated competitive service provider ("ACSP") to implement only internal controls to ensure that the LDC and its employees engaged in selected operations do not provide information to an ACSP which would give the ACSP an undue advantage over a non-affiliated competitive service provider ("CSP"). A rule requiring separate facilities might be cost-prohibitive and burdensome for the limited duration of pilot programs. When full retail choice is implemented for all Virginians, however, it may be necessary to revisit this provision and require LDCs and ACSPs to have completely separate facilities and offices to ensure that there is no communication that would provide the ACSP an undue market advantage. As full competition develops over the next several years, this and other rules may need to be revised to ensure a level playing field for participants in the full scale retail choice market.

These rules apply to all retail access pilot programs the Commission has approved or will approve in the future, and these rules will be effective until the end of these pilot programs or as prescribed by further Commission order. As noted above, we will review and revise these rules as needed for the start and continuation of full retail choice.

While it is not necessary to review each rule in detail, we will discuss several of the rules that have been the subject of confusion or repeated debate and comment. These rules relate to: the applicability of the rules to affiliated CSPs; the pricing of affiliate transactions; internal controls governing interaction between LDCs and ACSPs; the information that must be contained in solicitation materials and customer contracts; the ten-day period during which customers may cancel their competitive supply contracts; the contract renewal provisions; the allocation of partial payments by customers; and the use of CSP security deposits by an LDC. First, however, we offer the following general comments applicable to the entire set of rules.

We have revised some of the rules to delete language referring to the Commission's ability to take corrective action as necessary against a company. The Commission's power to take such actions is embodied in current law. This language was removed in the interest of brevity and does not imply that the Commission cannot or will not take such action.

In some sections of the rules, an LDC or CSP is required to take certain action within a specified time limit. Since these are pilot rules, however, we have modified the time requirements to state that many actions will "normally" be taken within the prescribed period. For example, Rule 30 A 6[6] requires that, in the event an LDC is notified by a CSP that the CSP will terminate a customer's service, the LDC shall, "normally" within two business days, respond to the CSP with an acknowledgement. We direct LDCs and CSPs to keep records throughout the duration of the pilot programs reflecting the actual lengths of time required to accomplish these actions. It is imperative that these records be maintained so that we can be informed of how much time to provide for such actions upon the start of full scale retail choice.

These rules also specify certain reporting requirements for an LDC whose ACSP is participating in that LDC's pilot program. Some parties expressed concern that such reports would be duplicative of information the Commission already receives annually.[7] Because the pilot programs are

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[4] Report of Deborah V. Ellenberg, Chief Hearing Examiner, filed August 6, 1999, Document Control Number 990810232 (hereinafter "Chief Hearing Examiner's Report").

[5] The Virginia Electric Cooperatives is a group consisting of A&N Electric Cooperative; BARC Electric Cooperative; Community Electric Cooperative; Craig-Botetourt Electric Cooperative; Mecklenburg Electric Cooperative; Northern Neck Electric Cooperative, Inc.; Northern Virginia Electric Cooperative; Powell Valley Electric Cooperative; Prince George Electric Cooperative; Rappahannock Electric Cooperative; Shenandoah Valley Electric Cooperative and Southside Electric Cooperative, Inc.; Old Dominion Electric Cooperative; and the Virginia, Maryland & Delaware Association of Electric Cooperatives.

[6] For ease of reference, the designation "20 VAC 5-311-" will be dropped. The reader should presume this is the title and chapter for all the rules discussed in this Order unless specifically stated otherwise. For example, where the Order refers to "Rule 30 A 6," it should be understood that this refers to 20 VAC 5-311-30 A 6.

[7] See, *e.g.*, Comments of Washington Gas Light Company on Proposed Retail Access Pilot Program Rules, filed April 27, 2000, Document Control No. 000440081, at 6-7; Comments of Columbia Gas of Virginia, Inc., in Response to the Staff's Proposed Revised Interim Retail Access Pilot Rules, filed April 27, 2000, Document Control No. 000440117, at 3-5.

laboratories for choice and competition, we believe that requiring such information every six months during the pilot programs is not overly burdensome and will provide the Staff and others with the information necessary to evaluate the effectiveness of these rules and retail choice in general. In its filings the LDC is free to refer to previously filed information and need not supply duplicate copies of data that have not changed since they were previously filed.

Finally, we note that information required to be filed pursuant to these rules, including but not limited to the above-mentioned reports and applications for licensure, are matters of public record unless otherwise directed by the Commission. Any member of the public may obtain and review such information by visiting the Clerk's Office.

With these general considerations in mind, we now turn to specific issues raised by the comments.

Applicability of the rules to affiliated CSPs

Comments to the previously proposed rules have expressed uncertainty regarding who is subject to the rules governing ACSPs.[8] Therefore, we offer the following. If a CSP is an affiliate of a distribution company that has no service territory in Virginia, then the CSP is not considered an ACSP for purposes of these rules and need not make any filings regarding affiliate transactions or otherwise comply with the rules specifically applicable to ACSPs. The definition of "Local Distribution Company" is "an entity regulated by the State Corporation Commission . . . ." Similarly, an "[a]ffiliated competitive service provider" is defined as "a separate legal entity that controls, is controlled by, or is under common control of, a local distribution company or its parent."[9] Thus, the rules do not require that a CSP affiliated with a distribution company that has no service territory in Virginia comply with the rules designed to regulate ACSPs.

Further, not all rules apply to all ACSPs. Specifically, Rules 20 B 6 and 30 A 9 do not apply to LDCs and ACSPs where the ACSP is not participating in the pilot program of its affiliated LDC.

Affiliate costs

One of the main issues involving ACSPs was the regulation of affiliate transactions as specified in Rule 30 A 10. This rule provides that an LDC shall be compensated at the greater of fully distributed cost or market price for all non-tariffed services, facilities, and products provided to an ACSP and that an LDC shall pay the lower of fully distributed cost or market price for all non-tariffed services, facilities, and products received from the ACSP.

We received comments expressing concern with this rule.[10] However, it is not new. It reflects our established policy that was detailed in our August 7, 1997, Order in Application of GTE South, Case No. PUC950019,[11] which has been upheld by the Virginia Supreme Court.[12] Additionally, the policy recommendation of the National Association of Regulatory Utility Commissioners supports this approach.[13]

AEP-VA asserts that this policy might discourage ACSPs from participating in pilot programs because such affiliates that are affiliates of a registered holding company must price affiliate arrangements according to certain federal regulations.[14] It is, however, not unusual for affiliates of registered holding companies to price transactions on bases similar to that required in Virginia. We do not believe the rule will discourage participation in pilot programs.

Internal controls

Rule 50 A 7 requires that an ACSP, as part of its license application, provide a description of internal controls it has designed to ensure that the ACSP and its employees engaged in selected operations do not provide information to an affiliated LDC (or to entities that provide similar functions for or on behalf of that LDC or any affiliated transmission provider) as would give the ACSP an undue advantage over a non-affiliated CSP. In our final version of the rules, we have amended Rules 20 B 6 and 30 A 9 to mirror Rule 50 A 7. Rule 20 B 6 explicitly requires ACSPs to implement the controls the ACSP must provide as part of its application and now reflects the deadline by which any revised listing and description of internal controls must be filed. Rule 30 A 9 has been similarly amended.

As was true with the affiliate cost rules, there were also comments expressing concern with the rules governing the internal controls between LDCs and ACSPs.[15] For example, AEP-VA asserts that these rules would deny ACSPs the economies of scope and scale provided by using the LDC's

[8] Comments of Allegheny Power on Proposed Regulations in Response to April 13, 2000, Order, filed April 28, 2000, Document Control No. 000440136, at 4.

[9] Rule 10 B.

[10] See, *e.g.*, Comments of AEP-VA Responding to the Commission's Order of April 13, 2000, filed April 27, 2000, Document Control No. 000440122, at 5-7; Comments of Columbia Gas of Virginia, Inc., in Response to the Staff's Proposed Revised Interim Retail Access Pilot Rules, filed April 27, 2000, Document Control No. 000440117, at 3-5; Joint Comments of Roanoke Gas Company and Diversified Energy Company to Order Inviting Comments on Proposed Revised Interim Retail Access Pilot Program Rules, filed April 27, 2000, Document Control No. 000440082, at 2-3.

[11] Order, Application of GTE South Incorporated For revisions to its local exchange, access and intraLATA long distance rates, Case No. PUC950019, 1997 S.C.C. Ann. Rep. 216, 218.

[12] GTE South, Inc. v. AT&T Communications of Virginia, Inc., No. 991964, 2000 WL 257121 at *3 (Sup. Ct. Va. March 3, 2000).

[13] *Attachment to Resolution Regarding Cost Allocation Guidelines for the Energy Industry, "Guidelines for Cost Allocations and Affiliate Transactions,"* NARUC Summer Committee Meetings, Resolutions, § D (July 18-21, 1999) http://www.naruc.org/Resolutions/summer99.htm.

[14] See Comments of AEP-VA Responding to the Commission's Order of April 13, 2000, filed April 27, 2000, Document Control No. 000440122, at 6.

[15] See, *e.g.*, Comments of AEP-VA Responding to the Commission's Order of April 13, 2000, filed April 27, 2000, Document Control No. 000440122, at 7-9; Comments of Virginia Electric and Power Company on Retail Access Pilot Program Rules, filed April 27, 2000, Document Control No. 000440123,

service company for accounting, billing, and other services not directly related to the provision of electricity or natural gas.[16] However, we believe that such economies of scope and scale may still be enjoyed by CSPs and LDCs even while complying with these rules.

Solicitation, marketing, and contract information provided to customers

Rules 20 A 1 and 20 A 2 have been revised in several ways. Rule 20 A 1 now includes language requiring that solicitations, advertising, and marketing materials contain a clear and conspicuous notice of a toll-free telephone number to call to obtain additional information before signing a contract or making a purchasing decision. The information that must be provided is listed in Rule 20 A 2.

Whether or not the customer has requested such information previously, a CSP must send such information to the customer, in writing or electronically, by the time the written contract is provided to the customer.[17] Rule 20 A 2 also requires that the information provided to the customer include a notice of the customer's right to cancel the contract, including specifications regarding the size of type and contents of such a notice. This notice provision is similar to § 59.1-21.4 of the Code of Virginia, which sets forth a consumer's right to cancel a purchase made through home solicitation.

Rule 20 A 4 published in our February 10, 2000, Order, has been deleted. The provisions originally contained in Rule 20 A 4 have largely been incorporated within Rule 20 A 3 b. Thus, our rules still require the customer to receive a written contract that is either hand-delivered, mailed, or electronically transmitted. Rule 20 A 3 c now explicitly states that such contracts shall be considered void *ab initio* if enrollment is cancelled by the customer according to the procedures set forth in the rules.

These changes have been made to address concerns raised by the VCCC that the rules should expressly require that sellers notify customers of their right to cancel their contracts without penalty, of the time when this right expires, and of the procedures for exercising this right.[18] We also are not unmindful of the VCCC's concern that customers may be entering into these transactions without first reading their contracts.[19] Our rules currently permit the customer to agree to purchase electricity from a CSP and to receive a contract subsequent to that agreement. This procedure places the burden upon the customer to act affirmatively to rescind the contract if, after receiving and reading it, the customer does not wish to accept the contract's provisions. We are hesitant to adopt this strategy but will do so for the pilot programs in an attempt to determine whether this is the proper middle ground between consumer protection and allowing CSPs needed flexibility to operate in the new competitive market. As stated earlier, we may revise such rules with the start of full scale retail choice.

We also note that we have amended Rules 20 A 3 c and 30 B 4 to allow a customer to notify either the LDC or the CSP to cancel a contract. The entity notified of the cancellation request has normally one business day to notify the other entity of the customer's request to halt the enrollment process.

Rescission period

The pilot program rules require that, after a customer agrees to enroll with a CSP, the CSP must send an enrollment request to the LDC. According to Rule 30 B 4, the LDC, normally within one business day after receiving the enrollment request, shall mail a notice to the customer advising the customer of the request, the approximate date that service from the CSP will commence, and the procedure for canceling the enrollment. A customer is allotted ten calendar days to cancel the contract and halt the enrollment process with the CSP. The ten-day period is calculated based upon the date the customer receives the notice of enrollment request from the LDC, which notice is deemed to have been received by the customer three calendar days after the date of mailing.

We believe that a ten-day cancellation period is fair to customers who have never purchased electricity in the open market before and who will need time to review their contracts adequately.[20] We understand the concern of WGES about the potential effect of such a lengthy cancellation period in volatile energy markets.[21] We will monitor the use of the ten-day cancellation period throughout the pilot programs to determine if this period should be amended with the start of full scale retail access.

Contract length and renewal

Rule 20 A 11 allows a CSP to include provisions in its service contracts providing for automatic renewal during and beyond the duration of the pilot program to which that contract is applicable. Once the pilot program ends, the contract may continue, but it is subject to termination by either party upon thirty days' written notice to the other party. It is appropriate for the contract to be subject to cancellation on short notice when the pilot program ends so that neither customers nor CSPs are bound by contracts for long periods after the end of the pilot period.

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at 3-6; Comments of Washington Gas Energy Services on Proposed Revised Interim Retail Access Pilot Program Rules, filed April 27, 2000, Document Control No. 000440120, at 13-14.

[16] Comments of AEP-VA Responding to the Commission's Order of April 13, 2000, filed April 27, 2000, Document Control No. 000440122, at 8-9.

[17] Note that the customer may already have agreed to be served by a CSP before receiving a written document embodying the contract terms and the information required to be provided by Rule 20 A 2. In such a case, the written contract and additional information would provide a customer with the information necessary to decide whether to rescind the contract.

[18] Comments on Proposed Revised Interim Retail Access Pilot Program Rules, Virginia Citizens Consumer Council, filed April 27, 2000, Document Control No. 000440084, at 3.

[19] Id. at 2-3.

[20] Rule 20 A 3 b requires a CSP to send, contemporaneously, the enrollment request to the LDC and the written contract to the customer. Thus, the customer should have the contract in hand upon receipt of notification of the enrollment request from the LDC.

[21] Comments of Washington Gas Energy Services on Proposed Revised Interim Retail Access Pilot Program Rules, filed April 27, 2000, Document Control No. 000440120, at 5-6.

Partial payment allocation

Rule 60 E now states that a customer payment received in partial payment of a single consolidated bill shall be applied as designated by the customer. Absent customer designation, the payment will be applied to LDC arrearages, then to CSP arrearages, then to current LDC charges, then to current CSP charges. This method strikes a compromise position between allowing the LDC to be paid in full for both arrearages and current charges, before any CSP arrearages, and requiring all partial payments to be shared on a pro rata basis.[22]

Several parties expressed a desire earlier in these proceedings to have the LDC collect its full arrearages and current charges before the CSP received any payment from a customer.[23] This proposal was based at least in part on the assumption that, if a customer defaults with a CSP, that customer would simply revert to default service from the LDC, which could not refuse to provide service to that customer. Thus, the LDC would be forced to take on a customer with a poor credit history. We find this argument invalid for these pilot programs because, if a customer returns to the LDC's generation service, the LDC may collect a security deposit from that customer to protect against the possibility that the generation portion of that customer's bill may become uncollectible by the LDC.[24] The collection of such security deposits must be made in accordance with the current rule governing all utility security deposits, 20 VAC 5-10-20, which states that the purpose of such deposits is to protect against uncollectible accounts and that the maximum amount of any deposit shall not exceed the equivalent of the customer's estimated liability for two months' usage. The security deposit should provide the LDC with adequate financial coverage.

In revising this rule, we have considered new provisions of the tax laws, effective January 1, 2001, which specify how the tax portion of a customer's utility bills will be collected if a customer refuses to pay such taxes.[25] We find it consistent with this legislation to allow customers to direct payment allocation preferences not only for taxes but also for other amounts owed in the pilot programs.

These statutes also state that, when a customer fails to pay the bill issued by the utility, including taxes, the utility shall follow normal collection procedures and, upon collection of any part of the money owed, shall apportion the net amount collected between the charge for utility service and taxes. These statutes mandate a pro rata sharing of any payment collected where the customer previously has failed to pay a utility bill. Similarly, we see no reason not to prorate a partial payment of a customer's bill in the pilot programs. However, because the attached rule specifying the method for distributing partial payments was not strongly opposed by any party, we will elect to use this method for the pilot programs. Once again, we may revisit this issue with the start of full scale retail choice.

Security Deposits from CSPs

Rule 30 A 12 makes provisions for an LDC, at its discretion, to require reasonable financial security from a CSP to safeguard the LDC and its customers from financial losses or costs incurred due to the non-performance of the CSP. The rule previously stated that the security deposit would be used to offset the cost of replacement energy supplied by the LDC in the event of a CSP's non-performance. This rule has now been broadened to allow the amount of the financial security to be commensurate with the level of risk assumed by the LDC. The rule also allows the security deposit to be used to offset any losses or additional costs incurred due to the CSP's non-performance, including the LDC's cost to supply replacement energy.

This revised language enhances the internal consistency of the rule by allowing the LDC to utilize the financial security to offset any of the costs it incurs in the event of CSP non-performance, not just to offset the cost of replacement energy. We believe this rule strikes the best balance between keeping financial security deposits within reasonable limits and allowing an LDC to be made whole in the event of CSP non-performance.

Accordingly, IT IS ORDERED THAT:

(1) We hereby adopt the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, appended hereto as Attachment A.

(2) As specified in Rule 60 B, the natural gas retail access pilot programs previously approved by the State Corporation Commission and in operation prior to the adoption of these rules, as well as any competitive service provider or aggregator participating in such programs, shall be required to comply with these rules within 120 days from the date of this order or from the date of denial of a waiver request filed under Rule 60 A, whichever is later.

(3) As discussed herein, LDCs and CSPs shall keep records reflecting the actual time in which they perform actions in all instances where the rules specify that an action shall occur "normally" within a certain number of days. All LDCs and CSPs shall file reports detailing which of these actions they have performed, the number of times each action has been performed within the number of days allotted by these rules, and the number of times each action has been performed within a time frame different than the time specified in the rules. For the latter category of actions, LDCs and CSPs also shall file the actual length of time they took to perform each action. The first such report shall be due on April 30, 2001, and shall include data regarding all actions occurring on or before March 31, 2001. Thereafter, each LDC and CSP shall file quarterly updates of this data until the pilot programs in which the LDC or CSP is participating have ended. This reporting requirement shall be in addition to any other reporting requirements already specified for individual pilot programs, and these reports shall be filed under the case number of the individual pilot programs in which the LDC or CSP is participating.

(4) There being nothing further to be done herein, this case is dismissed.

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[22] The Chief Hearing Examiner's Report recommended that partial payments from customers be allocated first to LDC charges that would result in disconnection and the balance, if any, to other LDC and CSP charges. See pp. 60-62. The Staff Comments Regarding Task Force Report, filed April 9, 1999, Document Control No. 990410286, argued for a provision requiring the LDC to apply partial payments on a prorated basis for monthly services provided by the CSP and the LDC. See p. 43.

[23] See, *e.g.*, tr. at 196-97, 210, 225-27.

[24] Note that, for the pilot programs, Rule 30 B 6 requires the generation portion of any customer deposits the LDC currently holds to be promptly refunded when that customer elects to receive generation services from the competitive marketplace.

[25] See 2000 Va. Acts ch. 614 (to be codified at § 58.1-2901); 2000 Va. Acts ch. 691 (to be codified at § 58.1-2905).

NOTE: A copy of Attachment A entitled "Chapter 311. Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs" 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. PUE980812
JUNE 15, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of establishing interim rules for retail access pilot programs

ORDER DENYING PETITIONS FOR RECONSIDERATION

On May 26, 2000, the State Corporation Commission ("Commission") issued its Final Order in the captioned case, setting forth the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs ("Interim Rules"). Thereafter, the Commission received Petitions for Reconsideration (collectively, "Petitions") from Roanoke Gas Company ("RGC"), Washington Gas Energy Services ("WGES"), and American Electric Power – Virginia ("AEP-VA"). For the reasons set forth below, we will deny each of the Petitions.

Petition of RGC:

On June 12, 2000, RGC filed a Petition for Reconsideration. RGC expresses concern with language contained in the section of the Final Order discussing the allocation of partial payments received from customers during the Pilot Programs. In our Final Order, when discussing 20 VAC 5-311-60 E, we alluded to recent legislation specifying how the tax portion of a customer's utility bills will be collected.[1] As part of that discussion, we stated, "These statutes mandate a pro rata sharing of any payment collected where the customer previously has failed to pay a utility bill." RGC seeks to have this language stricken from the Final Order because the statutes themselves use the term "apportion" instead of "pro rate." RGC states that this sentence indicates a Commission intention to pro rate partial payments between taxes and the remainder of utility bills and that, if taxes are to be prorated and the remainder of such bills are spread based upon customer designation or age of charges, taxes and commodity services could be spread on different bases.

20 VAC 5-311-60 E concerns the distribution of partial payments between the local distribution company ("LDC") and the competitive service provider ("CSP") during the Pilot Programs. Our reference to the tax statutes in the Final Order was to lend support to our position that we see no reason not to pro rate partial payments between these entities, and that we may later consider the proration method for payment allocation between LDCs and CSPs. 20 VAC 5-311-60 E does not require a pro rata sharing of payments between the LDC and CSP. Further, the rule was neither designed nor intended to address the tax portion of partial payments. The payment of taxes in the instance of a partial payment or the recovery of funds after a customer's failure to pay a bill for energy services should proceed as set forth in the applicable tax statutes.

Petition of WGES:

On June 7, 2000, WGES filed a Petition for Reconsideration, expressing concern with several rules that give a switching customer ten days to rescind an enrollment and cancel a contract with a CSP. The ten-day period is calculated from the date the customer receives notification from the LDC advising the customer of the enrollment request. The customer is deemed to have received the notice three days after the date of mailing. WGES is concerned with this rule's application to commercial and industrial customers because, in the case of those customers, WGES states that the signing of a contract can take place months before enrollment. Thus, according to WGES, a commercial or industrial customer could rescind a contract months after signing it, leaving the CSP with energy it has procured but for which it now has no purchaser.

As a remedy for this situation, WGES proposes that the rules concerning a customer's right to cancel a contract apply only to residential customers.[2] This solution, however, conflicts with § 56-587 C 1 of the Code of Virginia, which states, "The Commission shall establish a reasonable period within which *any retail customer* may cancel, without penalty or cost, any contract entered into with a supplier licensed pursuant to this section" (emphasis added).[3] Though the remedy WGES seeks is not possible, WGES raises the suggestion that different standards for contract cancellation may be appropriate for more sophisticated energy purchasers, which may include the commercial and industrial customers to which WGES refers, than the standards applicable to residential customers. We will consider this issue with the start of full scale retail competition.

Moreover, we find that the crux of this dilemma is not necessarily whether a customer has ten days or three days to rescind a contract, but how that period is calculated. WGES asserts that, presently, the rescission period may be delayed by weeks or months because the rescission period does not begin to be calculated until the customer receives the notice of enrollment request from the LDC and that, currently, LDCs have deadlines preventing a CSP from submitting early enrollment notifications which would enable CSPs to synchronize enrollment requests with contract execution. The Interim Rules we have adopted envision that a CSP may file an enrollment request with an LDC immediately upon obtaining authorization from the customer. 20 VAC 5-311-30 B 4 requires an LDC "normally within one business day of receipt" of the enrollment request from the CSP, to mail notification to the customer advising of the request. Receipt of this notification triggers the 10-day cancellation period. If current LDC practices prevent this process, this issue will

[1] 2000 VA. Acts ch. 614 (to be codified at § 58.1-2901); 2000 Va. Acts ch. 691 (to be codified at § 58.1-2905).

[2] See Appendix A to the Petition for Reconsideration filed by WGES on June 7, 2000, Document Control No. 000610221.

[3] By legislation passed by the 2000 General Assembly, the words "a supplier" were deleted and, in their place, the words "any person" were added. This amendment becomes effective July 1, 2000. See 2000 Va. Acts ch. 991.

need to be addressed as part of the LDC's compliance with the Interim Rules in accordance with 20 VAC 5-311-60 B and with orders approving individual retail access Pilot Programs.

Petition of AEP-VA:

On June 12, 2000, AEP-VA filed a Petition for Reconsideration. AEP-VA requests that 20 VAC 5-311-30 A 10 either be deleted or modified to add language at the beginning of the rule to note that this rule is applicable "except as otherwise required or made unnecessary by SEC or other federal regulations or orders." 20 VAC 5-311-30 A 10 provides that an LDC shall be compensated at the greater of fully distributed cost or market price for all non-tariffed services, facilities, and products provided to an affiliated CSP and that an LDC shall pay the lower of fully distributed cost or market price for all non-tariffed services, facilities, and products received from the affiliated CSP. AEP-VA expresses concern that this rule may conflict with federal law where affiliates of a registered holding company are involved.

AEP-VA takes issue with our citation to the National Association of Regulatory Utility Commissioners' ("NARUC") Attachment to Resolution Regarding Cost Allocation Guidelines for the Energy Industry, "Guidelines for Cost Allocations and Affiliate Transactions," adopted at the NARUC Summer Committee Meetings in July 1999 and with our citation to Application of GTE South, Inc.[4] We made these references as support for the general policy set forth in 20 VAC 5-311-30 A 10 because the accounting procedures and policies therein are similar to those stated in 20 VAC 5-11-30 A 10.

AEP-VA also refers to the portion of the Final Order in which we describe AEP-VA's assertion that the accounting policy set forth in the Interim Rules might discourage affiliated CSPs from participating in Pilot Programs because affiliates of registered holding companies must price affiliate arrangements according to federal regulations. In response to this assertion, our Final Order notes that it is not unusual for affiliates of registered holding companies to price transactions on bases similar to that required in Virginia.

For example, AEP-VA's parent company, American Electric Power Company, Inc., and other registered holding companies, have agreed, as a condition for merger approval, for Federal Energy Regulatory Commission ("FERC") ratemaking purposes, to commit to follow FERC's policy regarding the treatment of costs and revenues resulting from affiliate transactions.[5] Such commitments from registered holding companies also are made with respect to this Commission's pricing standards.[6] The FERC pricing policy is not dissimilar to the policy set forth in 20 VAC 5-311-30 A 10. We find it unnecessary to delete or amend this rule.

Accordingly, IT IS THEREFORE ORDERED THAT the Petitions for Reconsideration filed by RGC, WGES, and AEP-VA are hereby DENIED.

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[4] Attachment to Resolution Regarding Cost Allocation Guidelines for the Energy Industry, "Guidelines for Cost Allocations and Affiliate Transactions," NARUC Summer Committee Meetings, Resolutions, § D (July 18-21, 1999) http://www.naruc.org/Resolutions/summer99.htm.; Order, Application of GTE South Incorporated For revisions to its local exchange, access and intraLATA long distance rates, Case No. PUC950019, 1997 S.C.C. Ann. Rep. 216, 218, *aff'd* GTE South, Inc. v. AT&T Communications of Virginia, Inc., No. 991964, 2000 WL 257121 at *3 (Sup. Ct. Va. March 3, 2000).

[5] Order Accepting for Filing and Suspending Proposed Tariffs and Agreements, Consolidating Dockets, and Establishing Hearing Procedures, American Electric Power Company, et al., Docket Nos. EC98-40-000, ER98-2770-000 and ER98-2786-000, 85 FERC 61,201 (1998); See also Order Conditionally Approving Disposition of Jurisdictional Facilities, Dominion Resources Inc., et al., Docket No. EC99-81-000, 89 FERC 61,162 (1999)(Applicants agreed, as a condition of merger approval, to follow FERC's policy regarding treatment of costs and revenues of affiliated non-power transactions).

[6] Order Approving Merger, 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, Case No. PUA990020 (September 17, 1999), *amended by* Amending Order, Case No. PUA990020 (September 27, 1999); Order Approving, in Part, and Denying, in Part, Petitioners' Requests, Joint Petition of Virginia Electric and Power Company, et al., Case No. PUA990068 (December 29, 1999), *amended by* Order Granting Relief, Case No. PUA990068 (March 30, 2000).

CASE NO. PUE980813
APRIL 28, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of considering an electricity retail access pilot program-Virginia Electric and Power Company

FINAL ORDER

On March 20, 1998, the State Corporation Commission ("Commission") entered an Order establishing an investigation requiring various parties to perform activities and provide information to assist the Commission in moving forward in the evolving world of electric utility restructuring.[1] Among other things, this Order required Virginia Electric and Power Company ("Virginia Power") and American Electric Power-Virginia ("AEP-VA") each to begin work toward implementing at least one retail access pilot program ("Pilot Program"). On November 2, 1998, Virginia Power and AEP-VA filed Pilot Programs in Case No. PUE980138.

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[1] This Order and other related documents may be found in Commonwealth of Virginia ex. rel. State Corporation Commission, Ex Parte: In the matter of requiring reports and actions related to independent system operators, regional power exchanges and retail access pilot programs, Case No. PUE980138.

On December 3, 1998, the Commission established three separate dockets, one each for the consideration of Virginia Power and AEP-VA's Pilot Programs[2], and a docket to consider the adoption of interim rules to govern issues common to both natural gas and electricity retail access pilot programs including certification, codes of conduct, and standards of conduct governing relationships among entities participating in such programs.[3] The December 3, 1998, Order Establishing Procedural Schedule in this matter, Case No. PUE980813, assigned the case to a Hearing Examiner, set a hearing for June 29, 1999, and established a schedule for the filing of testimony, protests, and other documents in this case. The Order also required Virginia Power to publish throughout its service territory notice of the impending hearing and information on participation.

On April 28, 1999, Virginia Power was granted leave to supplement its prefiled testimony and exhibits, and other parties were granted an opportunity to file requests for changes in the procedural schedule. By Hearing Examiner's Ruling dated May 6, 1999, the evidentiary hearing in this case was rescheduled to September 8, 1999, and other procedural dates were moved to allow the parties time to analyze and respond to the Company's supplemental testimony and exhibits, which proposed several major changes to the previously filed Pilot Program.[4]

The hearing was conducted September 8-9, 1999, before Hearing Examiner Alexander F. Skirpan, Jr., Richard D. Gary, Esquire, Kodwo Ghartey-Tagoe, Esquire, and Karen L. Bell, Esquire, represented Virginia Power at the hearing. Donald R. Hayes, Esquire, appeared on behalf of Washington Gas Light Company ("WGL"). Anthony Gambardella, Esquire, appeared on behalf of AEP-VA. Marleen L. Brooks, Esquire, appeared on behalf of The Potomac Edison Company, d/b/a Allegheny Power. Edward L. Petrini, Esquire, appeared on behalf of the Virginia Committee for Fair Utility Rates ("Virginia Committee").[5] Counsel for Energy Consultants, Inc., Brayden Automation Corporation, and Picus, LLC, was Kenworth E. Lion, Jr., Esquire. On the second day of the hearing, Timothy B. Hyland, Esquire, appeared on behalf of the Apartment and Office Building Association of Metropolitan Washington ("AOBA"). Michel A. King appeared *pro se*. John F. Dudley, Esquire, appeared on behalf of the Division of Consumer Counsel, Office of the Attorney General ("Attorney General"). M. Renae Carter, Esquire, C. Meade Browder, Jr., Esquire, and William H. Chambliss, Esquire, appeared on behalf of the Staff of the State Corporation Commission ("Staff").

Enron Energy Services, Horizon Energy Company d/b/a Exelon Energy and Exelon Management & Consulting, the National Energy Marketers Association, and Philip Morris USA filed notices of protest but did not file protests and did not participate in the hearing. The Virginia Cooperatives[6] and the Southern Environmental Law Center filed both notices of protest and protests but did not participate in the hearing.

A number of participants offered prefiled and *ore tenus* testimony. Virginia Power prefiled a description of its Pilot Program. As proposed, the Pilot Program would offer retail choice to about 24,000 customers under two plans. Plan A would allow about 19,000 individual and 5,000 aggregated residential and small commercial customers throughout the City of Richmond, the Town of Ashland, and the Counties of Chesterfield, Henrico, and Hanover ("the Greater Richmond Area") to shop competitively for their electricity generator. Plan B would apply to intermediate and large commercial and industrial users throughout Virginia Power's service territory. Plan B would be fully subscribed when 170 million kWh of energy per year are being supplied by competitors.

In support of the Pilot Program proposal, Virginia Power prefiled the testimony of David Koogler and Andrew Evans. Mr. Koogler testified concerning most aspects of the Pilot Program proposal, particularly its objectives, limitations, design, education and awareness measures, supplier participation guidelines, customer selection, metering, and program reporting and evaluation. He also testified concerning the recovery of stranded costs during the Pilot Program, presented a method for calculating market prices and resulting wires charges, and clarified the Company's positions relating to customer switching and to the billing, collection and payment service charge. Mr. Evans testified concerning the portions of the Pilot Program relating to utility tariffs, terms and conditions, and retail transmission access, scheduling and settlement. He also testified concerning the Company's proposed charges for suppliers and customers and discussed the design of Virginia Power's proposed unbundled rates and wires charges.

WGL prefiled the testimony of Paul H. Raab, an independent economic consultant, who provided an alternative set of unbundled rates and wires charges to the proposal by Virginia Power. He urged that the Pilot Program be expanded to include a larger geographic area and greater number of customers. Mr. Raab further recommended the unbundling and competitive provision of certain revenue cycle services, e.g., billing.

Energy Consultants, Inc., Brayden Automation Corporation, and Picus, LLC, filed the testimony of William D. Kee, Jr., president of Energy Consultants, Inc. He urged the Commission to require competing utilities to fund energy efficiency programs and to allow third parties to resell the electricity of incumbent electric utilities.

AOBA prefiled the testimony of Bruce R. Oliver, the president of Revilo Hills Associates, Inc. Mr. Oliver recommended that the Commission increase the size of the Pilot Program to allow five to ten percent (5-10%) of customers currently served under Virginia Power rate schedules GS-3 and GS-4

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[2] The docket for consideration of AEP-VA's Pilot Program is Commonwealth of Virginia At the relation of the State Corporation Commission, Ex Parte: In the matter of considering an electricity retail access pilot program – American Electric Power – Virginia, Case No. PUE980814.

[3] The docket for consideration of rules applicable to both natural gas and electricity retail access pilot programs is Commonwealth of Virginia At the relation of the State Corporation Commission, Ex Parte: In the matter of establishing interim rules for retail access pilot programs, Case No. PUE980812.

[4] By Hearing Examiner's Ruling dated August 5, 1999, the Company was granted leave to file further supplemental direct testimony concerning the then recently completed Consumer Education Plan. Protestants were given additional time to file supplemental testimony addressing the issues raised in the August 5, 1999, testimony.

[5] Members of the Virginia Committee are: AlliedSignal Inc.; Amoco Oil Company; Anheuser-Busch, Incorporated; Canon Virginia, Inc.; E. I. du Pont de Nemours & Company, Inc.; Ford Motor Company; General Motors Corporation; Nabisco Brands, Inc.; National Welders Supply (Chesterfield); Newport News Shipbuilding and Dry Dock Co.; Praxair, Inc.; R. R. Donnelley, Inc.; Reynolds Metals Company; Siemens Automotive, L.P.; Stone Container Corporation; Union Camp Corporation; United States Gypsum Company; Wayn-Tex, Inc.; and Westvaco Corporation.

[6] The Virginia Cooperatives is a group consisting of A&N Electric Cooperative; BARC Electric Cooperative; Community Electric Cooperative; Craig-Botetourt Electric Cooperative; Mecklenburg Electric Cooperative; Northern Neck Electric Cooperative, Inc.; Northern Virginia Electric Cooperative; Powell Valley Electric Cooperative; Prince George Electric Cooperative; Rappahannock Electric Cooperative; Shenandoah Valley Electric Cooperative; Southside Electric Cooperative, Inc.; Old Dominion Electric Cooperative; and Virginia, Maryland & Delaware Association of Electric Cooperatives.

to participate. He also urged the Commission to deny the Company's request for recovery of stranded costs and its proposal to calculate market prices based upon historic PJM Interconnection, L.L.C. ("PJM") data.

The Virginia Committee prefiled the testimony of Jeffrey Pollock, a principal of Brubaker & Associates, Inc. Mr. Pollock advocated changing the structure of the Pilot Program to allow five percent (5%) of the Company's jurisdictional load to participate and to drop the proposed requirement that participants must terminate service under nontraditional rate schedules. He also asserted that the Company's wires charges are overstated because they fail to account for long-term market prices for markets accessible to Virginia Power. He urged the Commission to allow pilot participants to self-supply metering, billing, and ancillary services. He also agreed with the Company that unbundled rates for the Pilot Program should be designed to preserve revenue neutrality and that differences between unbundled Virginia retail transmission rates and Virginia Power's Federal Energy Regulatory Commission Open Access Transmission Tariff ("FERC OATT") should be reflected in the form of an adjustment to other unbundled charges.

The Attorney General prefiled the testimony of Don Scott Norwood, a Principal of GDS Associates, Inc. He advocated the establishment of a single "price to beat" within each customer class. He further opposed the recovery of any difference between the unbundled Virginia retail transmission rates and the FERC OATT. He proposed adjusting Virginia Power's market prices to reflect retail market prices and future wholesale price indices. He also advocated expanding the Pilot Program to five percent (5%) of the annual sales for each customer class, plus an additional two percent (2%) of sales to residential and small commercial classes for purposes of aggregation. He agreed with the Company that competitive metering and billing should not be allowed during the Pilot Program. He also contended that Virginia Power should be required to install interval meters for a sample number of customers during the Pilot Program to develop hourly load profile information by rate class.

The Staff prefiled the testimony of David R. Eichenlaub, Rosemary M. Henderson, and Howard M. Spinner. Mr. Eichenlaub testified concerning the status of the proposed interim rules for retail access pilot programs, consumer education, electronic data interchange, and reporting and monitoring of the Pilot Program. He recommended that the Commission adopt the consumer education plan developed by the Consumer Education Workgroup. He also urged the Commission to require the Company to provide semi-annual reports concerning competitive markets and other topics as requested by Staff.

Ms. Henderson addressed retail rate unbundling and the Company's proposed terms and conditions of service for the Pilot Program. Particularly, Ms. Henderson discussed each of the new fees proposed by the Company, questioning whether they are permitted under the Company's current rate cap.

Mr. Spinner testified about a number of issues, including pilot objectives and pilot size, availability, and eligibility. He urged the Commission to require a pilot size of at least five percent (5%) of available customers and load. He also recommended that the Company's market price projections include information about several trading hubs, not just the PJM interconnection. He proposed a structure for wires charges that would provide residential customers with a single shopping credit per season. He agreed with the Company's proposals concerning load profiling, balancing and settlement, and metering and billing.

After these parties prefiled testimony, Virginia Power filed the rebuttal testimony of witnesses David Koogler and Andrew Evans. Mr. Koogler responded to the testimony of several parties concerning Pilot Program size and scope, calculation of market price, customer aggregation, competitive metering and billing, terms and conditions, interim rules, electronic data transfer, and reporting requirements. Mr. Evans' testimony concerned the structure of wires charges, FERC transmission rates and the OATT, load profiles, non-traditional rate schedules, customer self-supply of ancillary services, terms and conditions, energy service provider and customer charges, and the effect the Pilot Program would have on the fuel factor.

During the hearing a Stipulation was offered by Virginia Power, the Commission Staff, WGL, and Michel King. This Stipulation proposed a resolution of two key issues in the Pilot Program: (i) pilot size and scope, and (ii) a methodology for calculating the projected market price for generation. Under the Stipulation, the Pilot Program for both Plans A and B would be conducted in two phases, with Phase I starting five months after a final order in this case and Phase II starting January 1, 2001. The Pilot Program parameters would be increased to encompass 183.3 MW of coincident load in Phase I. During Phase II, the Pilot Program would be increased to include 366.5 MW of coincident load, allowing 71,175 customers, or 3.4 percent (3.4%) of the Company's Virginia jurisdictional customers, to choose a competitive energy service provider. For Phase II, Plan A customers in a selected geographic area in Northern Virginia would be able to participate as well as those in the Greater Richmond Area.

The Stipulation proposed that market prices would be based on actual historic, wholesale sales of power in the PJM market, adjusted for prices achieved at the PJM West or Cinergy hubs, net of transmission and ancillary service costs and transmission losses. Under the Stipulation, the Company and the Commission Staff would jointly determine market prices ninety (90) days before implementation of each phase of the Pilot Program. The Stipulation included a reservation of rights whereby either the Company or Staff could recommend an alternative methodology for determining market prices for Phase II of the Pilot Program. The Stipulation requested the Commission to notify the signatories and allow them ten (10) days to modify the Stipulation if the Commission decided not to adopt the Stipulation as originally presented. If no modified Stipulation could be achieved, the signatories requested that they be allowed to withdraw their support for it and request a hearing concerning any issues raised in this proceeding.

On November 30, 1999, the Hearing Examiner issued his Report. He found that, because so many parties did not agree to the Stipulation, the issues covered therein were actively litigated by all the parties, including those who had signed the Stipulation. Therefore, though the Hearing Examiner did not adopt the Stipulation in its entirety, he held there was no need for further hearings. His findings and recommendations were as follows:

(1) Virginia Power's Pilot Program, as modified [in the Report], should be adopted;

(2) The size of the Pilot Program should be adjusted to the level contained in the Stipulation;

(3) The "projected market prices for generation" should be determined following the methodology set forth in the Stipulation and modified to eliminate any adjustments related to Virginia Power's transmission losses, transmission charges, or other ancillary service costs;

(4) As provided in the Stipulation, the "projected market prices for generation" should be determined ninety [90] days prior to the beginning of each phase of the Pilot Program following the methodology adopted by the Commission in this proceeding;

(5) Unbundled transmission rates for the Pilot Program should reflect the FERC OATT. Differences between the FERC OATT and Virginia Power's jurisdictional unbundled transmission cost of service should not be treated as transition costs;

(6) Wires charges should be blocked to mirror the present rate structure;

(7) Competitive metering and billing services should be permitted for only large commercial and industrial customers during the Pilot Program;

(8) The terms and conditions of the Pilot Program should be modified to comply with the rules adopted by the Commission in Case No. PUE980812;

(9) Fees and charges for new services offered under the Pilot Program are not subject to the rate cap provisions of Va. Code § 56-582 A 3;

(10) Customers should not be charged at installation for the removal of advanced meters. Such charges may be collected from customers only upon removal;

(11) Customers should be permitted to self-supply ancillary services as provided under Virginia Power's FERC OATT;

(12) Customers taking service under non-traditional rate schedules should be permitted to participate in the Pilot Program and may return to the non-traditional rate schedule;

(13) Customers that have a portion of their load supplied under a non-traditional rate schedule may move their load proportionally to a competitive supplier during the Pilot Program;

(14) Requested changes in the fuel factor should be deferred and addressed during Virginia Power's next fuel factor filing;

(15) A telecommunications-like resale requirement should not be added to the Pilot Program;

(16) Virginia Power and competitive suppliers should not be required to fund energy efficiency programs during the Pilot Program; and

(17) Virginia Power should track and report on items it has proposed and as requested by Staff to the extent it is able to obtain such data in the normal course of business.

The Hearing Examiner recommended that the Commission enter an order adopting his findings, approving the Company's Pilot Program as modified in the Hearing Examiner's Report, and dismissing the case from the Commission's docket of active cases.

On December 21, 1999, WGL, AEP-VA, the Virginia Committee, the Attorney General, the Staff, and Virginia Power filed comments and exceptions to the Hearing Examiner's Report.

WGL supported the Hearing Examiner's recommendation to allow competitive metering and billing but urged that competitive billing be extended to residential customers as well, particularly during Phase II of the Pilot Program. WGL advocated that the Commission at least allow competitive service providers to bill directly for their own electricity sales, if not for the entire electric bill. WGL noted that Phase II will include a portion of Northern Virginia, where pilot programs for the competitive sale and purchase of natural gas are currently underway. Since suppliers in the natural gas pilot programs are allowed to self-bill for services, WGL advocated similar treatment for competitive electric suppliers.

AEP-VA agreed with the Hearing Examiner's recommendation to use historical data to project market prices. However, AEP-VA noted that the historical indices used in the Virginia Power Pilot Program should be different from those used for the AEP-VA Pilot Program to reflect properly the markets in which each company participates. AEP-VA also advocated that the Commission follow the Stipulation's method of reducing market prices by an amount equal to the transmission costs and transmission line losses when calculating market price. AEP-VA reiterated its conviction that competitive metering and billing is lawful and should be allowed in its own Pilot Program but took no position on whether it should be allowed in the Virginia Power Pilot Program. AEP-VA agreed with Virginia Power that fees for customers who switch suppliers during a pilot program are fees for new services and therefore not prohibited under the rate cap provisions of § 56-582 A 3. Finally, AEP-VA urged that Virginia Power be allowed to recover the difference between its FERC OATT revenues and the transmission costs embedded in its Virginia jurisdictional retail rates.

The Virginia Committee advocated use of five percent (5%) of the Company's jurisdictional load for the Pilot Program, arguing that this increase is necessary to effectuate competition. Regarding market price, the Virginia Committee urged the Commission to use projected retail, rather than historic wholesale, prices, contending that this treatment would best comply with § 56-583 A of the Code of Virginia. The Virginia Committee further urged that the Commission take a long-term view when considering market prices and advocated the "all-in cost of generation" method, which accounts for capital, operation and maintenance, overhead, and fuel expenses. The Virginia Committee agreed with the Hearing Examiner that customers should be allowed to self-supply ancillary services during the Pilot Program but disagreed with the Hearing Examiner's adoption of Virginia Power's "compromise" position regarding participation in the Pilot Program by customers on non-traditional rates.[7] The Virginia Committee urged that no part of a customer's non-traditional load should be considered in the Pilot Program since this would violate the rate cap provisions of § 56-582 A 3 of the Code of Virginia. The Virginia Committee also urged that competitive metering and billing should be available for all classes of customers, not just the GS-3 and GS-4 classes.

[7] A detailed explanation of Virginia Power's "compromise" position can be found in the section of this Final Order labeled "Participation by Customers under Non-Traditional Rates."

Finally, the Virginia Committee asserted that, regardless of what the Commission decides, there is no need for further hearings or proceedings in this case because all parties have had the opportunity to litigate their positions.

The Attorney General offered comments concerning pilot size, calculation of projected market prices for generation, the setting of wires charges, and whether differences between the Company's FERC OATT and its unbundled Virginia jurisdictional transmission rates can be recovered as a transition cost. The Attorney General continued to advocate a Pilot Program size of five percent (5%) of annual sales for each class, with an additional two percent (2%) set aside for aggregation under Plan A, citing the Hearing Examiner's statement that, in general, the larger the Pilot Program, the more attractive it will be to competitive suppliers. The Attorney General also recommended the use of a futures adjustment to historical projections of market price, plus or minus ten percent (10%), to capture expected increases and decreases in market price. The Attorney General also advocated that the projected market price reflect the retail costs of providing the retail electricity product, because customers will only shop competitively if an energy service provider can beat the projected market price for generation. The Attorney General urged the Commission to use a single market price or "price to beat" to avoid customer confusion. The Attorney General further argued that the wires charge should only be calculated once for the entire Pilot Program to minimize supplier risk and to better comply with the provisions of § 56-583 A of the Code of Virginia. Finally, the Attorney General supported the Hearing Examiner's recommendation regarding the treatment of differences between the FERC OATT and the Virginia jurisdictional transmission tariffs.

The Commission Staff also offered comments to the Hearing Examiner's Report. These comments supported the full use of the Stipulation with regard to pilot size and market price. The Staff also urged the Commission to adopt wires charges that provide one shopping credit per season to facilitate customer understanding and to minimize seasonal gaming. The Staff further asserted that both of its proposed options fully comply with the wires charge provisions of § 56-583 A of the Code of Virginia. The Staff argued that the Commission may allow competitive metering and billing pursuant to its authority under § 56-234 of the Code of Virginia but suggested that the Commission may obtain adequate information about this facet of competition by allowing competitive metering and billing in the AEP-VA Pilot Program. The Staff continued to seek clarification regarding whether the fees proposed by the Company would violate the rate cap provisions of § 56-582 A 3 of the Code of Virginia. Finally, the Staff urged the Commission to require the Company to make semi-annual reports to discuss the progress of the Pilot Program.

Virginia Power also filed comments and exceptions to the Hearing Examiner's Report. The Company emphasized that the Commission should adopt the Stipulation in its entirety or allow the signatories thereto time to reconsider their positions and, if necessary, reopen the record in this matter. The Company specifically advocated that the Commission reject the Hearing Examiner's treatment of transmission and ancillary service costs when determining market price, on the basis that the Hearing Examiner's recommendation violates the statutory provisions of §§ 56-583 and –584. Virginia Power also argued that differences between the FERC OATT and Virginia jurisdictional transmission rates should be treated as transition costs, recoverable through wires charges. The Company further proposed to allow the self-supply or third-party supply of Ancillary Services 3, 4, 5, and 6[8] pursuant to the Company's OATT and to bill the transmission customer, not necessarily the retail customer, directly for basic transmission service and Ancillary Services purchased from the Company.[9] Finally, the Company urged that, on the basis of legal and operational considerations, the Commission not allow any competitive metering or billing during the pilot program.

NOW THE COMMISSION, having considered the record, the Hearing Examiner's Report, the comments and exceptions to the Hearing Examiner's Report, and the applicable law, is of the opinion and finds that we should adopt in part the findings and recommendations set forth in the Hearing Examiner's Report, as discussed below.

The General Assembly has established an ambitious schedule for the implementation of customer choice and the development of competition for the generation component of retail electric service. In light of this schedule, the Pilot Program serves a number of purposes. First, the Pilot Program should stimulate retail access, customer choice and competition. Second, the Pilot Program should be part of the transition to full customer choice and competition. Third, the Pilot should help identify actual and potential operating problems between and among incumbent utilities, competitive service providers, aggregators, and end-users, as well as possible solutions. Fourth, the Pilot should help identify areas and operations that may limit or inhibit the development of competition and possible solutions and ways to enhance competition. These purposes have been important considerations in our establishment of the Virginia Power Pilot Program.

We will not adopt the Stipulation signed by the Company, the Commission Staff, WGL, and Michel King; however, our findings and conclusions include certain items from the Stipulation. For the reasons set out below, we will deny the request of the signatories to the Stipulation that, if we do not adopt the Stipulation, they be notified and granted ten (10) days to attempt to reach a modified stipulation or to withdraw support for the Stipulation and request a hearing on any of the issues covered by the Stipulation.

In this case, ten (10) parties representing individuals, businesses, and other entities filed protests. The majority of these Protestants, along with the Company and the Staff, participated in the hearing. Only two (2) of these Protestants, along with the Company and the Commission Staff, signed the Stipulation. A number of parties to the proceeding did not sign the Stipulation, and all parties had an opportunity to litigate all of the issues thoroughly. No signatory, by virtue of signing the Stipulation, ceded any opportunity to present its position on the issues addressed by the Stipulation. Moreover, all signatories actively participated in the hearing and were allowed to file both post-hearing briefs and comments and exceptions to the Hearing Examiner's Report. The Stipulation was simply an agreement among some of the parties to take certain positions in the case.

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[8] These are: Schedule 3 - Regulation and Frequency Response Service; Schedule 4 – Energy Imbalance Service; Schedule 5 – Operating Reserve – Spinning Reserve Service; and Schedule 6 – Operating Reserve – Supplemental Reserve Service.

[9] Attachment L, Rates, Terms and Conditions for Transmission Service and Ancillary Services Under Virginia Power's Retail Access Pilot Program, filed on December 21, 1999, with the Company's Comments and Exceptions to the Hearing Examiner's Report, defines "Retail Transmission Customer" to be:

> An Eligible Retail Customer who has executed a Retail Network Transmission Service Agreement or a Retail Firm Point-to-Point Service Agreement in the form set out in Appendix 1 or Appendix 3 to this Attachment, respectively, or who has requested Transmission Service under the Retail Pilot pursuant to an unexecuted service agreement.

An Eligible Retail Customer could be either an energy service provider or a retail consumer. See §§ 1.1 and 1.5 of Attachment L.

Neither at this time, nor in the future, will we consider such an agreement to be a "stipulation" unless it involves all or nearly all the parties to the case. Further, absent some unusual circumstance, unless the parties to such a stipulation forfeit certain rights, e.g., cross-examination or the right to present rebuttal evidence, thereby placing themselves at a procedural disadvantage, it is unlikely we will consider reopening a proceeding as requested here.

Applicability

We emphasize at the outset that this Final Order addresses issues related to the Company's Pilot Program only. The decisions made and reports required herein on various issues are designed to make the Pilot Program as effective as possible and to provide the Commission with the data necessary to learn as much as possible about the competitive energy marketplace before the start of full-scale retail choice. The parameters established herein will terminate at the end of the Pilot Program period. As necessary in the future, the Commission will re-examine these parameters and any other issues that arise to determine their applicability to the start of full-scale customer choice.

Pilot Program Size

The Hearing Examiner adopted the Pilot Program size as modified in the Stipulation. Under this proposal, the number of participants in Plan A[10] would increase from 23,720, as originally proposed, to 35,580 during Phase I and to 71,160 during Phase II. The amount of MWh per year available for use in Plan B[11] of the Pilot Program would increase from 170,000, as originally proposed, to 255,000 for Phase I and to 510,000 during Phase II. The Stipulation also would add a second geographic area in Northern Virginia for Plan A customer participation during Phase II of the Pilot Program. In adopting this proposal, the Hearing Examiner found it to be an adequate compromise, being large enough to attract competitive suppliers yet manageable enough to avoid administrative pitfalls.

The size of the Pilot Program is important to attract competitive suppliers. A larger pilot would be preferable from this perspective, but we recognize the complexity the Company faces to modify its business processes and systems to be able to manage a larger program. We will adopt the Pilot Program size as recommended by the Hearing Examiner.

In its application Virginia Power proposed that all Plan A customers completing and returning a "Request to Participate" card would be counted toward the total number of Pilot Program participants whether or nor those customers actually choose a competitive service provider. The Commission will not adopt this proposal. Instead, we will direct the Company to continue enrollment in the Pilot Program until the maximum number of Plan A customers set out above actually has been enrolled by competitive service providers. If a customer initially indicates interest in the Pilot Program but never selects a competitive service provider, that customer shall not be counted against the total number of customers eligible to select a competitive service provider.

Projected Market Price for Generation

The Hearing Examiner found that the projected market prices for generation should be determined according to the methodology set out in the Stipulation, as modified to eliminate adjustments related to Virginia Power's transmission losses, transmission charges, and other ancillary service costs. He noted that the term "projected market prices for generation" is not defined in the Virginia Electric Utility Restructuring Act, §§ 56-576 to -595 of the Code of Virginia ("Restructuring Act"), which specifies only that the projected market price for generation is to be determined by the Commission. He also found that, as calculated under the Stipulation, the projected market prices for generation tend to result in projected market prices below the historical wholesale level. The Hearing Examiner further found that eliminating the transmission and ancillary cost considerations from the projection of market prices for generation is consistent with the "for generation" language of the Restructuring Act.

We find that, for purposes of this Pilot Program, it is appropriate to base projected market prices on wholesale historical prices for electricity. Also, like the Hearing Examiner, we will eliminate adjustments related to the Company's transmission losses, transmission charges, and other ancillary service costs. Accordingly, we adopt the methodology for determining projected market prices as set forth in the Hearing Examiner's Report.

We find it impossible at this time to consider or include an adjustment for the projected cost of transmission, transmission line losses, and ancillary services. As part of meeting its burden of proof, the Company was obligated to provide at least enough evidence to enable the Commission to determine and analyze the basis for these costs. However, the record in this case was insufficient for any party to analyze and for the Commission to make any reasonable determination concerning what these costs were, not to mention how these costs should be treated in the calculation of projected market prices. For example, there was insufficient evidence as to the source, origin, or type of data used to support the Company's projected costs. While the rebuttal testimony of Virginia Power witness Koogler, filed August 27, 1999, referred to this adjustment and gave cursory per kW per month estimates, there is no indication whether the Company actually will incur this level of transmission costs and charges in the future.[12] Further, since Virginia Power, as the transmission provider, will collect these revenues, there is no evidence regarding the actual impact of these transactions on the Company's financial position. In short, Virginia Power, as the proponent of this adjustment, failed to carry its burden of proof with regard to these costs. Therefore, we are excluding any adjustment for these costs from the determination of projected market prices for generation in the Pilot Program.

We are cognizant that the Virginia General Assembly has enacted legislation that amends § 56-583 A of the Code of Virginia to require that projected market prices for generation be adjusted for the projected cost of transmission, transmission line losses, and ancillary services subject to the jurisdiction of the FERC, which the incumbent electric utility (1) must incur to sell its generation and (2) cannot otherwise recover in rates subject to state or federal jurisdiction.[13] We direct that Virginia Power work with the Commission Staff to track and study any transmission losses, transmission charges, and other ancillary service costs incurred during and related to the Pilot Program. We will require Virginia Power to submit a detailed report as to the magnitude and basis for these costs on or before April 1, 2001. In this way the Commission, the Company, and the public may be better informed about how

[10] Plan A includes customers purchasing power under the residential, GS-1, GS-2, and church rate schedules, as well as customers who choose to aggregate their loads.

[11] Plan B includes customers purchasing power under the Company's GS-3 and GS-4 rate schedules.

[12] Company witness Koogler's rebuttal testimony filed August 27, 1999, was the first Virginia Power document to include this adjustment.

[13] 2000 Va. Acts ch. 991.

to quantify and consider these costs as we approach the start of statewide retail choice. The Commission will provide the Company ample opportunity to present its case in full with respect to these issues prior to the advent of customer choice on a permanent, full-scale basis.

We note that the projected market price for generation will be set approximately ninety (90) days before the start of the Pilot Program. Since the Pilot Program will not start until September 1, 2000, and since Phase II of the Pilot Program is scheduled to begin on January 1, 2001, we will not reset the projected market price for generation for Phase II of the Pilot Program. Before the start of Phase I, we will set a projected market price for generation which will remain constant for the duration of the Pilot Program.

Transmission Costs and Transition Charges

The Restructuring Act sets out the formula for determining wires charges, which may include just and reasonable transition charges. Virginia Power proposes to develop its unbundled rates for generation and the resulting wires charges in a manner that provides for the recovery of what it deems to be a transition cost. Specifically, the Company proposes to base charges for transmission service associated with the Pilot Program on its FERC OATT. These charges are expected to produce revenue that is lower than the revenue that would be produced by the unbundled transmission component of Virginia jurisdictional retail rates. Consequently, Virginia Power believes that the difference between the FERC OATT based rates and the transmission component of retail rates should be treated as a transition cost.

Under § 56-583 A of the Code of Virginia, wires charges are the sum of (i) the difference between the incumbent utility's capped unbundled rates for generation and the Commission-determined projected market price for generation, plus (ii) just and reasonable transition costs. The sum of a utility's wires charges, the unbundled charge for transmission and ancillary services, the applicable distribution rates, and the Commission-determined projected market price for generation cannot exceed the utility's total capped rate.

Whether to allow, as a transition cost, the recovery of the difference between the revenues based on the FERC OATT and the Company's unbundled Virginia jurisdictional transmission rate was a significant issue for several parties.[14] The Company stated that it needs to recover this difference because it will be collecting a lower amount through the OATT as compared to the higher amount in its Virginia jurisdictional transmission rates.[15]

The Hearing Examiner recommended that, for purposes of determining Virginia Power's residual embedded generation rate and wires charge, the transmission rate should be based on the FERC OATT because no party disputed that, with the onset of customer choice, customers will receive transmission services pursuant to the FERC OATT.[16] The Hearing Examiner also recommended that differences between the FERC OATT-based transmission component and the Company's unbundled Virginia jurisdictional transmission cost should not be recovered as transition costs because these differences were not temporary differences that would dissipate with the implementation of full retail choice.

It appears that § 56-583 A assumes that the utility would recover the wires charges, and the "charge for transmission and ancillary services, the applicable distribution rates established by the Commission and the . . . projected market price for generation . . . ." While the Company would be at risk for whether it recovered the "projected market prices for generation," the other elements appeared to be charges that it was assumed the utility would routinely recover.

Based on the testimony in this proceeding, it appears that, with the exception of Class GS-4, the Company will collect less revenue by the application of the FERC OATT than it would have through the transmission component of the unbundled retail rate. It is not clear as to whether this difference is a "transition cost." We will, however, treat it as such for this pilot. We will adopt the method proposed by the Company to achieve this, the residual method[17] of determining the unbundled generation rate to be used to calculate the wires charge.

We will reexamine this entire issue, including the propriety of the use of the residual method, in general, prior to the transition to full customer choice. The review will focus on whether this difference is a true transition charge and, if so, when the "transition" will be complete. We will also examine the amount of the difference. When utilizing the residual method for determining Virginia Power's embedded generation rate and resulting wires charges, it is important to recognize that the transmission component of the embedded generation calculation may be unstable. It can vary for any number of reasons. For example, if the characteristics of the class change because customers enter or leave Virginia Power's service territory, the class-specific load patterns crucial for calculating transmission rates change. The transmission costs billed to a competitive service provider as a Virginia Power transmission customer could also vary depending on which customers in a class shop competitively for electricity and how these shopping customers respond to market price signals, *e.g.*, whether they change usage patterns based on the possibility of paying lower prices during specific times of a day or month.

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[14] In its Comments and Exceptions to the Hearing Examiner's Report, Virginia Power urged the Commission to allow recovery of these lost transmission revenues through the wires charge. See Comments and Exceptions of Virginia Electric and Power Company, December 21, 1999, at 17-18. The Attorney General argued, to the contrary, that these lost transmission revenues should not be added as a "transition cost" when determining wires charges. See Attorney General's Comments on the Hearing Examiner's Report, December 21, 1999, at 16-17.

[15] See Virginia Power's Comments and Exceptions to the Hearing Examiner's Report, filed December 21, 1999, at 17. As the Company states, the transmission rate based on the FERC OATT is less than the unbundled Virginia jurisdictional transmission rate for every class except the GS-4 class.

[16] See Hearing Examiner's Report, November 30, 1999, at 20. It should be noted that, unlike its original proposal, Virginia Power now intends to bill competitive service providers and customers who directly contract for transmission services under the FERC OATT rather than retail customers who do not directly procure transmission services.

[17] In developing its unbundled rates including the unbundled generation component of rates, Virginia Power began with a cost of service study that developed unbundled production, transmission, distribution, energy, and customer related unit costs for the various rate classes. These results were, however, not directly applicable to the development of unbundled rates, given the Company's intention to maintain bill-by-bill equality and to collect as "transition" costs the difference between the FERC OATT and the Virginia jurisdictional transmission component. To achieve this, Virginia Power applied a residual method which generally subtracted the sum of the customer and distribution unit costs produced by the cost of service study and the FERC OATT based rates for transmission and ancillary services from current rates for each class to determine a "residual" unbundled generation rate. This unbundled generation rate was used to determine the wires charge.

Accordingly, we will require Virginia Power to track and study the nature and level of transmission revenues collected by the Company that are associated with the Pilot Program. The Company must compare these values to the amount of transmission revenue it has forgone because retail customers have shopped in the competitive electric market. Virginia Power and the Commission Staff shall work together in designing and conducting this study, the results of which shall be reported to the Commission on or before April 1, 2001.

Design of Wires Charges

The Hearing Examiner found that wires charges should be blocked to mirror Virginia Power's present rate structure. In making this recommendation, the Hearing Examiner looked for seasonal adjustment and ease of customer comprehension. Since under the Restructuring Act the sum of each customer's wires charge, unbundled charges for transmission and ancillary services, the applicable distribution rates set by the Commission and the projected market price for generation cannot exceed Virginia Power's capped rates, the Hearing Examiner found that wires charges should be structured to maintain revenue neutrality on a bill-by-bill basis.

We find that for all customer classes except the residential class, Virginia Power's proposed method for determining the wires charge rate design should be used. For the residential class, we find that the Staff's proposed Option 1 should be used during the Pilot Program because it provides better incentives against seasonal gaming and is more understandable to market participants.

Seasonal differentiation in rates is necessary to discourage seasonal gaming, a situation in which customers shop competitively for electricity during low-cost months but return to the incumbent utility's service during periods of high cost. When shoppers leave the Virginia Power system and purchase competitive generation services, Virginia Power no longer produces electricity for those customers. If they return to Virginia Power's system during times of high-cost generation, the Company must provide them with electricity, often at higher cost because the Company must make spot purchases of fuel or power to meet this additional demand. The Company may also have to forgo making off-system sales at higher profit margins because it needs the electricity to serve returning customers. Virginia Power's fuel factor is likely to increase because of higher fuel costs that are caused by the sudden increase in demand during high-cost periods. This higher fuel cost will be shared among rate-regulated customers, while those customers who return to the competitive generation market would not necessarily pay the inflated fuel factor charge.[18]

Seasonally differentiated rates set a higher market price, or "price to beat," for competitive service providers during periods of high cost, resulting in a lower wires charge. During periods of low cost, the "price to beat" or "shopping credit" is lower but the wires charge is higher. This balancing of market price and wires charges with the actual cost of electricity dampens the incentives for competitive shoppers to return to the incumbent utility's service during periods of high cost because, though they are paying a higher market price, they are paying a lower wires charge than they would pay during periods of low cost.

Regarding ease of customer comprehension, the Hearing Examiner found that the Company's proposal was best because rate variations for small use customers were minimized. For example, customers using less than 800 kWh per month pay the same rate each month and are not accustomed to having seasonally differentiated rates.[19] However, we believe that this change to seasonal differentiation for such small use customers can be adequately explained in advertising and consumer education materials, an example of which was introduced at the hearing in this matter.[20] Indeed, the Staff's proposal should be more understandable to customers as a whole. The Hearing Examiner's proposal would have two separate wires charges and two separate "shopping credits" each season. The Staff's Option 1 has two wires charges each season, but they are designed to produce a single "shopping credit" each season. We believe this should be easier for customers to understand. We find that the Staff's Option 1 produces the best balance between facilitating customer understanding and protecting the Company and its ratepayers from the potential negative effects of seasonal gaming.

As originally proposed, both Virginia Power's wires charge design and the Staff's Option 1 were the proposals best suited to try to achieve bill-by-bill equality.[21] We take no position at this time regarding whether the Restructuring Act requires bill-by-bill equality with the start of retail choice. However, for the Pilot Program, there are several obstacles to achieving bill-by-bill equality. Primarily, the concept of bill-by-bill equality relies on the assumption that pilot participants will pay the same price for the same level of service as non-participants if competitive marketers price their generation services at a level equal to the Commission-determined projected market price for generation and utilize rate designs structurally mimicking that of Virginia Power. This assumption is, at best, difficult to make. We hope and expect that competitive marketers will use a wide variety of innovative rate designs to attract customers. Additionally, as noted above, given the potential instability in the price customers will pay competitive suppliers for transmission service based on the diversity of switching customers, there is even less of a possibility that bill-by-bill equality can be achieved.

Competitive Metering and Billing

The Hearing Examiner found that the Commission has the authority to conduct competitive metering and billing experiments under § 56-234 of the Code of Virginia. He concluded that the Pilot Program should allow competitive metering and billing for customers served under the GS-3 and GS-4 rate schedules, finding that even the small number of customers eligible for competitive metering and billing would provide Virginia Power and the Commission with valuable information regarding these competitive services.

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[18] A customer permanently returning to the competitive generation market would not pay the inflated fuel factor charge. A customer who continued to switch between the competitive market and the incumbent utility would pay the higher fuel factor charge during those times the customer took service from the incumbent utility.

[19] Under Virginia Power's current tariffs, seasonal pricing differences do not occur until a customer has used more than 800 kWh per month.

[20] See Exhibit AJE-20, Schedule 5.

[21] Bill-by-bill equality seeks to ensure that no competitively shopping customer receives a bill from Virginia Power (for delivery services) and from a competitive supplier (for generation services) that together exceed the bill Virginia Power would have sent had that customer remained under the Company's capped rates. This situation assumes the generation charge from the competitive supplier to its customer and the Commission-determined projected market price for generation for Virginia Power are the same.

While we agree with the Hearing Examiner that § 56-234 provides us with the authority to conduct competitive metering and billing experiments, we believe that this Pilot Program is not the appropriate forum for such experiments. The small number of GS-3 and GS-4 customers eligible to participate in the Pilot Program already have a high level of sophistication in purchasing electricity. Thus, we do not believe the limited experience that we or these customers would gain by allowing competitive metering and billing in the Pilot Program would offset the administrative costs to the Company of adding these features to the Pilot Program. Also, since AEP-VA has proposed and structured its Pilot Program to allow competitive metering and billing, we may obtain adequate information concerning customer use of these services from that Pilot Program. For these reasons, we will not require competitive metering and billing in Virginia Power's Pilot Program.

New Customer Fees

The Commission Staff questioned several proposed Pilot Program fees, concerned that these fees would violate the rate cap provisions of § 56-582 A 3 of the Code of Virginia. These fees include: (i) a $5 fee for customers who switch between competitive service providers during the Pilot Program; (ii) off-cycle meter reading fees of $12 or $17; and (iii) fees for advanced meters installed at the customer's request. In addition to its concerns over the legality of the rates, the Staff questioned Virginia Power's proposal to collect in advance either a portion or the total of the cost to remove an advanced meter at the time the meter is installed.

The Hearing Examiner found that the new fees do not violate the rate cap provisions of § 56-582 A 3 and that the first two fees should be allowed. Concerning advanced metering fees, the Hearing Examiner found that Virginia Power should not collect up front for the cost of removing an advanced meter.

Section 56-582 A 3 provides as follows:

> The capped rates established under this section shall be the rates in effect for each incumbent utility as of the effective date of this chapter, or rates subsequently placed into effect pursuant to a rate application filed by an incumbent electric utility with the Commission prior to January 1, 2001, and subsequently approved by the Commission, and made by an incumbent electric utility that is not currently bound by a rate case settlement adopted by the Commission that extends in its application beyond January 1, 2002. The Commission shall act upon such applications prior to the commencement of the period of transition to customer choice, and capped rates determined pursuant to such applications shall become effective on January 1, 2001. 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. The capped rates established under this section, which include rates, tariffs, electric service contracts, and rate programs (including experimental rates, regardless of whether they otherwise would expire), shall be such rates, tariffs, contracts, and programs of each incumbent electric utility, provided that experimental rates and rate programs may be closed to new customers upon application to the Commission.

The rate cap language is broad and definite; no exceptions are listed for new or increased expenses incurred because of customer choice. Moreover, elsewhere in the Virginia Electric Utility Restructuring Act, where new costs are to be allocated to others, the General Assembly was quite specific.[22] Thus, new charges for customers cannot be created or imposed simply because customer choice creates or increases costs to incumbent utilities.

Where, however a utility is providing a new service, with new costs, a new charge may be appropriate. The three new fees or charges proposed by Virginia Power for customers fall in different categories. First, providing advanced meters upon customer request is a new service and a charge is appropriate. We agree with the Hearing Examiner that the charge to customers for advanced meters should not include the cost of removal of the meters.

Second, the Company proposes a $5 fee for customers who switch between competitive service providers during the Pilot Program. This is not a new service; this is a part of the cost of customer choice. Such switching fees shall not be allowed.

The third fee the Company proposes is for off-cycle meter reading. It is not as readily apparent how this proposal should be categorized as it is for the other two. As long as meter reading is not a competitive service, then it is part of the rate cap. On the other hand, the Company does not regularly read meters off-cycle. Further, customers can switch to a new supplier without paying a separate meter reading fee, as long as the change occurs at a scheduled meter reading date. For purposes of the Pilot Program, at this time we will treat off-cycle meter reading as a new service and allow the charge as recommended by the Hearing Examiner.

Self-Supply of Ancillary Services

The Hearing Examiner found that customers should be allowed to self-supply ancillary services during the Pilot Program as provided under Virginia Power's FERC OATT. In its comments and exceptions to the Hearing Examiner's Report, the Company agreed to allow the self-supply or third party supply of Ancillary Services 3, 4, 5, and 6. We find that Virginia Power should be required to follow its FERC OATT in allowing the self-supply or third-party supply of ancillary services throughout the Pilot Program.

FERC Order 888[23] requires transmission customers to purchase from their transmission providers Ancillary Service (1) Scheduling, System Control and Dispatch Service; and Ancillary Service (2) Reactive Supply and Voltage Control Service From Generation Sources. A transmission provider must offer, but a transmission customer need not actually purchase, Ancillary Service (3) Regulation and Frequency Response; Ancillary Service (4) Energy

[22] *See, e.g.*, § 56-594 of the Code of Virginia.

[23] Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Services by Public Utilities and Recovery of Stranded Costs by Public Utilities and Transmitting Utilities, Order No. 888, 61 FR 21,540 (May 10, 1996), FERC Stats. & Regs. ¶ 31,036 (1996) (Order No. 888), order on reh'g, Order No. 888-A, 62 FR 12,274 (March 14, 1997), FERC Stats. & Regs. ¶ 31,048 (1997)(Order No. 888-A), order on reh'g, Order No. 888-B, 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.) (hereinafter "Order 888").

Imbalance; Ancillary Service (5) Operating Reserve – Spinning; and Ancillary Service (6) Operating Reserve – Supplemental. Order 888 also requires that these services be unbundled from basic transmission service, although a transmission provider may assemble packages of Ancillary Services, not bundled with basic transmission service, which it can then offer at rates less than the total of individual charges for those services if purchased separately.[24]

Virginia Power, as a transmission provider, must comply with this and all other FERC orders regarding the provision of transmission service, even during the Pilot Program. We find that the Company should allow the self-supply or third-party supply of Ancillary Services in accordance with its OATT filed with and approved by the FERC.

Participation by Customers under Non-Traditional Rates

The Hearing Examiner agreed with Virginia Power's proportional proposal for participation in the competitive market by customers under non-traditional rates. Under this proposal, for customers wishing to participate in the Pilot Program, Virginia Power would waive contractual provisions that otherwise would require those customers to take service under non-traditional rate schedules for one to five years. For customers who are served in part under the Company's real time pricing schedules, Virginia Power will move a proportional share of those customers' load to the competitive market if they choose to shop for generation services. For example, if an industrial customer takes service in part from the GS-4 and in part from the real time pricing rate schedules, and that customer elects to move five percent (5%) of its load to the competitive market, then the Company will reduce the load served under both that customer's GS-4 and real time pricing schedules by five percent (5%).

The Virginia Committee contends that customers should be permitted to designate that portion of load currently served under non-traditional rate schedules that they desire to move to the Pilot Program. The Virginia Committee suggests that Virginia Power's proportional proposal provides a disincentive for some customers to participate in the Pilot Program. The Virginia Committee also argues that the proportional proposal violates the rate cap provisions of § 56-582 A 3 of the Code of Virginia in that the proposal requires a customer to relinquish its existing rate for a portion of its load that is still served by the incumbent electric utility if the customer seeks to have any portion of its load served by an alternative supplier. The Virginia Committee explains that, if a customer seeks to have any part of its load served by the competitive market, the customer is required to pay a higher rate on the portion of its load previously selected for service under the non-traditional rate and that, because the customer must pay this higher rate, the rate cap on that portion of the customer's load is violated.

We disagree with this assessment. For example, consider an industrial customer who currently uses 500 kW of load, 400 kW of which is served under traditional rates and 100 kW of which is served under real time pricing rates. If this customer elects to shop competitively for 100 kW of power, Virginia Power will assume that 80 kW of this came from the traditional rate schedule and 20 kW came from the real time pricing rate schedule. Virginia Power will continue to bill 320 kW at the traditional rate and 80 kW at the real time pricing rate. Thus, for the portion of this customer's load that remains with Virginia Power, the customer is treated the same as before it entered the competitive market. One-fifth (1/5) of its load is still being served under the real time pricing schedule. Presumably, the customer would not have shopped competitively for 100 kW unless it expected the market price for that 100 kW to be less than the price the customer was paying for 80 kW under the traditional rate plus 20 kW under the non-traditional rate. Thus, the rate cap provisions of § 56-582 A 3 are not violated by the Company's proportional proposal.

We find that customers taking service under non-traditional rate schedules should be permitted to participate in the Pilot Program and may return to the non-traditional rate schedule if they so choose. Additionally, it is reasonable to adopt the Hearing Examiner's recommendation that we use Virginia Power's proportional proposal to govern participation in the competitive market by customers served under non-traditional rates. We adopt the proportional proposal.

Adjustment to the Fuel Factor

In his rebuttal testimony Virginia Power witness Evans requested a change in the treatment of the fuel factor. He asked that margins received from the sale of power that is displaced by customers shopping in the competitive market be excluded from the fuel factor even though, traditionally, fifty percent (50%) of the margins from off-system sales flow through the fuel factor. The Hearing Examiner agreed with the suggestion of the Attorney General that this requested change should be deferred until a later time. This issue has been addressed in the Commission's March 28, 2000, Final Order in Case No. PUE990717, considering the Company's latest fuel factor application.[25]

Resale of Services

Brayden Automation Corporation, Energy Consultants, Inc., and Picus, LLC, requested that the Commission require Virginia Power to offer third parties the right to resell Virginia Power's energy services. The Hearing Examiner found that this step is unnecessary based on the current development of the wholesale power market. He also noted that the transmission and distribution functions have been unbundled to provide open access and that, in his view, there is adequate opportunity for competitive energy suppliers to compete for energy sales. He stated that this resale proposal may be more appropriately considered at a future date if a competitive energy market fails to develop.

As we stated at the outset of our discussion concerning the Pilot Program, one purpose of this Pilot Program is to identify areas and operations that may be limiting or inhibiting the development of competition and possible solutions to enhance customer choice. Therefore, rather than consider this potential problem in the abstract, we will defer consideration of this issue until we receive a specific complaint that a competitive service provider is experiencing geographical and operational difficulties. We will address this issue of the right to resell Virginia Power's energy services in the context of any complaint received.

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[24] Order 888, §§ IV D 2 and 3, 61 FR 21587-89.

[25] Virginia Power's fuel factor was most recently revised in Application of Virginia Electric and Power Company To revise its fuel factor pursuant to § 56-249.6 of the Code of Virginia, Case No. PUE990717, Document Control Center No. 000340155 (March 20, 2000).

Funding of Energy Efficiency Programs

Brayden Automation Corporation, Energy Consultants, Inc., and Picus, LLC, also requested the Commission to require participants in the competitive electric industry to use a specific portion of their revenues to fund energy efficiency programs. The Hearing Examiner found that it was unnecessary to adopt this recommendation. He noted that the Pilot Program should provide all participants with an opportunity to experiment with retail choice and that the consideration of energy efficiency programs may be better analyzed at the end of the Pilot Program. We agree that the Pilot Program should have as few restrictions on competitive energy generation and supply as possible and that we should allow the market participants ample opportunity for creativity in producing and marketing their energy products. Accordingly, we will not require specific funding for energy efficiency programs at this time.

Reporting Requirements

The Hearing Examiner found that Virginia Power should file semi-annual reports including the following data:

- Overall customer participation;
- Effectiveness of the Consumer Education Plan;
- Customer-originated complaints;
- To the extent available, terms offered by competitive suppliers;
- Number and class of customers attracted by competitive suppliers;
- Number of advanced meters requested and installed;
- Requests for meter tests by competitive suppliers
- Competitive supplier requests for special billing service; and
- Data on wholesale scheduling.

We agree that Virginia Power should provide all of this data in report form, with the first report due at the end of Phase I and future reports every six months thereafter. We will need this information to evaluate the effectiveness of the Pilot Program and to resolve, for the start of full retail choice, any problems that may have arisen during the Pilot Program. We will also direct the Company to track and provide, as part of its report on customer participation, the number of customers who initially indicate interest in the Pilot Program (such as by returning a "Request to Participate" card) but who do not select a competitive service provider. Such data will allow us to evaluate how many customers either lost interest in the Pilot Program or affirmatively decided to remain under Virginia Power's capped rates rather than to select a competitive service provider.

The Hearing Examiner also found that the Company should provide the following information to the extent that Virginia Power can obtain such information in the usual course of business:

- Corresponding market share in Virginia of the participating suppliers and, where available, a comparison of market offers;
- Customer cost savings on generation;
- Disputes or problems among customers or suppliers, including associated remedies;
- Technical or business system problems that arise during the Pilot Program; and
- Other information as requested by the Commission Staff.

We find that we may need much of the information on this second list, proposed by the Staff. If this information is necessary to evaluate the Pilot Program and is not supplied in regular reports, we may have to require the Company to provide this or other information.

Other Considerations

Several of our conclusions are based in part on Virginia Power's current FERC OATT. To the extent that any FERC rate or policy changes in the future, various aspects of the Pilot Program may need to be changed accordingly. For example, in determining the Company's wires charges, we are relying in part upon the Company-determined transmission component based upon its FERC OATT. If the Company's calculation of its transmission component changes and if these changes are approved at the FERC, we may need to revise the manner in which we calculate the wires charges.

Additionally, this Pilot Program must conform to rules under consideration in Case No. PUE980812, which rules govern electricity and natural gas retail access pilot programs. Within thirty (30) days of the issuance of a Final Order in Case No. PUE980812, the Company shall file with the Commission's Staff a plan to conform its Pilot Program to those rules. We note that some of those rules refer to the Virginia Electronic Data Transfer Working Group ("VAEDT"), a body organized to develop electronic standards for all participants in the Virginia electric industry. This group also may consider business rules or practices that govern the electronic standards it develops. To the extent required by the retail access rules, we expect the Company to conform its Pilot Program to such standards and practices as recommended by the VAEDT.

Accordingly, IT IS ORDERED THAT:

(1) The request of the signatories to the Stipulation that the Commission grant them time to reach a modified Stipulation or to withdraw their support and request further hearing on the issues addressed in the Stipulation is hereby denied;

(2) The November 30, 1999, Hearing Examiner's recommendations are hereby adopted except as modified herein;

(3) The Pilot program shall begin September 1, 2000, and shall end when the participants are allowed to choose their competitive suppliers on a non-pilot basis;

(4) The size of the Pilot Program shall be adjusted to the level recommended by the Hearing Examiner;

(5) Pilot Program enrollment in Plan A will be determined based on the maximum number of customers or load that actually has been enrolled by competitive providers. Customers indicating interest in the Pilot Program but not selecting a competitive service provider shall not be counted against the total number of customers eligible to select a competitive service provider;

(6) The projected market prices for generation shall be determined according to the methodology adopted by the Hearing Examiner;

(7) As discussed herein, Virginia Power shall work with the Commission Staff to track and study its current transmission losses, transmission charges, and other ancillary service costs and submit a detailed report of these costs and the basis therefore on or before April 1, 2001;

(8) The projected market prices for generation shall be established by the Commission Staff and Virginia Power, in accordance with the principles set forth in this Order, approximately ninety (90) days prior to the start of Phase I of the Pilot Program and shall remain in effect for the duration of the Pilot Program;

(9) Unbundled transmission rates and resulting wires charges for the Pilot Program shall reflect the Company-determined transmission component by class based on the FERC OATT;

(10) As discussed herein, Virginia Power shall work with the Commission Staff to design and conduct a study of the nature and level of transmission revenues the Company collects that are associated with the Pilot Program and shall compare these revenues with the amount of transmission revenues the Company has forgone from customers choosing competitive suppliers. Virginia Power shall report its findings to the Commission on or before April 1, 2001;

(11) Virginia Power's present rate structure shall be used to calculate wires charges for all customer classes except the residential class. For that class, wires charges shall be calculated based on Staff Option 1;

(12) Competitive metering and billing shall not be required in the Pilot Program;

(13) Virginia Power may charge off-cycle meter reading fees;

(14) Virginia Power may charge in advance for the installation, but not the removal, of advanced meters installed upon customer request;

(15) The Company shall not charge a fee for switching customers between competitive service providers;

(16) Virginia Power shall permit customers to self-supply or obtain the third-party supply of Ancillary Services as provided for in the Company's FERC OATT;

(17) Customers taking service under non-traditional rate schedules shall be permitted to participate in the Pilot Program and may return to the non-traditional rate schedule;

(18) Customers that have a portion of their load supplied under a non-traditional rate schedule may move their load proportionally, as discussed herein, to a competitive service provider during the Pilot Program;

(19) Virginia Power and competitive service providers shall not be required to fund energy efficiency programs during the Pilot Program;

(20) As discussed herein, Virginia Power shall file reports at the end of Phase I and every six months thereafter for the duration of the Pilot Program. These reports must contain information regarding: overall customer participation, including the number of customers who initially indicate interest in the Pilot Program but who continue to take service under the Company's capped rates; effectiveness of the Consumer Education Plan; customer-originated complaints; to the extent available, terms offered by competitive suppliers; number and class of customers taking generation service from competitive suppliers; number of advanced meters requested and installed; requests for meter tests by competitive suppliers; competitive supplier requests for special billing service; and data on wholesale scheduling. Virginia Power also is requested to provide the other items listed in the "Reporting Requirements" section of this Order;

(21) The Company shall file with the Commission's Staff a plan to conform the Pilot Program to comply with the final rules adopted by the Commission in Case No. PUE980812 within thirty (30) days of the Final Order in that case;

(22) The Company shall file updated rates, rules and regulations and terms and conditions of service for the Pilot Program, in conformity with this Order, at least ninety (90) days before the start of Phase I of the Pilot Program; and

(23) This matter shall remain open for the receipt of reports by Virginia Power and for other matters concerning the Pilot Program, as they may arise.

CASE NO. PUE980813
MAY 18, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of considering an electricity retail access pilot program-Virginia Electric and Power Company

ORDER ON PETITION FOR RECONSIDERATION

On April 28, 2000, the Commission entered a Final Order in this case. On May 11, 2000, Virginia Electric and Power Company ("Virginia Power") filed a Petition for Reconsideration of said Order. For the reasons set forth below, we find no grounds in said Petition to grant such reconsideration.

The Petition does not request any change in the operative features of the pilot program approved by our Final Order. Rather, it focuses on the amendment to Va. Code § 56-583 A made by the 2000 session of the General Assembly and how that amendment may affect the determination of the projected market price for its generation when the Commonwealth enters the era of full retail choice. The amendment, effective July 1, 2000, provides:

> The projected market prices for generation, when determined under this subsection, shall be adjusted for any projected cost of transmission, transmission line losses, and ancillary services subject to the jurisdiction of the Federal Energy Regulatory Commission which the incumbent electric utility (i) must incur to sell its generation and (ii) cannot otherwise recover in rates subject to state or federal jurisdiction.

That amendment will allow companies such as Virginia Power to adduce evidence of any transmission-related costs that they contend fit the statutory criteria stated above, and to allow other parties to respond to such evidence, as a factor in setting the projected market price for generation, which is a key component of the wires charge. As such, the amendment settles the argument that the previous version of the statute, referring as it did only to the "projected market price for generation," left no room for consideration of transmission-related matters. Further, the amendment makes clear that if the criteria specified therein are satisfied, then the Commission must make the adjustment to the projected market prices for generation envisioned by the statute.

The study we mandated on page 26 of our Final Order seems well-suited to the purposes of the above amendment. That study should provide data to help answer questions such as (i) what is the utility's projected cost of transmission, transmission line losses, and ancillary services, both in and out of system, to sell generation freed up by shopping customers, (ii) must the utility incur this cost to sell its generation, and (iii) are such costs recoverable in rates subject to state or federal jurisdiction? Thus, we believe that the study is appropriate to help effectuate the new amendment, and will further its goals.

The Petition contends that the determination of the magnitude of these projected costs is a simple matter:

> The transmission related charges are contained in tariffs filed with the FERC by transmission utilities. As such, they are known and certain...and no study or detailed reports as to the magnitude or basis of such out-of-system costs is required.

Petition, pp. 3 & 4.

The tariffs are indeed publicly available, but they typically contain a number of options for those who utilize them. For example, service can be firm or non-firm, and is priced for varying time periods, such as hourly, daily, weekly, or monthly. Pricing discounts may also be negotiated between the provider and the user.

Given these and other possible variables, determining projected costs for transmission-related issues may be a more complex exercise than simply looking up a single figure in a tariff and applying that number across the board. For example, parties may differ as to which options under these tariffs should be chosen, and what other assumptions should be made, in performing the necessary projections.

As we stated in our Final Order, costs of transmission, transmission line losses and ancillary services will not be part of the determination of the projected market price of generation for the pilot. There was not sufficient evidence of any such costs related to the pilot program, whether in-system or out-of-system, in the record in this case. However, no party should interpret our failure to allow such costs here to be precedent for the treatment of similar issues beyond the pilot period.

With respect to the new statute, it was passed months after the record in this case was closed. We cannot now, without notice, hearing or record, determine how the statute should be applied to future situations. As we stated in our Final Order, Virginia Power and others will be given ample opportunity to present their case on these issues, and we will make the determinations required by the statute, prior to the advent of full retail competition.

Accordingly, IT IS ORDERED THAT:

(1) The Petition for Reconsideration is hereby denied, for the reasons stated herein.

(2) As noted in our Final Order of April 28, 2000, this matter shall remain open for the receipt of reports by Virginia Power and for other matters concerning the Pilot Program, as they may arise.

CASE NO. PUE980813
MAY 18, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of considering an electricity retail access pilot program – Virginia Electric and Power Company

ORDER GRANTING PETITION FOR RECONSIDERATION

On April 28, 2000, the Commission issued its Final Order in the captioned case, approving Virginia Electric and Power Company's ("Virginia Power" or "the Company") pilot program. Among other things, this Order stated that Virginia Power's proposed method for determining the wires charge rate design should be used for all classes except the residential class. For that class, the Order directed that the Staff's proposed Option 1 should be used.

On May 17, 2000, the Commission Staff ("Staff") filed a Petition for Reconsideration ("Petition") of the Final Order. The Petition states that, upon considering recently updated market price information, the Staff became aware that its Option 1 methodology would result in a negative wires charge in summer rates for residential customers participating in the pilot program. The Staff proposed a slightly modified methodology for the residential class. Under this revision, Virginia Power customers using a competitive generation supplier would pay a zero wires charge during the summer and would pay a somewhat lower wires charge in the base months than would have resulted from the use of the Staff's Option 1. The Staff further represented that Virginia Power does not object to the proposed revision.

NOW UPON CONSIDERATION, we find that we should grant the Staff's Petition for the purpose of considering the use of the Staff's alternative methodology. We also find that we should give other parties in this case a brief opportunity to comment on the proposal contained in the Staff's Petition. Accordingly,

IT IS ORDERED THAT:

(1) The Staff's May 17, 2000, Petition for Reconsideration is hereby granted for the purpose of considering the Staff's proposed methodology described therein.

(2) On or before Tuesday, May 23, 2000, any party may comment on the use of the Staff's proposed methodology.

(3) Because parties are requested to file any comments on or before May 23, 2000, we direct the Commission's Staff to use any reasonable means to disseminate expeditiously both its May 17, 2000, Petition, and this Order. Such means may include facsimile, e-mail, and posting on the Commission's Internet website.

(4) This case is continued generally.

CASE NO. PUE980813
MAY 26, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of considering an electricity retail access pilot program - Virginia Electric and Power Company

ORDER GRANTING PETITION FOR RECONSIDERATION

On April 28, 2000, the Commission issued its Final Order in the captioned case ("Final Order"), approving Virginia Electric and Power Company's ("Virginia Power" or "the Company") pilot program. Among other things, the Final Order stated that Virginia Power's proposed method for determining the wires charge rate design should be used for all customer classes except the residential class. For that class, the Final Order directed that the Commission Staff's proposed Option 1 should be used.

On May 17, 2000, the Staff filed a Petition for Reconsideration ("Petition") of the Final Order. The Petition stated that, upon considering the recently updated market price information, Staff determined that the Option 1 methodology would result in a negative wires charge in summer rates for residential customers participating in the pilot program. Staff proposed a slightly modified methodology for the residential class. Pursuant to the modified methodology, Virginia Power customers using a competitive generation supplier would pay a zero wires charge during the summer, and would pay a somewhat lower wires charge in the base months than would have resulted from the use of Staff's Option 1.

By Order dated May 18, 2000, the Commission granted the Petition for the purpose of considering the use of Staff's alternative methodology. The Commission provided an opportunity for other parties in the case to comment on the alternative methodology on or before May 23, 2000.

No comments were received.

NOW UPON CONSIDERATION, the Commission finds that Staff's proposal to modify the methodology that will be used for the residential customer class should be adopted. Staff represented that the Company does not object to the revised methodology, and no party filed comments in opposition to Staff's proposal. Accordingly,

IT IS ORDERED THAT:

(1) Staff's proposal to revise the methodology to be used in Virginia Power's pilot program for determining the wires charge rate design for the residential class is hereby adopted.

(2) This matter shall remain open for the purpose of receiving reports by Virginia Power, and for other matters concerning the Pilot Program, as they may arise.

CASE NO. PUE980813
AUGUST 25, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of considering an electricity retail access pilot program – Virginia Electric and Power Company

ORDER APPROVING TARIFF REVISIONS

On April 28, 2000, the Commission issued a Final Order in the captioned case, setting forth the parameters of Virginia Electric and Power Company's ("Virginia Power's" or "the Company's") retail access pilot program ("Pilot Program"). Among other things the April 28 Order required the Company to file updated rates, rules and regulations and terms and conditions of service (hereafter referred to as "Terms and Conditions") at least ninety (90) days before the start of Phase I of the Pilot Program. On June 2, the Company filed the required revisions, and these were accepted as filed by the Commission Staff. On June 30, 2000, Virginia Power filed further revisions reflecting several changes, including changes in provisions to the Rate Ready Billing section of subsection K of the Terms and Conditions and the addition of agreement forms for competitive service providers ("CSPs") and trading partners.

On July 28, 2000, the Commission issued an Order Inviting Comments allowing CSPs and other interested parties an opportunity to comment on these proposed revisions. Specifically, the July 28 Order required Virginia Power to submit notice of the June 30, 2000, proposed revisions to its Terms and Conditions of service to all participants in this docket, to all entities who, on or before August 1, 2000, had applied for a license to act as a CSP and/or aggregator in Virginia Power's Pilot Program, and to all CSPs who attended the Company's November 16, 1999, and June 15, 2000, supplier forums.

On August 11, 2000, Virginia Power submitted proof of the service of the notice as required. On that same date, comments were submitted by the Old Dominion Electric Cooperative ("ODEC") and by the Virginia Committee for Fair Utility Rates ("Virginia Committee"). ODEC made three suggested changes to the language of the CSP Agreement. The Virginia Committee expressed the concern that Virginia Power, as an incumbent electric utility with affiliates competing with non-affiliated CSPs, has an incentive to slow or prevent entry by CSPs into the competitive market. The Virginia Committee stated that the terms of the two agreements filed as part of Virginia Power's Terms and Conditions go well beyond the terms and conditions included in the Company's previously filed tariffs and rate schedules. The Virginia Committee urged the Commission to be vigilant regarding both the terms of such agreements and their implementation. Additionally, the Virginia Committee asserted that the Commission should plan to revisit the agreements in the future, prior to the implementation of full-scale retail choice. Finally, the Virginia Committee requested that the Commission permit CSPs to request and obtain Commission approval of modifications to such agreements if CSPs believe that modifications are warranted.

On August 16, 2000, the Commission Staff filed a Staff Report concerning the proposed Terms and Conditions. The Staff made several suggestions for editorial changes to the CSP Agreement and recommended approval of the proposed tariffs as modified by the Staff and ODEC. The Staff concluded that the formalization of the Trading Partner and CSP Agreements would provide for fair and equal treatment to all parties and should be accepted. The Staff also concluded that the addition of standard pricing terms in the Rate Ready Billing section of the Terms and Conditions would make that service available to all interested CSPs at the same price, alleviating concerns about discriminatory pricing, and that the proposed terms should be accepted. Finally, the Staff recommended that the Terms and Conditions, including the CSP and Trading Partners Agreements, be approved only for the duration of the Pilot Program.

On August 17, 2000, Virginia Power filed its response to the comments and the Staff Report. The Company generally agreed with the comments of ODEC and with the Staff Report but took issue with the comments filed by the Virginia Committee. Virginia Power asserted that, in filing the form agreements as part of the Terms and Conditions, the Company was motivated by a desire to ensure a successful Pilot Program that is fair to all CSPs and to avoid potentially protracted negotiations with CSPs and trading partners. Virginia Power also stated that the use of form agreements would ensure that its affiliates do not receive preferential treatment. Virginia Power noted that, by their own terms, the CSP and Trading Partner Agreements apply only during the Pilot Program and that the Commission has ample authority to revisit these agreements at any time before full-scale retail choice begins. Finally, Virginia Power asserted that there is no need to permit CSPs additional time to request and obtain Commission approval for modifications to agreements.

NOW UPON CONSIDERATION of the foregoing and the applicable law, we find that we should approve the proposed Terms and Conditions filed June 30, 2000, incorporating the editorial changes requested by ODEC and the Commission Staff. The June 30, 2000, proposed revisions were sent to all CSPs who had expressed an interest in participating in Virginia Power's Pilot Program by seeking a license to do so or by attending the supplier forums. There were no comments concerning either the Rate Ready Billing or the Dispute Resolution portions of the proposed revisions, and the Commission Staff has recommended their approval. Concerning the CSP and Trading Partner Agreements, we are aware of the Virginia Committee's concerns, and we fully intend to revisit these and other aspects of the Company's Pilot Program prior to the start of full-scale retail choice. The CSP and Trading Partner Agreements, by their terms, expire at the end of the Pilot Program period. Prior to that time, the Commission will review these agreements to determine whether they are adequate and appropriate to be used for the start of full-scale retail choice. Finally, if a particular CSP has a specific need that it believes requires an exception to the tariffed CSP agreement, that CSP is free to file an appropriate petition to make such a request.

Accordingly, IT IS ORDERED THAT:

(1) Virginia Power's proposed Terms and Conditions filed June 30, 2000, hereby are approved, subject to the editorial changes as noted by the Commission Staff and ODEC.

(2) On or before September 11, 2000, Virginia Power shall file the Terms and Conditions, with the corrections as noted in paragraph (1) above, with the Commission's Division of Energy Regulation.

(3) This matter is continued generally.

CASE NO. PUE980814
JUNE 15, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of considering an electricity retail access pilot program – American Electric Power – Virginia

FINAL ORDER

On March 20, 1998, the State Corporation Commission ("Commission") entered an Order establishing an investigation requiring various parties to perform activities and provide information to assist the Commission in moving forward in the evolving world of electric utility restructuring.[1] Among other things, this Order required American Electric Power-Virginia ("AEP-VA" or "the Company") and Virginia Electric and Power Company ("Virginia Power") to begin work toward implementing at least one retail access pilot program ("Pilot Program") each. On November 2, 1998, AEP-VA and Virginia Power filed Pilot Programs in Case No. PUE980138.

On December 3, 1998, the Commission established three separate dockets, one each for the consideration of AEP-VA's and Virginia Power's Pilot Programs[2], and a docket to consider the adoption of interim rules to govern issues common to both natural gas and electricity retail access pilot programs, including certification, codes of conduct, and standards of conduct governing relationships among entities participating in such programs ("Pilot Program Rules").[3] The December 3, 1998, Order Establishing Procedural Schedule in this matter, Case No. PUE980814, assigned the case to a Hearing Examiner, set a hearing for June 22, 1999, and established a schedule for the filing of testimony, protests, and other documents in this case. The Order also required AEP-VA to publish throughout its service territory notice of the impending hearing and information on participation.

By Hearing Examiner's Ruling dated June 8, 1999, the evidentiary hearing was rescheduled to November 9, 1999, and other procedural dates were moved to accommodate the filing of a revised Pilot Program and to allow the parties time to analyze and respond to this revised filing.

The hearing was conducted on November 9-10, 1999, before Hearing Examiner Howard P. Anderson, Jr. Anthony Gambardella, Esquire, and James R. Bacha, Esquire, represented AEP-VA at the hearing. Kodwo Ghartey-Tagoe, Esquire, and Karen L. Bell, Esquire, appeared on behalf of Virginia Power. Edward L. Petrini, Esquire, represented the Old Dominion Committee for Fair Utility Rates ("ODC").[4] John F. Dudley, Esquire, appeared on behalf of the Office of the Attorney General, Division of Consumer Counsel ("Attorney General"). Marleen L. Brooks, Esquire, represented The Potomac Edison Company, d/b/a Allegheny Power. Robert Omberg, Esquire, and John Pirko, Esquire, appeared as counsel for the Virginia Cooperatives.[5] M. Renae Carter, Esquire, and William H. Chambliss, Esquire, represented the Commission Staff ("Staff"). Michel A. King appeared *pro se*.

Enron Energy Services, Horizon Energy Company d/b/a Exelon Energy and Exelon Management & Consulting, the National Energy Marketers Association, and Washington Gas Light Company filed notices of protest but did not file protests and did not participate in the hearing. The Southern Environmental Law Center filed both a notice of protest and protest but did not participate in the hearing.

AEP-VA's Pilot Program, as proposed, would allow a limited number of customers to select an alternative electricity supplier as part of a transition to full retail choice. Phase I of the proposal, which had been scheduled to begin on or about June 1, 2000, would involve about two percent (2%),

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[1] This Order and other related documents may be found in Commonwealth of Virginia ex. rel. State Corporation Commission, Ex Parte: In the matter of requiring reports and actions related to independent system operators, regional power exchanges and retail access pilot programs, Case No. PUE980138.

[2] The docket for consideration of Virginia Power's Pilot Program is Commonwealth of Virginia At the relation of the State Corporation Commission, Ex Parte: In the matter of considering an electricity retail access pilot program – Virginia Electric and Power Company, Case No. PUE980813. A Final Order in this case was issued April 28, 2000, Document Control No. 000440141.

[3] The docket for consideration of rules applicable to both natural gas and electricity retail access pilot programs is Commonwealth of Virginia At the relation of the State Corporation Commission, Ex Parte: In the matter of establishing interim rules for retail access pilot programs, Case No. PUE980812. A Final Order in this case was issued May 26, 2000, Document Control No. 000530236.

[4] Members of the Old Dominion Committee are: Celanese Acetate, LLC; Dan River Mills; First Brands Corp.; Georgia-Pacific Corporation; Goodyear Tire & Rubber Company; Griffin Pipe Products Co.; Lorillard, Inc.; R. R. Donelley; Rock-Tenn; and Greif Bros./Virginia Fibre Corporation.

[5] The Virginia Cooperatives is a group consisting of A&N Electric Cooperative; BARC Electric Cooperative; Community Electric Cooperative; Craig-Botetourt Electric Cooperative; Mecklenburg Electric Cooperative; Northern Neck Electric Cooperative, Inc.; Northern Virginia Electric Cooperative; Powell Valley Electric Cooperative; Prince George Electric Cooperative; Rappahannock Electric Cooperative; Shenandoah Valley Electric Cooperative and Southside Electric Cooperative, Inc.; Old Dominion Electric Cooperative; and Virginia, Maryland & Delaware Association of Electric Cooperatives.

or 50 MW, of the Company's Virginia jurisdictional load. Phase II, scheduled to begin on March 1, 2001, would increase participation to ten percent (10%), or 250 MW, of the Virginia jurisdictional load. AEP-VA expects that, by the start of Phase II, the Company will have sufficient infrastructure and information systems in place to be able to accommodate the expansion. The Pilot Program would be available to all customer classes throughout the Company's entire service territory. The Pilot Program also would include a component for pre-aggregated loads to encourage participation by smaller energy users and would utilize projected market prices based upon historical wholesale prices as found at the "into" Cinergy hub.

The Staff recommended increasing the size of Phase I of the Pilot Program to five percent (5%) of AEP-VA's jurisdictional load. Like the Company, the Staff agreed that the projected market price for generation should be based upon historical wholesale data but proposed a method whereby prices from five hubs or trading areas would be used to calculate projected market price. Additionally, though the Company sought to subtract from projected market prices the cost of transmitting electricity to various hubs, the Staff's proposal made no such adjustment.

The Staff also requested guidance concerning whether AEP-VA's proposed $5 fee for customers who switch between competitive service providers ("CSPs") would violate the rate cap provisions of § 56-582 of the Code of Virginia. The Staff requested that the Company be required to report on a number of Pilot Program related issues, including market share information of participating CSPs and, where available, a comparison of market offers by participating CSPs. Finally, the Staff advocated the use of a negative wires charge as necessary to comply with the statutory provisions of § 56-583 A of the Code of Virginia.[6]

The Attorney General requested that the Pilot Program size be increased during Phase I to encompass five percent (5%) of AEP-VA's overall customer load, with an additional two percent (2%) set aside for aggregation. The Attorney General advocated that Phase II of the Pilot Program begin in January 2001 instead of March 2001 as the Company proposed. The Attorney General also argued that eligibility was unevenly distributed among customer classes and that more residential and small commercial customers should be allowed to participate in the Pilot Program. Concerning projected market price for generation, the Attorney General contended that if wholesale market prices are higher than AEP-VA's unbundled generation rates, no customers would leave AEP-VA's system. The Attorney General contended that projected market prices should reflect retail, rather than wholesale, market prices. The Attorney General also recommended using historical price data based on data from the Pennsylvania-New Jersey-Maryland interconnection with a futures adjuster to project future market prices. The Attorney General did not oppose competitive metering and billing for large customers during the Pilot Program. The Attorney General took no position concerning whether negative wires charges should be allowed during the Pilot Program.

ODC advocated increasing Phase I of the Pilot Program to five percent (5%) of the Company's load and starting Phase II of the Pilot Program on January 1, 2001. ODC urged that AEP-VA's allocation of Pilot Program load to each customer class should be expanded proportionally to accommodate this increase. ODC also requested that an individual Large Power Service ("LPS") customer be allowed to seek competitive supply for up to 30 MW of its load. While ODC agreed that customers should be permitted to self-supply ancillary services pursuant to AEP-VA's tariffs on file with the Federal Energy Regulatory Commission ("FERC"), ODC urged that AEP-VA should remove the costs associated with those services from the wires charge for each customer. Finally, concerning the projected market price for generation, ODC proposed that a factor for capacity be included in the calculation of the market price.

Virginia Power urged that the Commission reject the Staff's proposal for a negative wires charge. Virginia Power also advocated rejection of the ODC and Attorney General proposals for determining projected market price, claiming that these alternative methods would artificially inflate market prices, thereby distorting economic signals to customers concerning whether it would benefit them to shop in the competitive market.

Michel King argued that the Commission should reject AEP-VA's proposal for special distribution charges for prospective Pilot Program participants where these participants are served by special distribution facilities. He also advocated that the Commission should reject AEP-VA's proposal to require interval meters for all Pilot Program customers with average monthly billing demands of 200 MW or more. Mr. King further requested that the Commission order AEP-VA to use language throughout its Pilot Program tariff to reflect the Company's liability for equipment "which is not owned, installed or maintained by the Company" (emphasis added).[7] Finally, Mr. King agreed with the use of a negative wires charge.

Allegheny Power did not provide its own witness for the hearing but expressed its concern over the Staff's negative wires charge proposal. The Cooperatives, likewise, did not provide a witness for the hearing but observed the hearing to educate themselves about Pilot Program matters.[8]

On March 10, 2000, the Hearing Examiner issued his Report.[9] His findings were as follows:

> (1) AEP-VA's Pilot Program, as modified [in the Hearing Examiner's Report], should be adopted;
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> (2) Participation in Phase I of the Pilot Program should be set at a level not greater than 5% of the Company's Virginia jurisdictional customers;

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[6] The Company strongly objected to the Staff's proposed use of a negative wires charge, arguing that a negative wires charge would violate provisions of the Virginia Electric Utility Restructuring Act ("Restructuring Act"), §§ 56-576 to -595 of the Code of Virginia. The Company asserted that wires charges, to the extent they exceed zero, are intended to allow the incumbent utilty to collect its stranded costs and that crediting a negative wires charge against AEP-VA's distribution revenues would result in cost-shifting between the generation and distribution functions, also violating the Restructuring Act.

[7] The Company's proposed Pilot Program tariff reads in pertinent part, "owned, installed and maintained . . ." (emphasis added). Exhibit BLT-2, Attachment I, at 8.

[8] Tr. at 32. Rappahannock Electric Cooperative has filed its own application to conduct a competitive retail access pilot program. Documents pertaining to its proposal can be found in Application of Rappahannock Electric Cooperative For Approval of an Electricity Retail Access Pilot Program, Case No. PUE000088.

[9] Report of Howard P. Anderson, Jr., Hearing Examiner, issued March 10, 2000, Document Control No. 000320181 (hereinafter "Hearing Examiner's Report").

(3) Consumer Counsel's [Attorney General's] proposal that Phase I of the Pilot Program be increased to 5% of annual kWh sales plus an additional 2% of the annual sales for residential and small commercial classes as a minimum set-aside for aggregated loads should be denied;

(4) ODC's proposal to increase participation limits for individual LPS customers from 15 MW to 30 MW should be denied;

(5) Participation in Phase II of the Pilot Program should remain at 10% of the Company's Virginia jurisdictional customers and commence on or about March 1, 2001;

(6) Staff's proposal for a negative wires charge should be denied;

(7) The projected market prices for generation should be determined following the methodology set forth [in the Report];

(8) The projected market prices should be determined 90 days prior to the beginning of each phase of the Pilot Program;

(9) The projected market price should not contain adjustments related to the Company's transmission costs;

(10) Unbundled transmission rates for the Pilot Program should reflect the FERC OATT [Open Access Transmission Tariff]. Differences between the FERC OATT and the Company's jurisdictional unbundled transmission cost of service should not be treated as a transition cost;

(11) Competitive metering and billing services should be permitted only for large commercial and industrial customers during the Pilot Program;

(12) The Company should report information on a semiannual basis to Commission Staff regarding alternative metering and billing;

(13) The terms and conditions of the Pilot Program should be modified to comply with the rules adopted by the Commission in Case No. PUE980812;

(14) The Company should provide Staff with detailed data relating to its balancing and settlement procedures;

(15) The Company should not be required to report information to Staff regarding market offers to the extent this information is available to the general public;

(16) The Company's proposed $5.00 switching fee should be denied. The Company should compile data pertaining to the costs associated with switching customers between CSPs and report this information to Staff;

(17) The Company's charges for meter accuracy testing should remain as set forth in the Company's current tariff;

(18) Except as specifically addressed herein, the Company should report on a semiannual basis all information requested by Staff;

(19) The Company should not be allowed to assess special distribution charges, distribution surcharges, or prepayment of otherwise amortized distribution charges absent a contract or special agreement;

(20) The Company should be allowed to require interval meters for all customers with average monthly billing demands of 200 kW or greater; and

(21) The Company's language pertaining to liability for any loss, injury, or damage to persons or property caused by equipment which is not owned, installed and maintained by the Company is reasonable.

The Hearing Examiner recommended that the Commission enter an order adopting his findings, approving AEP-VA's Pilot Program as modified in the Hearing Examiner's Report, and dismissing the case from the Commission's docket of active cases.

On March 31, 2000, AEP-VA, Virginia Power, the Attorney General, ODC, and the Commission Staff filed comments and exceptions to the Hearing Examiner's Report. On April 6, 2000, Michel King filed Comments on the Hearing Examiner's Report along with a Request for Leave to File Comments on Hearing Examiner's Report Out of Time.

AEP-VA supported the Hearing Examiner's recommendation not to impose a negative wires charge. The Company argued that, where the projected market price of generation is greater than the capped generation rate of the incumbent utility, there is no "mathematical conundrum" as the Hearing Examiner described; § 56-583 A simply does not apply. The Company also advocated that the Hearing Examiner's Report not be read to allow distribution rates to be adjusted downward to offset a projected market price that is higher than the incumbent electric utility's capped generation rate. AEP-VA continued to support basing the projected market price for generation upon historical wholesale prices as found at the "into" Cinergy hub and took issue with the Hearing Examiner's recommendation to include the TVA hub in the methodology. AEP-VA also maintained that transmission costs to deliver power to trading hubs should be deducted from generation revenues developed using the Company's projected market prices. The Company also claimed that the Commission should permit recovery of the difference between the Company's FERC OATT rates and the unbundled Virginia jurisdictional transmission rates. The Company contended that the Commission should remove inter-class subsidies from present rates and should reject basing Pilot Program tariffs on

the rates as approved in the settlement agreed upon in the Company's last rate case.[10] The Company argued that Staff Witness E. B. Raju's calculations of settlement rates was incorrect. AEP-VA urged that the Pilot Program size remain as originally proposed to minimize the cost of "throw-away" systems, short-term interim solutions that would not be used to support retail access on a long-term basis. Regarding ancillary services, the Company argued that it should not be required to deduct competitive ancillary services from the wires charge calculation. The Company also urged the Commission to allow competitive metering and billing for all customer classes. AEP-VA clarified that it did not oppose direct contracts between metering and billing providers and customers. Instead, the CSP should coordinate Pilot Program enrollment so there would not be multiple enrollment transactions for a single customer. The Company continued to advocate the collection of a $5 fee for customers who switch CSPs during the Pilot Program.

Virginia Power supported the use of historical short-term spot market prices, without a retail adder, when developing the projected market price for generation, and agreed with the Hearing Examiner's recommendations concerning wires charges. Virginia Power urged the Commission to adopt AEP-VA's proposed adjustment for transmission losses, transmission charges, and ancillary service charges when determining projected market prices for generation. Virginia Power also argued that no incumbent utility should be required to make metering and billing services open to competitors as part of a Pilot Program. Concerning the $5 fee for customers who switch between CSPs during the Pilot Program, Virginia Power asserted that this is a fee for a new service and thus the rate cap provisions of § 56-582 A 3 do not apply.

The Attorney General took issue with the Company's proposed method for determining class participation. While AEP-VA had attempted to allocate class participation by balancing several factors including demand, energy, and number of customers per class, the Attorney General contended that this allocation was inequitable to residential and small commercial customers, and thus violated the Restructuring Act.[11] The Attorney General agreed with the Hearing Examiner's recommendation that Phase I of the Pilot Program should include at least five percent (5%) of the Company's total Virginia jurisdictional load but continued to advocate that Phase I include another two percent (2%) of annual sales as a set-aside for aggregated loads. Concerning projected market price, the Attorney General urged that historical prices should be adjusted, plus or minus ten percent (10%), for reasonably expected future price inflation or deflation. The Attorney General also argued that the Commission should not allow AEP-VA to recover, as an adder, the difference between the Company's FERC OATT transmission rate and the transmission costs embedded in the Company's Virginia jurisdictional retail rates. The Attorney General supported the Hearing Examiner's recommendation to use the settlement rates from the Company's last base rates case to develop pilot tariffs, stating that the Company's proposed unbundling methodology implies that inter-class subsidies have been found to exist, when the Commission has made no such determination. The Attorney General also supported the Hearing Examiner's recommendation that competitive metering and billing should not be permitted for small commercial and residential customers participating in the Pilot Program because this may unnecessarily confuse participants instead of boosting confidence in retail choice. Finally, the Attorney General urged that customer class participation data provided to the Staff should be reported in a publicly available form.

ODC supported the Hearing Examiner's proposal to increase the size of Phase I of the Pilot Program to five percent (5%) of AEP-VA's jurisdictional load. ODC also urged the Commission to adopt the Hearing Examiner's recommendation to follow the Company's balancing method for allocating each customer class' eligibility for Pilot Program participation. ODC asserted that the Commission need not decide upon a methodology for determining projected market price if it accepts the Hearing Examiner's recommendation that the wires charge should be set at zero. However, if the Commission should decide otherwise, ODC recommended that projected market price be based upon the "all-in" cost of generation, which includes capital costs, operation and maintenance expenses, overhead, and fuel. ODC also argued that the Commission should adopt the Hearing Examiner's recommendation that AEP-VA permit the self-supply of ancillary services if self-supply is permitted under the FERC OATT and that the revenue requirement for all six ancillary services should be removed from AEP-VA's wires charge calculations.

The Commission Staff took issue with the Hearing Examiner's recommendation to use the Cinergy and TVA hubs when determining the projected market price for generation, claiming that the Staff's proposed five-hub approach already takes into account the fact that the Company may not be able to achieve the maximum on-peak price for incremental power. The Staff supported the Hearing Examiner's recommendation to disallow any adjustment to projected market price for transmission wheeling costs and agreed with the Hearing Examiner that competitive metering and billing should be permitted for large commercial and industrial customers but sought clarification regarding exactly which classes of customers were included in these categories. The Staff affirmed its position that Pilot Program tariffs should utilize the rate structure reflected in Case No. PUE960301. Finally, the Staff stated that it would not at this time advocate the use of a negative wires charge due to recent amendments to the Restructuring Act.

Michel King supported the recommendations concerning increasing Phase I of the Pilot Program to five percent (5%) of the Company's jurisdictional customers; utilizing more than one trading hub for determining projected market price; using unbundled transmission rates that reflect the FERC OATT; and denying AEP-VA's request to assess special distribution charges, distribution surcharges, or to require prepayment of otherwise amortized distribution charges absent a contract or special agreement. Mr. King requested clarification on the latter issue, urging the Commission to require AEP-VA to unbundle the rates in existing contracts with customers who are served by special distribution facilities so that these customers will have the necessary information to participate in the Pilot Program.

Concerning whether customers using greater than 200 kW of energy should have to purchase interval meters, Mr. King asserted that the Company does not need more accurate information than it currently receives and that requiring customers to purchase interval meters would create a barrier to competition. Mr. King also urged that, if the Commission accepts the Hearing Examiner's recommendation that negative wires charges should not be allowed during the Pilot Program, the Commission should require AEP-VA to propose an alternative mechanism for preventing over-recovery of net stranded costs.

NOW THE COMMISSION, having considered the record, the Hearing Examiner's Report, the comments and exceptions to the Hearing Examiner's Report, and the applicable law, is of the opinion and finds that we should adopt in part the findings and recommendations set forth in the Hearing Examiner's Report, as discussed below.

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[10] See Final Order, Commonwealth of Virginia At the relation of the State Corporation Commission, Ex Parte: Investigation of Electric Industry Restructuring – Appalachian Power Company, issued February 18, 1999, Document Control No. 990220234, in Case No. PUE960301. The actual stipulation is Exhibit A to the Motion for Consideration of Stipulation in this case and was filed on January 11, 1999, Document Control No. 990110223.

[11] See § 56-577 A 2 b of the Code of Virginia.

The General Assembly has established an ambitious schedule for the implementation of customer choice and the development of competition for the generation component of retail electric service. In light of this schedule, the Pilot Program serves a number of purposes. First, the Pilot Program should stimulate retail access, customer choice and competition. Second, the Pilot Program should be part of the transition to full customer choice and competition. Third, the Pilot Program should help identify actual and potential operating problems between and among incumbent utilities, CSPs, aggregators, and customers, as well as possible solutions. Fourth, the Pilot Program should help identify areas and operations that may limit or inhibit the development of competition and possible solutions and ways to enhance competition. These purposes have been important considerations in our establishment of the AEP-VA Pilot Program.

Applicability

At the outset, we note that this Final Order addresses issues related only to the Company's Pilot Program. The decisions made and reports required herein on various issues are designed to make the Pilot Program as effective as possible and to provide the Commission with the data necessary to learn as much as possible about the competitive energy marketplace before the start of full-scale retail choice. The parameters established herein will terminate at the end of the Pilot Program period. As necessary in the future, the Commission will reexamine these parameters and any other issues that arise to determine their applicability to the start of full-scale customer choice.

Pilot Program Size, Timing, and Class Allocation

The Hearing Examiner recommended that Phase I of the Pilot Program should be composed of up to five percent (5%) of AEP-VA's jurisdictional load. He found that increasing this level from two percent (2%) would not present a significant technical hardship for the Company because its corporate parent, American Electric Power Company Inc. ("AEP"), is developing an infrastructure in its Ohio service territory that will provide the capability to deal with a much higher number of potential participants in retail choice in that state. The Hearing Examiner also found that, since customers throughout AEP-VA's service territory will be eligible to participate in the Pilot Program, the geographic spread of potential Pilot Program participants will make it more difficult for CSPs to be profitable. He recommended increasing the number of potential participants to dilute the negative impact of the geographic size of the Pilot Program and attract potential CSPs to the Pilot Program.

He also recommended that Phase II of the Pilot Program should start on or about March 1, 2001. He stated that it would strain AEP's resources to start Phase II of the Pilot Program on January 1, 2001, since this is the start date of full retail choice in Ohio. The delay, according the Hearing Examiner, would allow the Company time to ensure that its Information Technology ("IT") infrastructure is working smoothly and to minimize the short-term interim systems it may need to serve Virginia's customers.

We find that we should adopt the Hearing Examiner's recommendation in full in this regard. We find that setting the Phase I Pilot Program level at five percent (5%) may attract more CSPs at the start of the Pilot Program. We also find that Phase II of the Pilot Program should start on March 1, 2001, and should involve ten percent (10%) of the Company's Virginia jurisdictional load.

Some parties expressed confusion, in their comments and exceptions to the Hearing Examiner's Report, concerning the allocation of class participation in the Pilot Program.[12] This confusion stems from two statements in the Hearing Examiner's Report, the first of which reads, "[T]he Company's methodology used to determine customer participation levels should be adopted because it balances each factor in an effort to provide equitable participation levels for customers of all sizes and classes."[13] The second statement reads, "The Company should offer equal proportions of load for pilot participation in each participating rate class."[14] These statements may appear confusing because, as proposed, the Company allocated participation by class based on a balancing of factors including energy, demand, and number of customers in each class. This method created different participation levels for each class. For example, as proposed, Phase I of the Pilot Program would involve two percent (2%) of the Company's jurisdictional load. But this did not mean that 2% of each class' load necessarily would participate.[15] The parties expressed confusion concerning whether the Hearing Examiner's Report indicated that class participation should be allocated by load or by the Company's proposed balancing technique.

We find that class participation should be allocated proportionally based upon the total number of kWh for each class for this Pilot Program. Thus, five percent (5%) of the kWh for each class should be subject to competition in Phase I. We will not adopt the Attorney General's suggestion that we set aside an additional two percent (2%) for aggregated loads. Finally, we will also reject the suggestion of ODC that an individual customer's participation level be increased from 15 MW to 30 MW. Increasing the Company's proposed limit as ODC requests may allow a few customers to dominate Pilot Program participation.

Projected Market Price for Generation

The Hearing Examiner found that projected market prices for generation should be calculated using the higher of the daily historical spot market prices found at the Cinergy and TVA hubs for a specified time period. He stated that this methodology is straightforward and eliminates the need for many assumptions.[16] He selected the Cinergy and TVA hubs because AEP has direct transmission access and trades through these hubs. The Hearing Examiner

[12] Comments of the Old Dominion Committee for Fair Utility Rates on the Hearing Examiner's Report, filed March 31, 2000, Document Control No. 000410012, at 4-9; Comments on the Hearing Examiner's Report by the Division of Consumer Counsel, Office of the Attorney General, filed March 31, 2000, Document Control No. 000410021, at 1-5.

[13] Hearing Examiner's Report at 7.

[14] Id. at 7-8.

[15] Out of the 50 MW allocated to retail choice during Phase I, the Company proposed to allow up to 8 MW of load from the residential and small commercial class, 2 MW of pre-aggregated load, 5 MW of the commercial load, and 35 MW of industrial load to be subject to competitive supply.

[16] For example, if the Attorney General's suggested retail adder method were used, the Hearing Examiner found that problems would arise concerning the continually changing nature of forward-looking prices and the arbitrary point in time at which the values of forward-looking prices would be selected. See Hearing Examiner's Report at 9.

explained that this two-hub method also would account for transmission constraints and the fact that the Company will not always achieve the maximum on-peak price for its incremental power. He further found that prices should not be adjusted to account for transmission and ancillary service costs, concluding that such treatment is consistent with the "for generation" language of the Restructuring Act.[17]

We find that, for purposes of the Pilot Program, it is appropriate to base projected market prices on wholesale historical spot market purchases of electricity. The question of which hubs to use when considering historical spot market purchases was an issue of some debate throughout this case.

AEP-VA is a subsidiary of AEP, a company that is a sophisticated trader in numerous energy markets. Evidence in the record reflects that AEP has access to as many as 16 or 17 trading hubs or areas.[18] The Staff proposed a method that would utilize the highest daily prices found at five of these areas. Even if the Staff's five-hub method were used, presumably there would be times when the Company could and would trade at some of the 11 or 12 other trading areas for higher prices than at the five areas the Staff used in its analysis. This reality of market activity dilutes the concern that the Staff's five-hub method assumes the Company could always sell into the highest-priced trading hub or area.

We understand the Company's concern, however, and find that for this Pilot Program, the projected market price for generation should be set by considering the market prices at each of the five trading hubs or areas used in the Staff's five-hub method, *i.e.*, at the Cinergy, TVA, "into" ComEd, "into" ECAR Northern, and "into" MAIN Southern hubs or trading areas. We will base the projected market price on the average of the two of these five trading areas with the highest market prices.

This method ameliorates AEP-VA's concerns about the assumption that the Company could always sell into the highest priced hub and accounts for the Company's access to 16 or 17 energy trading markets. We are not unmindful of the Company's contention that transmission constraints sometimes prevent sales to the highest-priced trading area. However, periodic transmission constraints are simply part of the electric transmission system no matter what hub or trading area a company selects and there is no way to eliminate this condition. We believe that our proposed method for determining market price balances all of these considerations.

We will not adopt the proposed adjustments related to the Company's transmission losses, transmission charges, and other ancillary service costs. We find it impossible to make such adjustments at this time. As part of meeting its burden of proof, AEP-VA was obligated to provide at least enough evidence to enable the Commission to determine and analyze the basis for these costs. However, the record here was insufficient for any party to analyze and for the Commission to make any reasonable determination concerning what these costs were or how such costs should be treated in the calculation of projected market prices. Information relating to transmission wheeling costs was first mentioned in the November 3, 1999, rebuttal testimony of Company witness Laura J. Thomas, submitted just six days prior to the hearing.[19] The amount of transmission wheeling costs to deliver power to the Cinergy hub was included in Ms. Thomas' schedules. When questioned about the source for these costs, Ms. Thomas referred to the direct testimony of Company witness Dennis W. Bethel.[20] However, the calculations referred to in Mr. Bethel's testimony were the transmission and ancillary service revenues required to supply power from AEP's generation facilities to AEP-VA's jurisdictional retail customers.[21] The transmission and ancillary service costs that the Company actually seeks to deduct from the hub market price, however, should be the costs the Company would incur to transfer power from AEP's generation facilities to the appropriate hubs, such as the Cinergy hub. Thus, the record does not support a determination of the costs AEP-VA must incur to ship power from AEP's generation facilities to market hubs. In short, AEP-VA failed to carry its burden of proof with regard to these costs. Therefore, we are excluding this adjustment for these costs from the determination of projected market prices for generation in the Pilot Program.

We are cognizant that the Virginia General Assembly has enacted legislation that amends § 56-583 A of the Code of Virginia to require that projected market prices for generation be adjusted for the projected cost of transmission, transmission line losses, and ancillary services subject to the jurisdiction of the FERC, which the incumbent electric utility (1) must incur to sell its generation and (2) cannot otherwise recover in rates subject to state or federal jurisdiction.[22] We direct that AEP-VA work with the Commission Staff to track and study any transmission losses, transmission charges, and other ancillary service costs incurred during and related to its Pilot Program. We will require AEP-VA to submit, on or before April 1, 2001, a detailed report as to the magnitude and basis for these costs. In this way the Commission, the Company, and the public may be better informed about how to quantify and consider these costs as we approach the start of statewide retail choice. The Commission will provide the Company ample opportunity to present its case in full with respect to these issues prior to the advent of customer choice on a permanent, full-scale basis.

We note that the Pilot Program originally was scheduled to start on or about June 1, 2000. To give the Staff an opportunity to work with the Company in setting the projected market price for generation and to allow the Company time to conform its Pilot Program to the Pilot Program Rules established in Case No. PUE980812, we shall set a Pilot Program start date of October 1, 2000. We will not reset the projected market price for generation for Phase II of the Pilot Program. Rather, sixty (60) days before the start of Phase I, a projected market price for generation will be set and will remain constant throughout the Pilot Program.

Transmission Costs and Transition Charges

The Restructuring Act sets out the formula for determining wires charges, which may include just and reasonable transition charges. AEP-VA proposes to develop its unbundled rates for generation and the resulting wires charges in a manner that provides for the recovery of what it deems to be a transition cost. Specifically, AEP-VA proposes to base charges for transmission service associated with the Pilot Program on its FERC OATT. These charges are expected to produce a different amount of revenue than that produced by the unbundled transmission component of the Company's Virginia

[17] Section 56-583 A of the Code of Virginia consistently refers to "projected market prices for generation . . ." (emphasis added).

[18] See tr. at 170-71; Exhibit HMS 11, Attachment 2.

[19] Exhibit LJT-18, schedule 2.

[20] Tr. at 340, 345-46.

[21] Exhibit DWB-4, Schedule 2.

[22] 2000 Va. Acts ch. 991.

jurisdictional retail rates. Consequently, AEP-VA believes that the difference between the FERC OATT based rates and the transmission component of retail rates should be treated as a transition cost.

Under § 56-583 A of the Code of Virginia, wires charges are the sum of (i) the difference between the incumbent utility's capped unbundled rates for generation and the Commission-determined projected market price for generation, plus (ii) just and reasonable transition costs. The sum of a utility's wires charges, the unbundled charge for transmission and ancillary services, the applicable distribution rates, and the Commission-determined projected market price for generation cannot exceed the utility's total capped rate.

Whether to allow, as a transition cost, the recovery of the difference between the revenues based on the FERC OATT and the Company's unbundled Virginia jurisdictional transmission rate was a significant issue for some parties.[23] The Company stated that it needs to recover this difference because disallowance of such recovery would effect a rate reduction.[24]

The Hearing Examiner found that unbundled transmission rates are subject to FERC regulation and must follow the FERC OATT. He recommended that shortfalls between the FERC OATT and the Company's Virginia jurisdictional cost of transmission should not be treated as a transition cost or be charged against the generation component of rates because this would constitute cross-subsidization or cost shifting by moving a transmission cost into generation rates.[25]

This same issue was before us when considering Virginia Power's Pilot Program. As we said there, it appears that § 56-583 A assumes that the utility would recover the wires charges, and the "charge for transmission and ancillary services, the applicable distribution rates established by the Commission and the . . . projected market price for generation . . . ." While the Company would be at risk for whether it recovered the "projected market prices for generation," the other elements appeared to be charges that it was assumed the utility would routinely recover.

It appears that the Company will collect less revenue by the application of the FERC OATT than it would have through the transmission component of the unbundled retail rate. It is not clear whether this difference constitutes a "transition cost." We will, however, treat it as such for this Pilot Program.[26] We will adopt the method proposed by the Company to achieve this, the residual method[27] of determining the unbundled generation rate.

We will reexamine this entire issue, including the propriety of the use of the residual method, in general, prior to the transition to full customer choice. The review will focus on whether this difference is a true transition charge and, if so, when the "transition" will be complete. We will also examine the amount of the difference.

When utilizing the residual method for determining AEP-VA's embedded generation rate, it is important to recognize that the transmission component of the embedded generation calculation may be unstable. It can vary for any number of reasons. For example, if the characteristics of the class change because customers enter or leave AEP-VA's service territory, the class-specific load patterns crucial for calculating transmission rates change. The transmission costs billed to a competitive service provider as an AEP transmission customer could also vary depending on which customers in a class shop competitively for electricity and how these shopping customers respond to market price signals, *e.g.*, whether they change usage patterns based on the possibility of paying lower prices during specific times of a day or month.

Accordingly, we will require AEP-VA to track and study the nature and level of transmission revenues collected by the Company that are associated with the Pilot Program. The Company must compare these values to the amount of transmission revenue it has forgone because retail customers have shopped in the competitive electric market. AEP-VA and the Commission Staff shall work together in designing and conducting this study, the results of which shall be reported to the Commission on or before April 1, 2001.

Wires Charges

The Hearing Examiner found that the sum of the unbundled charge for transmission and ancillary services, the applicable distribution rate, and the projected market price should be set equal to the Company's capped rate for each customer class, which would effectively result in a zero wires charge. Since the time of the hearing in this case, the General Assembly has amended § 56-583 A of the Code of Virginia to read in part, "No wires charge shall be less than zero." While this is a Pilot Program whose parameters need not embody all the particulars of the Restructuring Act, it is in the best interests of consumers, suppliers, and incumbent utilities for the Pilot Program to resemble the near-term full retail access competitive market.[28] If a negative wires

[23] In AEP-VA's Response to Hearing Examiner's Report, AEP-VA urged the Commission to allow recovery of these lost transmission revenues. See AEP-VA Response to Hearing Examiner's Report, March 31, 2000, Document Control No. 000410004, at 6-7. The Attorney General argued, to the contrary, that these lost transmission revenues should not be added to unbundled generation revenues. See Comments on the Hearing Examiner's Report by the Division of Consumer Counsel, Office of the Attorney General, filed March 31, 2000, Document Control No. 000410021, at 9-10.

[24] See AEP-VA's Response to Hearing Examiner's Report, filed March 31, 2000, Document Control No. 000410004, at 7.

[25] See Hearing Examiner's Report at 12.

[26] We note that, unless there have been dramatic changes in market prices since the hearing in this case, we expect that, even with this transition charge, the calculations that must be made to determine wires charges pursuant to § 56-583 A of the Code of Virginia will yield a negative number, resulting in a wires charge of zero for pilot participants.

[27] In developing its unbundled rates including the unbundled generation component of rates, the Company began with a cost of service study that developed unbundled production, transmission, distribution, energy, and customer related unit costs for the various rate classes. These results were, however, not directly applicable to the development of unbundled rates, given the Company's proposal to collect the difference between the FERC OATT and the Virginia jurisdictional transmission component. To achieve this, AEP-VA applied a residual method which generally subtracted the sum of the customer and distribution unit costs produced by the cost of service study and the FERC OATT based rates for transmission and ancillary services from current rates for each class to determine a "residual" unbundled generation rate. This unbundled generation rate was used to determine the wires charge.

[28] Under the Restructuring Act, wires charges will cease to be collected altogether on July 1, 2007.

charge will not be allowed with the start of full retail choice, it would only be confusing to have such a feature in the Pilot Program. Therefore, rather than allow a negative wires charge during the Pilot Program, we find that if the statutory calculation for a customer class yields a number that would represent a negative wires charge, a situation which we anticipate will occur in this Pilot Program, then the wires charge shall be set at zero (0) for that customer class for the duration of the Pilot Program.

Competitive Metering and Billing

The Hearing Examiner recommended that AEP-VA be permitted to implement competitive metering and billing for large commercial and industrial pilot participants. He also recommended that these customers be allowed to contract for competitive metering and billing services directly without having a CSP as intermediary. The Hearing Examiner recommended that these competitive services not be offered to residential and small commercial customers because they must be reliably performed to avoid erosion of customer confidence in the retail access market. The Hearing Examiner further found that the Company should track and report to the Commission Staff information on competitive activity related to alternative metering and billing.

We find that, as part of the transition to retail competition, competitive metering and billing should be open to all customer classes, not just large commercial and industrial customers. For those customers selecting the competitive metering and billing options, we will allow the Company to provide credits, as proposed in the prefiled pilot tariffs, based upon the marginal cost AEP-VA would avoid by serving those customers. However, if such credits are to be given with the start of full retail access, we will reexamine the basis of such credits and will require the Company, at that time, to provide the amount and an analysis of such credits based upon marginal cost and average embedded cost.

Concerning competitive billing, we find that there should be three scenarios under which billing should occur in the Pilot Program. First, AEP-VA could provide one consolidated bill for all services provided by the Company and CSPs. Second, a CSP could provide one consolidated bill for all services provided by itself and AEP-VA. Finally, both AEP-VA and each CSP could bill for their own services. This decision effectively will be left with the CSP, who may decide to enter the competitive generation market without desiring to provide, or without the ability to provide, billing services for itself or for AEP-VA. The Company did not propose that it would perform a billing consolidation function for the Pilot Program, but we will require the Company to do so where a CSP elects not to provide its own billing services.

The Hearing Examiner recommended that customers should be able to contract directly for competitive metering and billing services.[29] While we do not disagree with this recommendation in principle, we realize that it is likely these services will be part of a bundled package offered by a CSP. We expect a customer to be able to select from among the competitive metering and billing options provided by a CSP. For example, depending on a CSP's capabilities, a customer may be able to select whether to use consolidated billing from a CSP or whether to receive separate bills from the CSP and AEP-VA. Similarly, we do not expect that a customer will be able to select a competitive metering provider autonomously at the start of the Pilot Program. However, depending upon a CSP's offerings, a customer may be able to elect to receive service from one of several competitive metering providers with which the CSP does business. As the Hearing Examiner recommended, we will require the Company to track and report information related to competitive metering and billing so that we may observe and evaluate the development of competition in these markets.

Ancillary Services

The Pilot Program proposal envisions that participants will be able to self-supply all ancillary services that can be competitively supplied under the Company's FERC OATT. The record contains discussion concerning whether AEP-VA removed the costs of all ancillary services from the Company's calculation of the embedded generation rate.[30] The Hearing Examiner found that there was insufficient evidence in the record to determine if AEP-VA had, in fact, removed these costs from the embedded generation rate. He recommended that, if these costs had not already been deducted from wires charges, the Company should delete them.

We agree with the Hearing Examiner that AEP-VA should be required to permit the self-supply or third-party supply of ancillary services in accordance with the Company's FERC OATT. Additionally, we conclude that all ancillary services should be removed from any wires charge calculation to the extent such services are obtained from the Company. We find that there is evidence in the record that the Company removed from the wires charge calculation the costs for only two of the six ancillary services.[31] If customers obtain the remaining ancillary services from AEP-VA pursuant to the Company's OATT and must also pay for the four services through wires charges, customers would effectively be paying twice for services received only once. Therefore, the Company's methodology could potentially result in a double collection of costs associated with certain ancillary services. While such a double collection would be clearly impermissible, we note that this will be a moot point if the wires charges are set at zero as will be the case unless market prices have dropped significantly from the level reflected in the record here.

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[29] In AEP-VA's Response to Hearing Examiner's Report, filed March 31, 2000, Document Control No. 000410004, the Company stated that it does not oppose direct contracts between metering and billing service providers and Pilot Program customers. Rather, assuming that such direct contracts exist, the Company requested that the CSP providing the generation service to the Pilot Program customer be the point of contact with AEP-VA. See pp. 10-11.

[30] See, *e.g.*, Comments of the Old Dominion Committee for Fair Utility Rates on the Hearing Examiner's Report, filed March 31, 2000, Document Control No. 000410012, at 21-24; AEP-VA's Response to Hearing Examiner's Report, filed March 3, 2000, Document Control No. 000410004, at 9-10.

[31] See, e.g., Exhibit LJT-6, at 4-5, stating "The capped generation component for each customer class was determined using a revenue requirement computed as the current bundled revenue requirement less . . . (ii) estimated revenue under the FERC OATT, including ancillary services required to be purchased from the Company." FERC Order 888 only requires transmission customers to purchase ancillary services (1) and (2) from the transmission provider, in this case AEP. Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Services by Public Utilities and Recovery of Stranded Costs by Public Utilities and Transmitting Utilities, Order No. 888, 61 FR 21,540 (May 10, 1996), FERC Stats. & Regs. ¶ 31,036 (1996) (Order No. 888), order on reh'g, Order No. 888-A, 62 FR 12,274 (March 14, 1997), FERC Stats. & Regs. ¶ 31,048 (1997) (Order No. 888-A), order on reh'g, Order No. 888-B, 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.).

Removal of Subsidies Among Classes

The issue of inter-class subsidies first arose in AEP-VA's latest base rates case, Case No. PUE960301. The Company proposed to unbundle its rates, placing class subsidies in the capped generation component. The Company further proposed that existing inter-class subsidies be eliminated as soon as possible.

The Hearing Examiner found that the rates based upon the settlement in Case No. PUE960301, as reflected in Staff witness E. B. Raju's testimony in this case,[32] should be used to determine Pilot Program tariffs. He found that these rates accurately reflect the settlement total and per class revenues as approved by the Commission in Case No. PUE960301 and that, to the extent the amount of any subsidy should be removed, such removal should await the Company's next rate case.

We agree with the Hearing Examiner that the settlement rates reflected in Mr. Raju's testimony should be used. In attempting to remove the alleged subsidies for the residential, sanctuary worship, and outdoor lighting classes, the Company increased the distribution component of rates for these classes, thereby effecting a rate increase.[33] This increase cannot occur, however, because the rates agreed upon in Case No. PUE960301 are frozen through December 31, 2000. In that case the Company proposed to remove inter-class subsidies over a three-year period, but this proposal was not part of the settlement agreed upon by the Company and other parties and was not approved by the Commission. Removal of any class subsidies may be proposed in the Company's next base rates case.

Proposed Fees

AEP-VA proposes collecting a $5.00 switching fee to be charged when a customer switches between two CSPs during the Pilot Program. The Company deems this to be a "transition cost" but proposes that individual customers creating this cost shall bear it. The Hearing Examiner recommended that this fee should be denied but that the Company should collect data recording the actual cost of performing the switching services, which data would be provided to the Staff semiannually. The Hearing Examiner found that there is no statutory provision for collecting a transition cost except through the wires charge. According to the Restructuring Act, the wires charge must be developed on a class basis because the cost of generation varies among customer classes. The Hearing Examiner found that it is not appropriate to charge individual customers within a class different wires charges to collect this transition cost.

Section 56-582 A 3 of the Code of Virginia provides:

> The capped rates established under this section shall be the rates in effect for each incumbent utility as of the effective date of this chapter, or rates subsequently placed into effect pursuant to a rate application filed by an incumbent electric utility with the Commission prior to January 1, 2001, and subsequently approved by the Commission, and made by an incumbent electric utility that is not currently bound by a rate case settlement adopted by the Commission that extends in its application beyond January 1, 2002. The Commission shall act upon such applications prior to commencement of the period of transition to customer choice, and capped rates determined pursuant to such applications shall become effective on January 1, 2001. 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. The capped rates established under this section, which include rates, tariffs, electric service contracts, and rate programs (including experimental rates, regardless of whether they otherwise would expire), shall be such rates, tariffs, contracts, and programs of each incumbent electric utility, provided that experimental rates and rate programs may be closed to new customers upon application to the Commission.[34]

This issue was before us when considering Virginia Power's Pilot Program. As we stated there, the rate cap language is broad and definite; no exceptions are created for new or increased expenses incurred because of customer choice. Moreover, elsewhere in the Restructuring Act, where new costs are to be allocated to others, the General Assembly was quite specific.[35] Thus, new charges for customers cannot be created or imposed simply because customer choice creates or increases costs to incumbent utilities. Where, however, a utility is providing a new service, with new costs, a new charge may be appropriate.

AEP-VA's proposed $5 fee for customers who switch between CSPs during the Pilot Program is not a fee for a new service. This is a part of the cost of customer choice. Such switching fees shall not be allowed.

Meter Testing Charge

AEP-VA proposes to include a $15 charge for testing single phase meters and a $40 charge for testing poly phase meters when these tests are requested by a Meter Service Provider. The Hearing Examiner found that the new charges should be denied because they are similar to services currently provided under AEP-VA's tariffs. Thus, the Company may charge $15 for testing a single phase meter and $30 for testing a poly phase meter as reflected in the current tariffs. We agree with the Hearing Examiner that AEP-VA should follow its currently tariffed prices for these services.

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[32] Exhibit EBR-9.

[33] Exhibit LJT-6, at 7 and Schedule 1.

[34] This statute has recently been amended in a way that does not impact our analysis of this issue. See 2000 Va. Acts ch. 991.

[35] See, e.g., § 56-594 of the Code of Virginia.

Load Profiling

AEP-VA proposes to use statistical load profiling and balancing techniques to predict hourly loads expected to be served by each CSP on a day-ahead basis. The Company will measure and record the actual power that each CSP delivers into the AEP-VA system on that day. Then, using actual hourly loads for customers utilizing interval data recorders and using total energy consumption and estimated load profiles for smaller customers, AEP-VA will calculate the actual hourly load responsibility for each supplier. AEP-VA will then arrange financial settlement with any deviations priced out according to AEP-VA's FERC OATT.

The Hearing Examiner concurred with the Staff that this approach is reasonable. The Hearing Examiner recommended that the Staff monitor the results of the Company's load balancing and financial settlement process and that AEP-VA should provide the Staff with detailed information relating to its balancing and settlement procedures. Like the Hearing Examiner, we find this is a reasonable approach and we will adopt the Hearing Examiner's recommendations for load profiling, balancing, and settlement.

Reporting Requirements

The Hearing Examiner found that AEP-VA should report on all the information referenced in Attachment 1 to Staff Witness Diane Jenkins' prefiled testimony,[36] with few exceptions. The Hearing Examiner found that the Company should report semi-annually to the Staff on information concerning market share that the Company keeps in its normal course of business. The Hearing Examiner also found that AEP-VA should not be required to compile and report information comparing market offers if such information is public information or is not kept in the Company's normal course of business.

We agree that the Company should provide all the data listed in Ms. Jenkins' testimony, with the exceptions as noted by the Hearing Examiner. The first report shall be due at the end of Phase I of the Company's Pilot Program, with future reports due every six months thereafter. We will need this information to evaluate the effectiveness of the Pilot Program and to resolve, for the start of full retail choice, any problems that may have arisen during the Pilot Program. We will also direct the Company to track and provide, as part of its report on customer participation, the number of customers who initially indicate interest in the Pilot Program but who do not select a CSP. Such data will allow us to evaluate how many customers either lost interest in the Pilot Program or affirmatively decided to remain under AEP-VA's capped rates rather than to select a CSP.

Regarding the market share and market offer information, we find that, if this information is necessary to evaluate the Pilot Program and is not supplied in regular reports, we may have to require the Company to provide this or other information in the future.

Other Considerations

Several of our conclusions are based in part on AEP-VA's current FERC OATT. To the extent that any FERC rate or policy changes in the future, various aspects of the Pilot Program may need to be changed accordingly.

Additionally, this Pilot Program must conform to the Pilot Program Rules established in Case No. PUE980812. Within thirty (30) days, the Company shall file with the Commission's Staff a plan to conform its Pilot Program to the Pilot Program Rules. We note that some of those rules refer to the Virginia Electronic Data Transfer Working Group ("VAEDT"), a body organized to develop electronic standards for all participants in the Virginia electric industry. This group also may consider business rules or practices that govern the electronic standards it develops. To the extent required by the Pilot Program rules, we expect the Company to conform its Pilot Program to such standards and practices as recommended by the VAEDT.

Accordingly, IT IS ORDERED THAT:

(1) The April 6, 2000, Request for Leave to File Comments on Hearing Examiner's Report, filed by Michel King, is hereby granted.

(2) The March 10, 2000, Hearing Examiner's recommendations are hereby adopted except as modified herein.

(3) The Pilot Program shall begin on October 1, 2000, and shall end when the participants are allowed to choose their competitive suppliers on a non-pilot basis.

(4) The size of the Pilot Program shall be adjusted to the level recommended by the Hearing Examiner, with Phase II of the Pilot Program beginning on March 1, 2001.

(5) Class participation for the Pilot Program shall be allocated proportionally based upon the total number of kWh for each class, as discussed herein.

(6) Pilot Program enrollment shall be determined based on the maximum amount of kWh that actually has been enrolled by CSPs. Customers indicating interest in the Pilot Program but not selecting a CSP shall not be counted against the total number of customers eligible to select a CSP.

(7) The projected market price for generation shall be set by considering the market prices at each of the five trading hubs or areas used in the Staff's methodology, with projected market prices based on an average of the two of these five trading areas with the highest market prices.

(8) As discussed herein, AEP-VA shall work with the Commission Staff to track and study its current transmission losses, transmission charges, and other ancillary service costs and submit a detailed report of these costs and the basis therefor on or before April 1, 2001.

(9) The projected market prices for generation shall be established by the Commission Staff and AEP-VA, in accordance with the principles set forth in this Order, sixty (60) days prior to the start of Phase I of the Pilot Program and shall remain in effect for the duration of the Pilot Program.

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[36] Exhibit DWJ-8.

(10) Unbundled transmission rates for the Pilot Program shall reflect the Company-determined transmission component by class based on the FERC OATT.

(11) As discussed herein, AEP-VA shall work with the Commission Staff to design and conduct a study of the nature and level of transmission revenues the Company collects that are associated with the Pilot Program and shall compare these revenues with the amount of transmission revenues the Company has forgone from customers choosing competitive suppliers. AEP-VA shall report its findings to the Commission on or before April 1, 2001.

(12) If the wires charge calculation set forth in § 56-583 A of the Code of Virginia results in a negative number, AEP-VA's wires charges shall be set at zero (0) for the duration of the Pilot Program.

(13) Competitive metering and billing shall be allowed for all customer classes as discussed herein.

(14) Billing for Pilot Program participants shall occur either by AEP-VA providing one consolidated bill for all energy services, by a CSP providing one consolidated bill for all energy services, or by both AEP-VA and CSPs billing for their own services. The choice of billing method and meter service provider shall be left to the CSP and, where applicable, to the customer.

(15) The settlement class rates of return as recommended by the Hearing Examiner shall be used when determining Pilot Program tariffs.

(16) The Company shall not charge a fee for switching customers between competitive service providers.

(17) Meter testing charges for the Pilot Program shall follow the currently tariffed prices as recommended by the Hearing Examiner.

(18) Load profiling, balancing, and settlement procedures for the Pilot Program shall follow the guidelines recommended by the Hearing Examiner.

(19) As discussed herein, AEP-VA shall file reports at the end of Phase I and every six months thereafter for the duration of the Pilot Program. These reports must contain all data as recommended by the Hearing Examiner, including information concerning the development of competitive metering and billing options, as well as data regarding the number of customers who initially indicate interest in the Pilot Program but who continue to take service under the Company's capped rates. Market share and market offer information may be requested if necessary to evaluate the Pilot Program and if not supplied in regular reports.

(20) AEP-VA shall promptly notify the Commission of any proposed changes to its FERC OATT.

(21) The Company shall file with the Commission's Staff a plan to conform the Pilot Program to the Pilot Program Rules adopted by the Commission in Case No. PUE980812 within thirty (30) days of this Order.

(22) AEP-VA shall file updated rates, rules and regulations and terms and conditions of service for the Pilot Program, in conformity with this Order, at least sixty (60) days before the start of Phase I of the Pilot Program.

(23) This matter shall remain open for the receipt of reports by AEP-VA and for other matters concerning the Pilot Program, as they may arise.

CASE NO. PUE980814
JULY 6, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter of considering an electricity retail access pilot program –American Electric Power - Virginia

DENIAL OF PETITION FOR RECONSIDERATION

On June 30, 2000, American Electric Power – Virginia ("AEP-VA" or "the Company") filed a Petition for Reconsideration ("Petition") in the captioned case, requesting clarification of the Commission's June 15, 2000, Final Order. This Final Order requires that the projected market price for generation of electricity be calculated by averaging the prices at the two highest of five specific trading areas or hubs. In its Petition, the Company requests clarification "with respect to the latitude, if any, of the Company and the [Commission] Staff to exclude data from the projected market price calculation where the data is [sic] unrepresentative of developing market conditions."

NOW UPON CONSIDERATION, we find that we should deny the Company's Petition. Given the evolving nature of the electricity market and its volatility at numerous locations where energy is traded, it would be extremely difficult to determine what, if any, data collected actually are unrepresentative of developing market conditions.

In its Petition, the Company disputed that its 16 or 17 interconnections with other utilities were trading "hubs" as that term is generally used in the industry. It is, however, undisputed that the Company is interconnected with at least 16 other utilities and that these interconnections may be used by the Company to conduct bilateral trades with various other parties. At the time this case was litigated, sufficient historical data existed for transactions occurring at the five areas or hubs utilized by the Staff's methodology to form the basis for our historical quantification of market price.

The projected market price is for purposes of AEP-VA's pilot program. We see no need to make the suggested "clarification" at this time. Before establishing the final methodology for determining projected market price with the start of full-scale retail choice, we will review the results of utilizing this methodology. Accordingly,

IT IS ORDERED THAT:

(1) AEP-VA's June 30, 2000, Petition for Reconsideration is hereby denied.

(2) This matter shall remain open for the receipt of reports by AEP-VA and for other matters concerning the pilot program, as they may arise.

CASE NO. PUE990001
JANUARY 18, 2000

APPLICATION OF
FOX RUN WATER COMPANY, INC.

For an amendment to Certificate of Public Convenience and Necessity No. W-281 to Include Water Service at Anchor Cove Subdivision, The Anchorage Subdivision, Joyceville Subdivision, Cliffs on the Roanoke, Waterman's Point Subdivision, Tanglewood Shores Golf & Country Club, and Rolling Acres Subdivision

FINAL ORDER

On March 23, 1999, Fox Run Water Company, Inc. ("Fox Run" or "Applicant"), completed an application for an amendment of its existing certificate of public convenience and necessity to include customers in the Anchor Cove Subdivision, Anchorage Subdivision, Joyceville Subdivision, Merrymount Subdivision, Cliffs on the Roanoke, Waterman's Point Subdivision, Tanglewood Shores Golf and Country Club, and Rolling Acres Subdivision. These subdivisions are located in Mecklenburg, Brunswick, and Greensville counties. In its application, Fox Run requests authority to provide water service to these territories pursuant to its tariff, filed with the application. The Applicant also requests approval of the following rate schedules:

Rate Schedule 1:

Residential	Flat $15.00/month	$45.00/quarter
Commercial	Flat $45.00/month	$135.00/quarter

Rate Schedule 2:

	Gallons Per month	Gallons per quarter	Rate per 1,000 gallons
For the first	2,000	6,000	$2.00
For the next	2,000	6,000	$2.75
For all over	4,000	12,000	$3.30

Fox Run is proposing to serve all the systems subject to this application under new Rate Schedule 1, since these systems are not metered.

In an order entered on April 28, 1999, the Commission directed the Applicant to give notice of its application and to provide the public with an opportunity to comment and request a hearing. The Commission received two comments on the application but no requests for hearing.

The Commission also directed its Staff to file a report detailing its findings and recommendations on or before September 14, 1999.

On June 17, 1999, Fox Run withdrew its request to provide water service to the Merrymount Subdivision water system due to an inability to finalize a purchase agreement with the current owner.

On August 25, 1999, the Staff filed a motion for an extension of time to file its Staff report until October 15, 1999. The Commission granted Staff's motion.

In its report filed on October 15, 1999, Staff recommended that the Commission approve Fox Run's application for an amendment to its certificate of public convenience and necessity to provide water service to the Anchor Cove, Anchorage, Joyceville, Cliffs on the Roanoke, Waterman's Point, and Rolling Acres subdivisions and Tanglewood Shores Golf and Country Club. Staff also recommended that the Commission approve the proposed connection charge for the Joyceville system. Staff proposed various accounting adjustments and booking recommendations and concluded that the Company's proposed rates provide a reasonable level of income, which should be reinvested in the utility.

In a letter dated November 8, 1999, Fox Run agreed to accept Staff's recommendations as stated in the above-referenced report.

NOW THE COMMISSION, having considered Fox Run's application, Staff's report, and § 56-265.3D of the Code of Virginia, finds that it is in the public interest to authorize Fox Run to amend its certificate of public convenience and necessity to provide water service to seven (7) additional subdivisions in Mecklenburg, Brunswick, and Greensville counties. The Commission will approve the Applicant's rates, charges and rules and regulations of service. We will also adopt Staff's accounting and booking recommendations. Accordingly,

IT IS ORDERED THAT:

(1) Certificate No. W-281 be, and hereby is, canceled.

(2) Fox Run Water Company, Inc., shall be granted an amended certificate of public convenience and necessity, Certificate No. W-281(a), to provide water service to those areas previously authorized in Certificate No. W-281 as well as to the seven additional subdivisions in Mecklenburg, Brunswick, and Greensville counties.

(3) The Applicant shall implement Staff's accounting and booking recommendations as detailed in the Staff's report filed on October 15, 1999, and notify the Commission's Director of Public Utility Accounting of its compliance with such recommendations within 90 days of the date of the Final Order in this case.

(4) This case is hereby dismissed from the Commission's docket of active cases.

CASE NO. PUE990002
JANUARY 7, 2000

STEPHEN M. TURNER, et al.
v.
AUBON WATER COMPANY

NUNC PRO TUNC ORDER

On December 17, 1999, the Commission issued its Final Order in this Case. Subsequently, the Commission has been made administratively aware that the adoption in the Final Order of the recommended three-tiered single-tariff rate design, effective March 9, 1999, found at page 11 of the Final Order, is in conflict with Ordering Paragraph (11), appearing at page 14 of the Final Order, which authorizes Aubon Water Company to apply said three-tiered single-tariff rates effective on the first day of the month immediately following the effective date of the Final Order.

The Commission now finds that the above-described conflict between the adoption of the recommended three-tiered single-tariff rates and the effective date for billing should be resolved by deleting Ordering Paragraphs (11) through (19), inclusive of the Final Order and insertion in their place, NUNC PRO TUNC, effective December 17, 1999, of the following Ordering Paragraphs (11) through (25), inclusive:

(11) The Company is hereby authorized to apply the following three-tiered single-tariff rates, which shall be made effective March 9, 1999:

	Monthly Rate
First 3,000 gallons	$13.00
3,001-8,000 gallons, per 1,000 gallons	$ 6.50
Over 8,000 gallons, per 1,000 gallons	$ 9.00

(12) On or before June 30, 2000, the Company 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 9, 1999, to the extent that such revenues collected from each customer exceed the revenues produced by the rates approved herein.

(13) 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.

(14) The interest required to be paid shall be compounded quarterly.

(15) The refunds ordered in Paragraph 12 above, may be accomplished by credit to the appropriate customer's account for current customers. Refunds to former customers shall be made by a check to the last known address of such customers when the refund amount is $1 or more. The company 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, the Company 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.

(16) On or before August 1, 2000, the Company shall file with the Staff a document showing that all refunds have been lawfully made pursuant to this Order and itemizing the cost of the refund and accounts charged. Such itemization of costs shall include inter alia, computer costs, and the personnel-hours, associated salaries and cost for verifying and correcting the refund methodology and developing the computer program.

(17) The Company shall bear all costs of the refunding directed in this Order.

(18) The Company shall collect the two $4,000 no-interest loans within five months of the effective date of this Order.

(19) The Company shall transfer a prepaid water main extension from its prepaid account to CIAC.

(20) The Company shall be required to maintain its books in accordance with the Uniform System of Accounts for Class "C" Water Utilities.

(21) 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.

(22) The Company's request for an increase in its service connection charge is hereby denied.

(23) The Company shall change the rates in its tariff from monthly to bimonthly to coincide with its bimonthly billing cycle.

(24) The Company shall clearly state in its tariff the methodology used to calculate the rates for multi-unit connections.

(25) This matter is continued generally.

IT IS THEREFORE ORDERED, that Ordering Paragraphs numbered (11) through (19) of the Final Order issued in this Case are hereby replaced, NUNC PRO TUNC, effective December 17, 1999, by Ordering Paragraphs numbered (11) through (25), as set out above.

CASE NO. PUE990106
APRIL 20, 2000

COMMONWEALTH OF VIRGINIA, *ex rel.*
VIRGINIA LINEN SERVICE, INC.
Complainant
v.
VIRGINIA ELECTRIC AND POWER COMPANY,
Defendant

FINAL ORDER

On March 1, 1999, Virginia Linen Service, Inc. ("Virginia Linen") filed a formal complaint against Virginia Electric and Power Company ("Virginia Power" or "Company") asserting that Virginia Power had failed to meet its obligations under § 56-234.1 of the Code of Virginia.[1] Virginia Linen requested that the Commission direct the Company to apply retroactively Rate Schedule 10 - Large General Service ("Schedule 10") to Virginia Linen's account from August 8, 1996 (i.e., the date Virginia Linen claimed it was entitled to service under Schedule 10), rather than from the date of Virginia Linen's request for a determination of the lowest applicable rate pursuant to § 56-234.1.[2]

By Order issued May 19, 1999, the Commission directed Virginia Power to file a response to Virginia Linen by June 9, 1999, and assigned the matter to a hearing examiner.

On June 9, 1999, Virginia Power filed an Answer, a Motion to Dismiss, and a Motion for More Definite Statement. In its Answer, Virginia Power in essence contended that it had fulfilled its obligation under § 56-234.1, and that Virginia Linen's petition failed to state a claim upon which relief could be granted by the Commission. Virginia Power requested that the Commission dismiss Virginia Linen's petition; alternatively, the Company moved that the Commission be required to file a more definite statement of the facts and the legal basis for the relief requested.

By Ruling issued on June 15, 1999, Hearing Examiner Alexander Skirpan, Jr., denied Virginia Power's motions, finding that the pleadings raised questions of fact and that the petition contained sufficient specificity to allow a fair and adequate opportunity to respond. The Hearing Examiner set a public hearing for September 28, 1999, and established a procedural schedule.

The hearing in this matter was held on September 28, 1999, before Hearing Examiner Skirpan. Representing Virginia Linen were John R. Fletcher, Esquire, and Michael B. Hamar, Esquire. John D. Sharer, Esquire, appeared on behalf of Virginia Power, and C. Meade Browder, Jr., Esquire, appeared on behalf of Commission Staff.

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[1] The relevant portion of § 56-234.1 states:

> It shall be the duty of every public utility, upon written request by the customer, to determine the lowest rate applicable, provided that such public utility shall not be required to make such a determination for any single customer more frequently than annually. If the rate charged thereafter is not such lowest rate applicable, such public utility shall be liable to the customer for the amount of the difference between the amount paid by the customer and the amount that would have been paid if the customer had been charged the lowest rate applicable from and after the customer's request;. . . .

[2] Prior to July, 1996, Schedule 10 was an experimental program available to no more than 200 commercial and industrial customers with a demand above 500 kW. On July 24, 1996, Virginia Power requested that the Commission approve its proposed changes to the schedule to eliminate the restriction on the number of customers who could participate, and remove the term "Experimental" from the rate schedule's title. On August 8, 1996, the Commission administratively accepted the revised schedule, making it available for service rendered after July 24, 1996.

On December 14, 1999, the Hearing Examiner issued his report. He found that the facts in this case are not in dispute, and the primary issue in this case is the parties' differing interpretations of § 56-234.1.

The Hearing Examiner characterized Virginia Linen's interpretation of § 56-234.1 to require a public utility to make a determination, no more than once annually, as to the customer's lowest applicable rate, and when such determination is made, to apply the rate retroactively to the date that the customer became eligible for service under the particular rate (not the date the request for a determination was made). On the other hand, Virginia Power interprets § 56-234.1 to require a utility, upon request, to determine the lowest rate applicable to the customer and, once such determination has been made, the utility's obligations under § 56-234.1 ends until the customer's next request for a determination under § 56-234.1.

The Hearing Examiner agreed with the Company that § 56-234.1 requires public utilities, upon written request of a customer, to make a determination, no more frequently than annually, of the lowest applicable rate for that customer and to apply that rate for all usage subsequent to the customer's request for a determination. The Hearing Examiner found that § 56-234.1 only requires a public utility to refund the difference of what the customer paid since the date of its written request and the amount the customer should have been charged from the date of the customer's request for a determination, and does not require refunds to earlier periods.

Specifically, the Hearing Examiner made the following findings:

(1) On February 6, 1996, pursuant to § 56-234.1, Virginia Linen provided Virginia Power with a written request for a determination that it was being served under the most economical electric rate schedule;

(2) On June 6, 1996, Virginia Power correctly determined that Rate Schedule 6 was the most economical electric rate schedule for Virginia Linen;

(3) On June 14, 1996, Virginia Linen established a peak demand of 595 kW;

(4) On June 24, 1996, Virginia Power filed revised Rate Schedule 10 with the Commission, replacing Experimental Rate Schedule 10;

(5) On August 8, 1996, the Commission administratively accepted Rate Schedule 10, making it available for service rendered after July 24, 1996;

(6) On February 10, 1997, pursuant to § 56-234.1, Virginia Linen provided Virginia Linen with a written request for a determination that it was being served under the most economical electric rate schedule;

(7) On April 29, 1997, Virginia Power determined that use of Rate Schedule 10 could produce savings for Virginia Linen;

(8) On May 22, 1997, Virginia Power offered to apply Rate Schedule 10 for Virginia Linen retroactive to February 10, 1997; and

(9) Va. Code § 56-234.1 does not require retroactive application of Rate Schedule 10 for Virginia Linen to any date before February 10, 1997.

On December 29, 1999, Virginia Linen filed comments on the Hearing Examiner's Report. Virginia Linen contended that the Hearing Examiner's findings and recommendations are not consistent with the purpose of § 56-234.1, which, according to Virginia Linen, is intended to ensure that consumers purchasing electricity from a public utility that enjoys a market monopoly will be afforded the lowest available rate, without burdening the utility. Virginia Linen asserted that the Hearing Examiner's decision would penalize a consumer who does not enjoy a preferential monopoly position nor guaranteed a rate of return in its business operations, and would require the consumer to pay a higher rate than the lowest rate applicable for nearly a year simply by the chance timing of when the consumer makes its request under § 56-234.1. Virginia Linen also contended that the Hearing Examiner's decision assumes that consumers have an obligation to protect themselves by keeping abreast of any notices published by the utility of proposed rate changes and by availing themselves of the opportunity to view the utility's tariffs which are open to public inspection. According to Virginia Linen, there is no evidence that Virginia Power published notice of its proposed changes to Schedule 10; moreover, such notices are frequently difficult to find, and would require businesses to have a full time employee to search for such notices daily. Virginia Linen argued that such a burden on customers is not practical nor consistent with the purpose of § 56-234.1.

Virginia Power also timely filed comments on the Hearing Examiner's Report. The Company contended that the Hearing Examiner had carefully construed the pertinent statutory language and correctly applied his statutory interpretation to the undisputed facts. Virginia Power urged the Commission to adopt the findings and recommendations of the Hearing Examiner's Report.

NOW THE COMMISSION, upon consideration of the record and the Hearing Examiner's Report of December 14, 1999, the comments and exceptions thereto, and the applicable statutes and rules, is of the opinion and finds that the Hearing Examiner's findings and recommendations should be adopted.

The relevant portion of § 56-234.1 imposes upon public utilities a duty, "upon written request by the customer, to determine the lowest rate applicable" to the customer no more frequently than annually. The section then provides that if the rate charged "thereafter" is not the lowest rate applicable, the utility shall be liable to the customer for the difference between the amount paid by the customer and the amount the customer would have paid if it "had been charged the lowest rate applicable from and after the customer's request." (Emphasis added.) The statute does not impose any obligation on the utility for the period preceding the customer's written request for a determination. Accordingly,

IT IS ORDERED that:

(1) Virginia Linen's petition is hereby denied.

(2) There being nothing further to come before the Commission herein, this case shall be dismissed from the docket of active cases.

CASE NO. PUE990253
FEBRUARY 11, 2000

APPLICATION OF
MANQUIN WATER COMPANY

For a Certificate of Public Convenience and Necessity

FINAL ORDER

On April 30, 1999, Manquin Water Company ("Manquin or "the Company") filed an application, pursuant to § 56-265.3 of the Code of Virginia, to obtain a certificate of public convenience and necessity ("certificate"). In its application, the Company requested authority to continue to provide water service to its approximately 77 customers in the Venter Heights subdivision in King William County and to 24 apartment units adjacent to the subdivision.

Manquin's current charges for water usage, billed every other month, consist of a $30.00 minimum charge for the first 8,000 gallons and $3.20 per $1,000 gallons in excess of 8,000 gallons. The Company proposes an increase in its bimonthly water usage rates to $37.00 for the first 8,000 gallons and $4.62 per 1,000 for usage in excess of 8,000 gallons.[1]

The Company also proposes the following miscellaneous charges: a customer deposit equal to a customer's bill for two months' usage; a $1,850 service connection fee for 3/4-inch connections, and for connections over 3/4 inch, the greater of the actual cost of the connection or the charge for a 3/4-inch connection; a $25.00 bad check charge; a 1 1/2% per month late payment fee on all past due balances; a $60.00 meter test charge if the meter has no average error greater than 2% and has been tested within the prior two years; a turn-on after disconnection charge of $50.00; and a $50.00 charge to disconnect service in response to a customer request.

On June 24, 1999, the Commission issued an Order directing Manquin to give notice of its application and to provide the public with an opportunity to comment and request a hearing on the Company's application. In that Order, the Commission also directed its Staff to review the application and to file a report by September 30, 1999, detailing its findings and recommendations.

On July 8, 1999, Manquin filed its proof of notice. No comments or requests for hearing were received on the Company's application.

On September 23, 1999, the Staff filed its report. The Staff recommended that the Commission grant Manquin a certificate, but recommended against allowing the Company's proposed rate increase. The Staff invited Manquin to respond to the report by filing comments on or before October 19, 1999. The Company did not file any response.

The Staff found Manquin's miscellaneous charges, with the exception of the service connection charge, to be consistent with Commission guidelines or otherwise supported by data provided by the Company. The Company was able, however, to provide cost justification for only $327.28 of its proposed $1,850 connection fee. After adjusting for the 1999 IRS standard mileage rate, the Staff determined Manquin's actual cost supported a connection charge of $321.00. With regard to Manquin's proposed rules and regulations filed with its application, the Staff recommended that Rule No. 10 pertaining to availability fees be deleted from the Company's tariff since Manquin does not charge such a fee.

The Staff also made certain accounting recommendations. After making certain ratemaking adjustments, the Staff determined that the Company's current rates generate operating income of $8,860 on operating revenues of $29,452 for the twelve-month test year ending December 31, 1998. Staff further determined that with the Company's proposed rate increase, Manquin would realize operating income of $19,648 on revenues of $40,473. Staff stated that the proposed rates are excessive at this time.

The Staff's accounting recommendations include that Manquin establish its accounting system in accordance with the Uniform System of Accounts ("USOA") for Class C water companies. The Staff states the Company should reclassify plant to appropriate accounts in accordance with the USOA, and begin depreciating these account balances using the composite 3% rate for all depreciable plant. The Staff recommends that the Company also begin amortizing contributions in aid of construction ("CIAC") at the 3% composite rate. The Staff further recommends that the Company maintain invoices and records for all expense and capital disbursements, time records to substantiate management fees, and a travel log. Finally, the Staff recommends that the Company discontinue filing a state income tax return since the Company pays state gross receipts in lieu of state income taxes.

NOW THE COMMISSION, having considered Manquin's application, the Staff's report, and the applicable statutes and rules, is of the opinion and finds that the Company should be granted a certificate authorizing it to provide water service in King William County to the Venter Heights subdivision and adjacent apartment units. The Commission also finds that the Company's current rates for water service are just and reasonable and we direct that they be maintained. We cannot approve the Company's proposed service connection fee inasmuch as its cost data does not support the charge. We note that the Staff's findings are uncontroverted. The Staff's recommendations contained in its report are reasonable and should be adopted. Accordingly,

IT IS ORDERED THAT:

(1) Manquin Water Company shall be granted a certificate of public convenience and necessity, No. W-297, authorizing it to provide water service in King William County, Virginia, to the Venter Heights subdivision and adjacent apartment units.

(2) The Company's current bimonthly charges for water usage shall be maintained at $30.00 for the first 8,000 gallons of usage and $3.20 per 1,000 gallons for usage in excess of 8,000 gallons.

(3) The Company's charge for 3/4-inch service connections shall be $321.00, and for connections over 3/4 inch the charge shall be the greater of the actual cost of the connection or the charge for a 3/4-inch connection.

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[1] The Company represented to the Staff that it has not implemented the proposed rate increase.

(4) The Company shall file a revised tariff within 30 days of the date of this Order with the Commission's Division of Energy Regulation to reflect the rates, rules, and regulations approved herein.

(5) The Company shall comply with the accounting recommendations noted herein and set forth in the Staff report, and shall provide evidence to the Director of the Commission's Division of Public Utility Accounting that these recommendations have been complied with within 90 days of the date of this Order.

(6) 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. PUE990284
JANUARY 5, 2000

APPLICATION OF
VIRGINIA GAS STORAGE COMPANY

For an Annual Informational Filing

ORDER ADOPTING RECOMMENDATIONS AND DISMISSING PROCEEDING

On June 30, 1999, Virginia Gas Storage Company ("VGSC" 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 June 2, 1999, "Order Adopting Recommendations and Dismissing Proceeding" entered in Case No. PUE980326, directed the Company to file its next AIF by no later than June 30, 1999.

On November 17, 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 an 11.5% return on equity to evaluate VGSC's financial condition for illustrative purposes only. It explained that VGSC's application for a certificate of public convenience and necessity for the Company's storage facilities in Case No. PUE940078 was based on estimates of revenues and costs that included a cost of capital that incorporated a rate of return on equity of 11.5%. 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 VGSC. This consolidated capital structure, together with a 11.50% cost of equity, produced an overall weighted cost of capital of 10.787%.

After conducting its accounting analysis, the Staff recommended that: (i) the Company should properly classify assets according to whether they were part of construction work or plant in service; (ii) the Company should calculate its capitalized interest for ratemaking purposes using actual rather than budgeted construction amounts; and (iii) if the Company books capitalized interest using a different method than that accepted by the Commission in Case No. PUE980236, VGSC should maintain sufficient records to track ratemaking capitalized interest in plant in service, construction work in progress ("CWIP"), and the related accumulated depreciation and accumulated deferred income tax impacts. The Staff noted that it did not object to VGSC 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 VGSC'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, VGSC reserved its right to reconsider some of the Staff's proposed adjustments in future filings. The Company requested leave to file its next AIF, using as its test period the twelve months ending December 31, 1999, by no later than 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 17, 1999 report are reasonable and should be adopted; and that VGSC's request to file its next AIF for the twelve months ending December 31, 1999, by no later than May 31, 2000, should be granted.

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 17, 1999, report are hereby adopted and shall be implemented by the Company.

(2) The Company shall forthwith properly classify its CWIP and plant in service on its books in accordance with the Uniform System of Accounts for Gas Companies.

(3) The Company shall calculate capitalized interest for ratemaking purposes using actual construction amounts rather than budgeted amounts.

(4) The Company shall maintain sufficient records to track ratemaking capitalized interest for plant in service and construction work in progress, as well as the related accumulated depreciation and accumulated deferred tax impacts.

(5) The Company's request for an extension of time in which to file its next AIF is granted, and if VGSC 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.

(6) 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. PUE990349
JULY 19, 2000

COMMONWEALTH OF VIRGINIA
At the relation of the
STATE CORPORATION COMMISSION

Ex Parte: In the matter concerning participation of incumbent electric utilities in regional transmission entities

FINAL ORDER

This Order promulgates regulations governing incumbent electric utilities' transfer of the ownership or control of transmission assets, or entitlements thereto, to regional transmission entities ("RTEs"). Sections 56-577 and 56-579 of the Virginia Electric Utility Restructuring Act ("the Act"), Chapter 23 (§ 56-576 et seq.) of Title 56 of the Code of Virginia, require Virginia's incumbent electric utilities to (i) join or establish RTEs by January 1, 2001, and (ii) seek authorization from the State Corporation Commission ("Commission") to transfer their transmission assets to such RTEs.[1]

The Commission is directed by § 56-579 B of the Code of Virginia to adopt rules and regulations, with appropriate public input, establishing elements of RTE structures essential to the public interest. These elements are to be applied by the Commission in determining whether to authorize the transfer of control of incumbent utilities' transmission assets to RTEs. The Commission is also directed by § 56-579 A 2 to develop rules and regulations under which incumbent electric utilities owning, operating, controlling, or having an entitlement to transmission capacity within the Commonwealth, may transfer all or part of such control, ownership, or responsibility to an RTE upon certain terms and conditions that the Commission determines will comply with § 56-579 A 2 of the Act.

On May 26, 1999, the Commission entered an order establishing an investigation and inviting comments by stakeholders and interested parties concerning the requirements of §§ 56-577 and 56-579 of the Act described above. The Commission initiated that proceeding to assist it in developing appropriate policies, rules and regulations applicable to the utilities' obligations under these provisions of the Act. The Commission sought comment on such specific RTE issues as governance, geographic scope and market access, pricing, relationships between RTE service and bundled retail service, and how to measure the success of RTE development relative to the development of retail electric competition—the final matter concerning which the Commission must report to the Virginia General Assembly on or after January 1, 2002.

The Commission received extensive responses to its May 26, 1999, Order from incumbent electric utilities, industrial customers, energy marketers, independent power producers, and others furnishing their views concerning desirable RTE structures and the role of the Commission in carrying out the legislative directives in §§ 56-577 and 56-579 of the Act. The information received in the parties' initial and reply comments was very helpful to the Commission in developing proposed regulations in this docket.

On January 11, 2000, the Commission issued an order inviting interested persons to file comments on or request a hearing concerning proposed regulations attached to that Order. Comments and requests for hearing were to be filed on or before February 11, 2000. Virginia Electric and Power Company ("Virginia Power"); AEP-Virginia ("AEP"); the Potomac Edison Company, d/b/a Allegheny Power ("Allegheny"); the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"); Chaparral (Virginia), Inc. ("Chaparral"); thirteen jurisdictional electric cooperatives, Old Dominion Electric Cooperative, and the Virginia Maryland & Delaware Association of Electric Cooperatives (filing jointly) ("the Cooperatives"); the Federal Trade Commission's Bureau of Economics; Kentucky Utilities Company, d/b/a Old Dominion Power Company ("Kentucky Utilities"); the Virginia Committee for Fair Utility Rates and the Old Dominion Committee for Fair Utility Rates (filing jointly) ("the Committee"); and Dynegy Marketing and Trade ("Dynegy") filed comments. No party requested a hearing.

In its review of the comments, the Commission noted that some of those commenting, including AEP, Virginia Power, and Kentucky Utilities, maintained that many of the proposed regulations' requirements may be preempted by federal law. Some such parties also suggested that the underlying grant of authority by the General Assembly to the Commission under §§ 56-577 and 56-579 of the Act may be preempted under federal law, or that the Commission had exceeded its authority under these provisions.

In response to those commenters suggesting that §§ 56-577 and 56-579 of the Act or the regulations promulgated thereunder are preempted by federal law, the Commission, by Order dated March 16, 2000 ("March 16 Order"), requested all parties who had filed comments in response to the Commission's January 11, 2000, Order to file briefs addressing the preemption issue. In particular, parties asserting federal preemption of the Commission's rulemaking authority were requested to provide the legal authority supporting their positions. They were also asked to address eight issues regarding the proposed rules, the Commission's authority under the Act, and whether federal law provided the Federal Regulatory Commission ("FERC") with exclusive authority over ownership, control, acquisition or construction of transmission assets. These parties were also requested to brief whether any provision of the Federal Power Act, regulations implementing such act, or case law interpreting either, imposes an unconditional obligation on the Commission to approve, or to refrain from reviewing or conditioning, incumbent electric utilities' proposed transfer of the management, control or ownership of transmission assets to a FERC-approved Regional Transmission Organization ("RTO").[2]

Moreover, such parties were requested to describe, in light of any such asserted preemption, the Commission's permissible role under the Virginia Electric Utility Restructuring Act, with respect to incumbent electric utilities' transfer of transmission assets to RTEs.

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[1] Specifically, § 56-577 A states in pertinent part that: "[O]n 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. Furthermore, § 56-579 A 1 provides in pertinent part that "[N]o such incumbent electric utility shall 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, as hereinafter provided."

[2] "RTO" is the FERC's preferred nomenclature for the regional transmission organization known under Virginia's Restructuring Act as an "RTE."

Finally, on June 15, 2000, the Commission entered a further Order for Additional Notice, directing that additional notice of this proceeding be published in newspapers of circulation throughout the state on or before June 22, 2000. Such Order permitted interested parties who had neither noted an appearance in this proceeding or been included on the service list of the January 11, 2000, Order Prescribing Notice and Inviting Comments to file comments with the Clerk of the Commission by July 5, 2000. No further comments were received in response to this Order.

NOW UPON CONSIDERATION of the pleadings, comments, and briefs filed herein, we find that we should adopt the attached rules applicable to the implementation of §§ 56-577 and 56-579 of the Act, effective as of the date of this Order. A complete set of these rules is appended to this Order as Attachment A. We have carefully considered the pleadings, comments, and briefs of the parties in response to our Orders of May 26, 1999, January 11, 2000, and March 16, 2000. The analysis of these comments has been vital in crafting the rules hereby promulgated in this Order. While we will not review each rule in detail, we will comment briefly on several of them, and on the preemption issue as well.

First, we note the filing schedule established in 30 VAC 5-320-120. The date by which incumbent electric utilities must file their application with the Commission to obtain authorization to transfer transmission assets to an RTE has been established in the regulation as October 16, 2000. As Allegheny notes in its February 10, 2000, comments concerning the proposed rules, October 15, 2000, is the filing date established by the FERC in its Order No. 2000[3] for certain transmission-owning utilities to file with FERC information concerning their plans to join an RTO by January 1, 2001.[4] We believe that synchronizing the Commission's date for filing (October 16) with that established by FERC (October 15) will be helpful to Virginia's incumbent utilities for planning purpose, and we have revised this rule accordingly.

We have also responded to several parties' requests for some flexibility in 20 VAC 5-320-100's filing requirements. The underlying rationale for this request is that certain information required under this rule will only become available as and when RTEs approach, and ultimately achieve, operational status. We have accommodated that concern in this rule by allowing utilities to advise us in their application when certain information called for is not yet available. However, the utility applicant must explain why the information is not available, describe steps taken to develop the information, and provide an estimate of the time within which it will be available.

With respect to the question of potential preemption raised by Virginia Power, AEP and Kentucky Utilities, we believed it important to provide an opportunity for the parties appearing in this matter to address this issue specifically and directly. Accordingly, in our March 16 Order, we directed the parties to brief eight issues concerning potential preemption. Briefs concerning the preemption issue were filed by Virginia Power, AEP, Allegheny, Consumer Counsel, Chaparral, the Cooperatives, the Committee, and Dynegy.

The parties who contend that the proposed regulations are preempted by federal law, i.e., Virginia Power, AEP, Allegheny, and Kentucky Utilities,[5] generally asserted that the proposed regulations, or the authority granted the Commission under the Act, is or may be preempted by federal law, depending on how the Commission "interprets" the proposed regulations or on the manner in which the Commission applies its authority under the statute or the regulations. We note that the incumbent utilities do not assert that the proposed rules are expressly preempted, but instead contend that the proposed rules or the Commission's actions pursuant to the rules are preempted on an implied basis.

It is well settled that federal preemption may occur in three principal ways.[6] First, preemption may occur when federal legislation reveals an express congressional intent to preempt state law. Second, in the absence of express preemptive language, federal legislation may manifest an intent to occupy an entire field of regulation, to the exclusion of state regulation ("field preemption"). Finally, preemption may occur when compliance with both the federal and state laws is a physical impossibility, or when the state law stands as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress ("conflict preemption").

Although the incumbent utilities do not always differentiate these types of implied preemption in their arguments, in the main their contention appears to be that the proposed rules are preempted on the basis of both field preemption and conflict preemption. First, the incumbent utilities contend that because FERC has exclusive jurisdiction over the transmission of electric energy in interstate commerce, FERC fully occupies the field of transmission regulation to the exclusion of states' review of a utility's decision to join an RTE or of any part of the transactions necessary for the utility to participate in the RTE, i.e., field preemption. Second, the incumbent utilities contend that the Commission may not promulgate regulations concerning the transfer of the ownership or control of transmission assets to an RTE if such regulations are inconsistent with, or more extensive than, FERC's requirements, because such requirements (i) could put utilities in the position of having to comply with conflicting state and federal requirements, and (ii) by restricting or precluding the transfer of transmission facilities to an RTE, could create an obstacle to the accomplishment and execution of FERC's objectives (i.e., conflict preemption).

Dynegy, the Consumer Counsel, the Committee, and the Cooperatives contend that neither the Act, the authority granted to the Commission under § 56-579 A 1, the regulations promulgated under § 56-579 A 2, nor the Commission's exercise of authority pursuant to the Act is preempted by federal law. Dynegy observes that becoming embroiled in a "jurisdictional analysis paralysis" could inhibit or undermine the process of developing RTEs.[7] The Consumer Counsel states that it believes that "the authority granted to the Commission under Va. Code Ann. § 56-579 is not preempted by federal law,"[8] and observes that FERC has given no indication that the Commission is precluded from acting pursuant to Virginia law.

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[3] *Regional Transmission Organizations*, Order No. 2000, 65 Fed. Reg. 809 (Jan. 6, 2000), FERC Statutes and Regulations, Regulations Preambles ¶ 31,089 ("*Order No. 2000*"), *order on reh'g*, Order No. 2000-A, 90 FERC ¶ 61,201 (Feb. 25, 2000).

[4] Additionally, it should be noted that FERC Order No. 2000 establishes a separate January 15, 2001, filing date for those utilities who are members of an RTO that the FERC has found in compliance with FERC Order 888's Independent System Operator ("ISO") principles.

[5] These parties will be collectively referred to as the "incumbent utilities." Kentucky Utilities did not file a brief in response to the March 16 Order. However, in its earlier comments filed in response to our January 11, 2000, Order requesting comments on the regulations proposed in this docket, Kentucky Utilities commented on the preemption issue.

[6] See e.g., *Louisiana Public Service Comm'n v. Federal Communications Commission*, 476 U.S. 355, 368-69 (1986).

[7] Dynegy April 5, 2000, Brief at 1.

[8] Consumer Counsel April 5, 2000, Brief at 2.

Additionally, the Committee commented on the federal-state relationship concerning RTOs described in FERC's Order No. 2000.[9] As noted in the Committee's brief, this FERC order acknowledges the important role states play in RTO matters. The Order specifically notes that "most states must approve a utility joining an RTO, and several states have required their utilities to turn over their transmission facilities to an independent transmission operator."[10] The Committee further emphasizes that FERC Order 2000 thus acknowledges such requirements as exist in Virginia under the Utility Transfers Act and under the Restructuring Act — prior approval for joining an RTO and the requirement that utilities turn over transmission facilities to an independent transmission operator — and FERC accepts these as an integral part of the RTO process.[11]

We have reviewed and analyzed the arguments of the parties at length, and we conclude that the proposed regulations, the Commission's potential exercise of authority pursuant to the regulations, the General Assembly's grant of authority to the Commission, and the portions of the Act pertaining to RTEs are not preempted by federal law.

Accordingly, IT IS ORDERED THAT:

(1) We hereby adopt the Regulations Governing Transfer of Transmission Assets to Regional Transmission Entities, appended hereto as Attachment A.

(2) The February 14, 2000, motion of Kentucky Utilities to file comments one day out of time concerning these rules is granted, and their comments are hereby accepted for filing.

(3) The June 30, 1999, motion for leave to file comments and the April 6, 2000, motion of the Cooperatives to file one day out of time their June 30, 1999, comments, and their subsequent brief concerning the preemption issue are granted, and such comments and brief are hereby accepted for filing out of time.

(4) A copy of this Order and the rules adopted herein shall be forwarded promptly for publication in the Virginia Register of Regulations.

NOTE: A copy of Attachment A entitled "Chapter 320. Regulations Governing Transfer of Transmission Assets to Regional Transmission Facilities" 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.

[9] *Supra* in note 2.

[10] Committee April 5, 2000, Brief at 7.

[11] Id.

CASE NO. PUE990352
JUNE 15, 2000

APPLICATION OF
APPALACHIAN POWER COMPANY

For approval of tariff riders

ORDER ON MOTION

On June 9, 2000, Appalachian Power Company, d/b/a American Electric Power ("AEP-Virginia" or "the Company") filed a motion ("June 9 Motion") requesting that the Commission renew for an additional one-year term the two tariff riders that previously were approved on a temporary basis by the Commission in this docket.[1] Specifically, the Company requests that SCHEDULE ECS (Emergency Curtailable Service Rider) and SCHEDULE PCS (Price Curtailable Service Rider) be renewed for a term through June 1, 2001, on the same terms upon which they were previously approved.[2] The Company explained that SCHEDULE ECS was offered as a means to mitigate generation-related emergency operating conditions to minimize service interruptions to its firm service customers, and SCHEDULE PCS was offered to provide customers an option to manage their total price of electricity by curtailing firm load on an economic basis.

In its June 9 Motion, AEP-Virginia noted that the Commission, in its June 24 Order, had approved the implementation of the riders on a temporary basis through June 1, 2000. The Company stated that, for most of the time the riders were in effect, it received no requests for service under either rider, and therefore the Company did not submit an earlier request for an extension of temporary implementation. AEP-Virginia further stated that, shortly before the June 1, 2000, expiration date for the temporary riders, the Company received an inquiry from a customer who expressed a serious interest in obtaining service under the tariff riders. The Company stated that it is willing to make the temporary riders available on the same temporary basis upon

[1] Order Approving Tariff, Document Control No. 990630203 (June 24, 1999) ("June 24 Order"); Order on Reconsideration, Document Control No. 99720005 (July 15, 1999). By their terms, the two tariffs expired on June 1, 2000.

[2] Originally, AEP-Virginia had proposed that compensation to customers for curtailed kWh under the provisions of the two tariff riders would be treated as purchased power for accounting and fuel factor purposes. In our prior orders in this case, we found that this proposal presented an issue as to whether such costs represent costs that are properly included in the Company's definitional framework of fuel expenses. We determined that this issue warranted further consideration in a proceeding in which Staff and all interested parties should participate, and declined to address at that time the issue of cost recovery of compensation to customers for curtailed load.

which they were available prior to June 1, 2000. The Company further stated that it believes the availability of the tariff riders through June 1, 2001, would provide it some experience with the riders and would be in the interest of the Company, its customers, and the public.

NOW THE COMMISSION, upon consideration of the Company's June 9 Motion, is of the opinion and finds that AEP-Virginia's request should be granted. We find that renewing the tariff riders for an additional-one year term will be in the public interest, particularly in light of the recent interest expressed by a customer in obtaining service under the tariff riders. We note that our approval is upon the same terms under which we originally approved the implementation of the tariff riders in the June 24 Order and, therefore, we do not address at this time the issue of cost recovery of curtailment compensation credits. Accordingly,

IT IS ORDERED THAT:

(1) The Company's request in its June 9 Motion is granted.

(2) SCHEDULE ECS and SCHEDULE PCS shall be renewed for an additional one-year term, through June 1, 2001.

(3) This matter is continued generally.

CASE NO. PUE990436
APRIL 20, 2000

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 for the United States to establish minimum federal safety standards for the transportation of gas and pipeline facilities. The Secretary of Transportation is further authorized to delegate, to an appropriate state agency, the authority to prescribe safety standards and enforce compliance with such standards over gas pipeline facilities used for intrastate transportation.

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 ("C.F.R.") 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. § 1679(a)(I).

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 Cathodic Protection Program in the Northern Region of the service territory of Columbia Gas of Virginia, Inc. ("CGV" or "Company"), the Defendant, and has alleged that:

(1) Columbia Gas of Virginia, Inc., is a public service corporation as that term is defined in § 56-1 of the Code of Virginia, and, specifically, is a natural gas company within the meaning of § 56-5.1 of the Code of Virginia; and

(2) The Company violated the Commission's Safety Standards by the following conduct:

a) Failure to have a qualified person in charge of the Company's Cathodic Protection Program, in accordance with 49 C.F.R. § 192.453;

b) Failure on several occasions in the Northern Region to re-evaluate pipelines within three years after initial testing, in accordance with 49 C.F.R. § 192.465(e);

c) Failure on several occasions in the Northern Region to monitor interference bonds six times per year, in accordance with 49 C.F.R. § 192.465(c);

d) Failure on several occasions in the Northern Region to monitor interference bonds within 2 1/2 month intervals, in accordance with 49 C.F.R. § 192.465(c);

e) Failure on several occasions to keep Form C, 447-4, "Blanket Work Order Completion Report, Sacrificial Anodes" from 1993-1998 as required by Company Procedure 653-5, Section 9, effective date November 11, 1987, in accordance with 49 C.F.R. § 192.605(a);

f) Failure on several occasions to use and maintain Form C, 2313, "Corrosion Control Report-Category U and N," for each area in the Northern Region as required by Company Procedure 653-5, Section 10, effective date November 11, 1987, in accordance with 49 C.F.R. § 192.605(a);

g) Failure on several occasions to use and maintain Form C, 1282-3, "Rectifier Power Bill Summary," as required by Company Procedure 653-5, Section 4, effective date November 11, 1987, in accordance with 49 C.F.R. § 192.605(a);

h) Failure on several occasions to use and maintain Form C, 1282-2, "Rectifier Inspection Check Sheet," as required by Company Procedure 653-5, Section 4, effective date November 11, 1987, in accordance with 49 C.F.R. § 192.605(a);

i) Failure on several occasions in the Northern Region to monitor cathodic protection rectifiers six times per year, in accordance with 49 C.F.R. § 192.465(b);

j) Failure on several occasions in the Northern Region to monitor rectifiers within 2 1/2 month intervals, in accordance with 49 C.F.R. § 192.465(b);

k) Failure on several occasions to use and maintain Form C, 1282-7, "Pipe Footage Summary Sheet," as required by Company Procedure 653-5, Section 8, effective date November 11, 1987, in accordance with 49 C.F.R. § 192.605(a);

l) Failure on numerous occasions to comply with Company Policy and Procedure 656-1, "Pipe Exposures," and detail the condition of the pipe on Form C, 1282-8, "Plant Order," effective date March 12, 1990, in accordance with 49 C.F.R. § 192.605(b)(1);

m) Failure on numerous occasions to keep cathodic protection records for the life of the gas main, in accordance with 49 C.F.R. § 192.491;

n) Failure on numerous occasions in the Northern Region to follow Company Policy and Procedure 653-3, "Control Programs for Areas of Active Corrosion," effective date January 16, 1989, by failing to document corrosion leaks properly and to update base maps, in accordance with 49 C.F.R. § 192.605(b)(2);

o) Failure on numerous occasions to document the cathodic protection readings, in accordance with 49 C.F.R. § 192.491(c);

p) Failure on numerous occasions in the Northern Region to comply with Company Policy and Procedure 656-1, "Pipe Exposures," which requires that when any pipe is exposed for reasons other than leakage, a pipe-to-soil potential reading must be taken and an anode installed if the reading is less than -0.850 volts, in accordance with 49 C.F.R. § 192.605(b)(2);

q) Failure on numerous occasions in the Northern Region to take prompt remedial action to correct deficiencies, in accordance with 49 C.F.R. § 192.465(d);

r) Failure on numerous occasions to use and maintain Form C, 1282-13, "Activities," in the Northern Region as required by Company Procedure 653-5, Section 9, effective date November 11, 1987, in accordance with 49 C.F.R. § 192.605(a);

s) Failure on numerous occasions to use and maintain Form C, 2813, "Coated Steel-Cathodically Protected," in the Northern Region as required by Company Procedure 653-5, Section 9, effective date November 11, 1987, in accordance with 49 C.F.R. § 192.605(a);

t) Failure on numerous occasions to use and maintain Form C, 2812, "Bare Steel-Cathodically Protected," in the Northern Region as required by Company Procedure 653-5, Section 9, effective date November 11, 1987, in accordance with 49 C.F.R. § 192.605(a);

u) Failure on numerous occasions in the Northern Region to have adequate numbers of cathodic protection test stations, in accordance with 49 C.F.R. § 192.469;

v) Failure on numerous occasions to use and maintain Form C, 1282-4, "Test Point Sheet," for each test station as required by Company Procedure 653-5, Section 7, effective date November 11, 1987, in accordance with 49 C.F.R. § 192.605(a);

w) Failure on numerous occasions to use and maintain Form C, 1282-4, "Test Point Sheet," to record cathodic protection test readings as required by Company Procedure 653-5, Section 7, effective date November 11, 1987, in accordance with 49 C.F.R. § 192.605(a); and

x) Failure on numerous occasions in the Northern Region to monitor external corrosion, in accordance with 49 C.F.R. § 192.465(a).

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 it will complete the actions and pay an amount as outlined below:

(1) The Company will pay a civil penalty to the Commonwealth of Virginia in the sum of $50,000 contemporaneously with the entry of this Order. The 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 shall not be recovered in the Company's rates as part of its cost of service. The amount shall be booked in Account No. 426.3 of the Uniform System of Accounts. The Company shall verify this booking requirement by submitting a copy of the trial balance showing this entry to the Director of the Division of Public Utility Accounting within 30 days of the date of this Order;

(2) The Company will take the following actions pursuant to the following schedule:

a) On or before May 1, 2000, CGV will tender to the Director of the Division of Energy Regulation an affidavit signed by an appropriate corporate official certifying that the Company has corrected all probable violations noted in Staff Report No. 144.

b) On or before June 1, 2000, CGV will tender to the Director of the Division of Energy Regulation an affidavit signed by an appropriate corporate official certifying that the Company has retained an outside consultant to perform an independent audit of the management, policies and procedures, operation, maintenance, and facilities of the Company's cathodic protection corrosion control program. Said audit shall include (i) an assessment of the effectiveness of the Company's corrosion control program organizational structure, (ii) an assessment of CGV's corrosion control field practices including a statistically-significant sampling of CGV's facilities to ensure conformance with normal industry standards and compliance with Part 192 of 49 C.F.R., and (iii) an assessment of CGV's corrosion control policies and procedures to ensure compliance with 49 C.F.R., Part 192. The consultant shall work at the direction of the Commission Staff and the Company and shall complete the review and audit ordered herein within three months of the date of execution of the contract. All consultant's documents, reports, and records shall be provided simultaneously to the Director of the Division of Energy Regulation and to the Company. To the extent the consultant determines that CGV's corrosion control program, including the management of said program, fails to meet industry standards or is not in compliance with Part 192 of 49 C.F.R., the Company will develop a work plan, in consultation with the Staff, to bring the program to normal industry standards and into compliance with Part 192 of 49 C.F.R. within 12 months of the date of the final consultant's report. Upon receipt of the consultant's final report, the Company will tender to the Director of the Division of Energy Regulations a copy of the actual invoice presented to the Company for the consultant's services.

c) On or before October 1, 2001, CGV will tender to the Director of the Division of Energy Regulation a notarized affidavit signed by an appropriate corporate official certifying that the Company has corrected any deficiencies noted in the consultant's report. Upon a showing of good cause, the Commission may enlarge the period in which such remediative measures must be completed by CGV.

d) On or before September 1, 2001, CGV shall remediate, through replacement or other appropriate means, approximately 5,233 feet of mains of various sizes, which have become exposed due to weather or other unplanned conditions. Such mains are located in the following operating areas: Gainesville (286 feet), Fredericksburg (222 feet), Chester (300 feet), and Lynchburg (4,425 feet). During the three year period following the entry of this order, CGV shall remediate any other main exposed due to weather or other unplanned condition, within 12 months of the discovery of the exposure.

e) Not later than May 1, 2000, CGV shall initiate an investigation, location, recordation, and acquisition of all Customer Owned Service Lines ("COSLs") installed prior to January 1, 1984, in its Gainesville, Staunton, and Lexington operating areas. These COSLs were installed by or at the direction of customers of CGV, at the customer's expense, and are located entirely on the customer's property. The Company shall complete the program for 5000 COSLs by November 1, 2000, and another 5000 by May 1, 2001. Thereafter, CGV shall complete the aforementioned program on at least 10,000 COSLs by May 1, 2002, and on the remaining COSLs by May 1, 2003.

f) Beginning October 1, 2000, and each six months thereafter, CGV shall report to the Director of the Division of Energy Regulation on the actions it has taken, and the expenditures it has made, to comply with the requirements of paragraphs (d) and (e), above. Evidence of compliance with the requirements of paragraph (b) above shall be as required by the Director of the Division of Energy Regulation.

g) The Company shall not make an application for base rate relief prior to May 1, 2001.

NOW THE COMMISSION, being fully advised in the premises and finding sufficient basis for the entry of this Order, and in reliance upon 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 has agreed to initiate programs and actions in furtherance of public safety, as set forth above. Therefore, the Commission finds that the offer of compromise and settlement should be accepted. The failure of CGV to comply with the undertakings ordered below may result in the initiation of a Rule to Show Cause proceeding against the Company. Such proceeding may include any action necessary to effect immediate completion of the programs and activities described above. 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 compromise and settlement made by CGV be, and hereby is, accepted.

(2) Pursuant to § 56-5.1 of the Code of Virginia, CGV be, and hereby is, fined the civil amount of $50,000.

(3) The sum of $50,000 tendered contemporaneously with the entry of this Order is accepted.

(4) The Company record the fine on its books of account as directed herein.

(5) The Company timely commence, maintain, and complete the programs and undertakings as set forth on pages 6-8 of this Order.

(6) The Company submit the reports and affidavits to the persons, and on the dates and schedules, set forth in the undertakings on pages 6-8 of this Order.

(7) The Commission retains jurisdiction over this matter for all purposes, and this matter is continued for the further orders of the Commission.

CASE NO. PUE990437
FEBRUARY 1, 2000

APPLICATION OF
SHENANDOAH GAS COMPANY

For an Annual Informational Filing

FINAL ORDER

On June 29, 1999, Shenandoah Gas Company ("Shenandoah" or "the Company") filed its Annual Informational Filing ("AIF") with the State Corporation Commission ("Commission"). As part of its AIF, Shenandoah included operating and financial data for the twelve months ended March 31, 1999.

On December 3, 1999, the Commission Staff filed its report on the captioned application, which included a financial and accounting analysis. As noted in the Staff report, Shenandoah's ratemaking capital structure is based on an average Washington Gas Light Company ("WGL") consolidated capital structure.[1]

The Staff noted that based on the 10.7% midpoint of the return on equity range of 10.2% - 11.2% approved in Case No. PUE970616, Shenandoah's overall cost of capital for the test year was 8.932% versus 8.968% in the previous test year. Staff reported that the marginal decline in WGL's cost of capital was attributable to retirement of $30.7 million of relatively higher rate debt that was replaced by the $25 million of comparatively lower rate medium term notes issued by WGL during the test year. The Staff noted that WGL's effective cost rate on certain issues of medium term notes were based on issuance costs that reflected the respective gain or loss from interest rate hedge agreements employed to "lock" in interest rates on associated issues of debt. Staff reserved the right to address the cost of capital ramifications of WGL's interest rate hedge agreements in the next rate proceeding relevant to Shenandoah's operations.

In conducting its accounting analysis, Staff made revisions to several of the Company's accounting and ratemaking adjustments. Staff also noted that Shenandoah had funded neither the post-retirement benefits other than pensions ("OPEB") implementation deferral written off in the 1996 AIF nor the OPEB costs capitalized during the implementation period. The Staff relied upon the Commission's December 30, 1992 Order in Case No. PUE920003,[2] as support for its recommendation that Shenandoah either fund the unfunded OPEB liability immediately or reflect in future AIFs and rate cases a rate base reduction in the amount of the unfunded OPEB liability, net of related Accumulated Deferred Federal Income Taxes ("ADFIT"). The Order entered in Case No. PUE920003 provides that

> [i]f a utility does not fully fund its OPEB accruals, the unfunded OPEB liability shall be treated as recovered from customers unless associated with a ratemaking deferral. Therefore, any unfunded OPEB liability shall be deducted from rate base unless deferred for regulatory purposes.

OPEB Order, 1992 S.C.C. Ann. Rept. at 316

On January 4, 2000, Shenandoah, by counsel, filed a response to the Staff report and agreed to fund both the amounts related to OPEB that were capitalized during the implementation deferral period and the OPEB implementation deferral written off in the 1996 AIF. The Company noted that it was reviewing its books to determine the level of OPEBs paid from corporate funds during the implementation deferral period, which it asserted should be credited towards the amount funded.

Shenandoah advised that it was also reviewing the balance of funds in the Voluntary Employee Beneficiaries Association ("VEBA") trust that had been allocated to the Company's West Virginia operations and that, it represented, would be allocated to the Virginia operations following the sale of all of Shenandoah's West Virginia assets and the related reduction in its work force. With respect to its agreement to fund the portion of the OPEB implementation deferral that the Company agreed to write off in 1996, the Company stated that it should not be deemed to have agreed with any particular concept or principle in connection with such action, including the assertion that the regulatory asset written off in 1996, was "recovered in rates".

In its letter dated January 10, 2000, Shenandoah supplemented its response to the Staff report, noting that in order to resolve the matter, the Company agreed to fund the unfunded OPEB liability as determined by Staff in the amount of $369,903. It represented that the balance of funds in the VEBA trust which it proposed to "allocate" to Virginia but was not attributable to rate recovery from Virginia ratepayers was $253,480, and therefore Shenandoah would contribute $116,423 to the VEBA trust, the difference between the unfunded OPEB liability of $369,903 as determined by Staff, and the amount of $235,480 in the VEBA trust. Shenandoah proposed to make this payment with its next quarterly contribution scheduled for March 31, 2000.

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[1] WGL, Shenandoah's parent company, is the entity that raises capital for Shenandoah.

[2] See Commonwealth of Virginia ex rel. State Corporation Commission, Ex Parte, In re: Consideration of a rule governing Accounting for Postretirement Benefits other than Pensions, Case No. PUE920003, 1992 S.C.C. Ann. Rept. 315 (hereafter "OPEB Order").

NOW UPON CONSIDERATION of the foregoing, the Commission is of the opinion and finds Shenandoah should comply with the OPEB Order by funding the unfunded OPEB liability or by reflecting the liability net of ADFIT, as a rate base deduction; that the Company's funding proposal set out in its letter dated January 10, 2000, is reasonable; that Shenandoah should contribute $116,423 to its VEBA trust by March 31, 2000; and that this proceeding should be dismissed.

Accordingly, IT IS ORDERED that:

(1) Shenandoah shall contribute $116,423 to its VEBA trust by no later than March 31, 2000.

(2) This matter shall be dismissed from the Commission's docket of active proceedings, and the papers filed herein shall be placed in the Commission's file for ended causes.

CASE NO. PUE990529
JANUARY 6, 2000

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 January 5, 1999, The Brothers Signal Company damaged a four-inch plastic gas main line operated by Washington Gas Light Company located at or near Jefferson Davis Highway and Neabsco Road, Woodbridge, Virginia, while excavating;

(2) On or about January 16, 1999, Jones Utility Construction Co. damaged a four-inch plastic gas main line operated by Washington Gas Light Company located at or near Lot 76, Farrcroft Drive, Fairfax, Virginia, while excavating;

(3) On or about January 17, 1999, Woodlawn Construction Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 6715-H Backlick Road, Fairfax, Virginia, while excavating;

(4) On or about April 14, 1999, WCC Cable, Inc., damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 4532 Maxfield Drive, Annandale, Virginia, while excavating;

(5) On or about April 14, 1999, Rice Contracting Corporation damaged a one inch plastic gas service line operated by Washington Gas Light Company located at or near 10780-C Lee Highway, Fairfax, Virginia, while excavating;

(6) On or about April 17, 1999, the City of Falls Church damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 505 Hillwood Avenue, Falls Church, Virginia, while excavating;

(7) On or about April 26, 1999, Easy Living Irrigation, Inc., damaged a one inch plastic gas service line operated by Washington Gas Light Company located at or near 1125 Round Pebble Lane, Fairfax, Virginia, while excavating;

(8) On or about May 5, 1999, Expert Fence, Inc., damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 9424 Black Hawk Court, Manassas Park, Virginia, while excavating;

(9) On or about May 6, 1999, Bell Bros., Inc., damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 9001 Braddock Road, Springfield, Virginia, while excavating;

(10) On or before May 7, 1999 UTILX Corporation damaged a primary power line and a bulk feeder line operated by Virginia Electric and Power Company located at or near 11800 Sunrise Valley Drive, Reston, Virginia, while excavating;

(11) On or about May 10, 1999, Bell Bros., Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 3115 South 6th Street, Arlington, Virginia, while excavating;

(12) On or about May 11, 1999, UTILX Corporation damaged a primary power line operated by Virginia Electric and Power Company located at 2053 Royal Fern Court, Renton, Virginia, while excavating;

(13) On or about May 11, 1999, the Town of Leesburg damaged a two-inch plastic gas main line operated by Washington Gas Light Company located at or near 130 Prospect Drive, Leesburg, Virginia, while excavating;

(14) On or about May 13, 1999, R. B. Hinkle Construction, Inc., damaged a two-inch plastic gas main line operated by Washington Gas Light Company located at or near Lot 42, Scott Borough Square, Loudoun, Virginia, while excavating;

(15) On or about May 13, 1999, Long's Corporation damaged a one-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 10019 Commonwealth Boulevard, Fairfax, Virginia, while excavating;

(16) On or about May 14, 1999, Atlas Enterprises of America, Incorporated damaged a three-eighths inch copper gas service line operated by Washington Gas Light Company located at or near 8417 Blakiston Lane, Alexandria, Virginia, while excavating;

(17) On or about May 17, 1999, Easy Living Irrigation, Inc., damaged one-inch plastic gas service line operated by Washington Gas Light Company located at or near 11250 Bright Pond Lane, Reston, Virginia, while excavating;

(18) For the incidents described in paragraphs (1) through (17) 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 the Code of Virginia;

(19) On or about May 12, 1999, Kevin McElroy, homeowner, notified the notification center of plans to excavate at or near 6247 Clay Pipe Court, Centreville, Virginia;

(20) On or about May 20, 1999, C. M. Parker & Co., Inc., notified the notification center of plans to excavate at or near 7414 Little River Turnpike, Annandale, Virginia; and

(21) For the incidents described in paragraphs (19) and (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 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 $21,750 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 $21,750 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. PUE990531
FEBRUARY 22, 2000

APPLICATION OF
VIRGINIA GAS DISTRIBUTION COMPANY

For a general rate increase

FINAL ORDER

On August 25, 1999, Virginia Gas Distribution Company ("VGDC" or "the Company") filed with the Clerk of the Commission an application for a general rate increase. In its application, the Company proposed to increase its rates to recover non-gas revenues of approximately $300,000. The Company intends to phase in the rate increase over a two-year period. During the first year, the Company proposes to recover one-half of its non-gas requirement, or $150,000. The Company would phase in the remainder of its proposed rate increase at the start of the second year. The Company also proposed revisions to the general terms and provisions of its tariff to reflect a purchased gas adjustment in its basic rate structure.

On September 14, 1999, the Commission entered an Order for Notice and Hearing. In that Order, the Commission suspended the Company's proposed rate increase for a period of 150 days, or through January 22, 2000; appointed a Hearing Examiner to hear the case; directed the Commission's Staff to investigate the Company's application; scheduled a hearing on the application for February 2, 2000; and established procedural dates for the filing of pleadings, prepared testimony and exhibits, and the publication of notice. There were no Notices of Protests, Protests, or comments filed pursuant to that order.

On January 20, 2000, the Company filed a Motion to Implement Rates and Accept Bond. By Ruling dated January 21, 2000, the Hearing Examiner granted the Company's Motion and allowed VGDC to implement its proposed rates subject to refund with interest on and after January 23, 2000. The Company's bond to secure any refunds ordered by the Commission was accepted for filing.

On January 28, 2000, Staff filed a Motion for Leave to File Stipulation. Attached to that Motion was a Joint Stipulation between Staff and the Company designed to resolve all issues in this matter.

A hearing on the application was convened on February 2, 2000, before Hearing Examiner, Michael D. Thomas. No public witnesses appeared to comment on the Company's proposed rate increase or revisions to VGDC's tariff. Proof of public notice was received into the record.

On February 4, 2000, the Hearing Examiner filed his Report. In his Report, the Examiner found that:

(1) The proposed rate increase as set forth in the Joint Stipulation and Schedule A attached thereto is reasonable and should be approved by the Commission; and

(2) The tariff revisions set forth in the Joint Stipulation are reasonable.

By letter dated February 10, 2000, counsel for VGDC notified the Commission that it would not file any comments to the Hearing Examiner's Report.

The Examiner recommended that the Commission enter an order adopting the findings in his Report, approving the proposed revenue increase, rates, and tariff revisions set forth in the Joint Stipulation and Schedule A attached thereto.

NOW THE COMMISSION, upon consideration of the record, the Hearing Examiner's Report, and the applicable statutes, is of the opinion and finds that the findings and recommendations of the Hearing Examiner are reasonable and should be adopted. Accordingly,

IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner's February 4, 2000, Report are accepted.

(2) The Joint Stipulation between the Company and Staff, identified as Appendix A hereto, is accepted, and is incorporated into this Order by its attachment.

(3) VGDC is hereby authorized to increase its gross annual revenues by $300,000 for service phased in over a two-year period for service rendered on and after January 23, 2000. One-half, or $150,000, shall be recovered the first year. At the start of the second year, the Company shall phase in the remainder of its authorized increase.

(4) On or before March 1, 2000, VGDC shall file with the Division of Energy Regulation revised tariffs which are consistent with the findings made herein, effective for service rendered on and after January 23, 2000.

(5) The Company shall forthwith implement the Staff's booking and accounting recommendations as detailed in Appendix A attached hereto.

(6) VGDC shall implement the rate design, cost of service study, revenue apportionment, and tariff revision proposals described in Appendix A attached hereto.

(7) There being nothing further to be done in this matter, it is hereby dismissed.

NOTE: A copy of Attachment 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. PUE990532
APRIL 25, 2000

APPLICATION OF
SYDNOR HYDRODYNAMICS, INC.
and
AQUASOURCE UTILITY-VIRGINIA, INC.

For certificates of public convenience and necessity for the Lake Shawnee System

FINAL ORDER

On November 9, 1999, Sydnor Hydrodynamics, Inc. ("Sydnor"), and AquaSource Utility-Virginia, Inc. ("AquaSource Virginia" or "the Company"), (collectively, "Applicants"), filed an application requesting certificates pursuant to §§ 56-265.2 and 56-265.3 of the Code of Virginia ("Code"). Applicants request a certificate pursuant to § 56-265.2 for AquaSource Virginia to acquire from Sydnor the existing assets of the Lake Shawnee System. Applicants also request a certificate pursuant to § 56-265.3 for AquaSource Virginia to continue to provide water service to the Lake Shawnee Subdivision located in Powhatan County, Virginia. In addition, Sydnor and AquaSource Virginia request authority for the above-referenced transfer of assets pursuant to Chapter 5 of Title 56 if the Commission determines that such authority is required.

In their application, Applicants state that there will be no change in the operation or rates for the Lake Shawnee System. The current rates are as follows: $36.12 minimum charge for the first 8,000 gallons of water and $4.515 per 1,000 gallons thereafter. The Company renders its bills bimonthly in arrears.

The minimum bimonthly charge becomes effective when water service is made available to the lot, and no bill is rendered for less than the minimum service charge, regardless of usage or inactive connection.

The Company proposes the following miscellaneous charges: a $20.00 service transfer charge, a 1 1/2 percent per month late payment fee on all past due balances, and a $2,000 service connection charge for single dwellings with the same charge applicable per equivalent unit for multiple unit dwellings. AquaSource Virginia also proposes a customer deposit equal to a customer's estimated bill for one regular billing period, with such deposit payable in three consecutive equal installments if the estimate exceeds $40.00. There is also a $40.00 turn-on charge to restore water service that has been discontinued for the non-payment of a bill, for the violation of the Company's rates, rules, and regulations of service, or upon customer request. That charge will increase to $120.00 if turn-on is made after 4:00 p.m. on a weekday or during a night, a weekend, or a holiday. In addition, AquaSource Virginia proposes a $17.00 bad check charge and a $35.00 meter test charge provided that the meter was not tested during the last two years. The meter test charge is refundable if it is determined that the meter is over registering.

By Order dated January 31, 2000, the Commission directed the Company to give notice of its application, to provide the public with an opportunity to comment and request a hearing, and to file certain financial information with the Commission's Division of Public Utility Accounting on or before April 1, 2001, based on operations for the twelve months commencing January 1, 2000. The Commission also directed its Staff to file a report detailing its findings and recommendations on or before March 24, 2000.

There were no comments or requests for hearing filed in this case.

Staff filed its Report on March 24, 2000. In its Report Staff recommended approval of the requested certificates, the proposed water rates, and the proposed miscellaneous charges and tariff, subject to certain modifications. Such modifications include reducing the proposed after-hours reconnection charge from $120.00 to $100.00 and deleting the reference obligating a customer with an inactive service connection from payment of the minimum water rate.

Staff also recommended changes to Rule Nos. 1, 2, 6, 9, and 10 of the Company's tariff. Specifically, Staff proposed that language referencing the owner's responsibility for payment of the bill be deleted from Rule No. 1 and that language conditioning the provision of service on the Virginia Department of Health's approval of additional connections be deleted from Rule No. 2. Staff also proposed that the Company modify Rule No. 6 to conform to the standard tariff language for meter testing and delete language in Rule No. 9 permitting posted notice of prospective disconnection. Staff recommended that AquaSource Virginia delete language in Rule No. 10 referencing the treatment of future reconnections in instances where water service has been discontinued for non-payment of bills or for violations of the Company's rules or regulations of service. Finally, Staff recommended that the Company's rates be reviewed after AquaSource Virginia submits the required financial data based on operations for the twelve (12) months commencing January 1, 2000.

On April 3, 2000, Applicants submitted additional information pertaining to their request for Chapter 5 approval.

NOW THE COMMISSION, having considered the application, Staff's Report, and the applicable law, is of the opinion that the above-captioned application should be approved. We find that the public convenience and necessity requires that AquaSource Virginia acquire the water facilities of the Lake Shawnee Water System. We also believe that such transfer requires our approval pursuant to Chapter 5 of Title 56. We find that the transfer of the assets of the Lake Shawnee Water System will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates. Moreover, we find that it is in the public interest for AquaSource Virginia to provide service to the Lake Shawnee Subdivision in Powhatan County, Virginia, and that Lake Shawnee's current rates do not appear to be unjust and unreasonable. We will, therefore, approve those rates and will approve the Company's miscellaneous charges and tariff, subject to the modifications recommended by Staff. Following the submission of financial data detailed in our Order of January 30, 2000, we will require our Staff to conduct an audit of AquaSource Virginia's books and records and to file a report detailing its findings and recommendations. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Sydnor is hereby granted authority to sell and convey to AquaSource Virginia the assets of the Lake Shawnee Water System, as described in the application.

(2) AquaSource Virginia is hereby authorized to acquire from Sydnor the existing assets of the Lake Shawnee Water System.

(3) The granting of the above-referenced authority shall have no ratemaking implications.

(4) The Company shall file a Report of Action with the Commission's Director of Public Utility Accounting no later than June 23, 2000, detailing the date of transfer, sales price, and accounting entries reflecting the transfer.

(5) AquaSource Virginia shall be granted a certificate of public convenience and necessity, Certificate No. W-294, authorizing it to provide water service to the above-referenced subdivision in Powhatan County, Virginia.

(6) We will approve the Company's proposed rates, charges, and rules and regulations of service, subject to the modifications recommended by Staff.

(7) On or before May 31, 2000, AquaSource Virginia shall file a revised tariff incorporating the modifications referenced herein.

(8) Staff shall conduct an audit of AquaSource Virginia's books and records for the Lake Shawnee Water System and shall file a Report detailing the results of its investigation on or before June 29, 2001.

(9) This case shall be continued generally.

CASE NO. PUE990593
FEBRUARY 11, 2000

APPLICATION OF
CENTRAL WATER COMPANY

For a certificate of public convenience and necessity to operate a water utility

FINAL ORDER

Under cover of a letter dated August 19, 1999, the Vice-President of Central Water Company, Inc. ("Central" or "Company") submitted an application and several exhibits to Marc Tufaro of the Commission's Division of Energy Regulation requesting the issuance of a certificate of public convenience and necessity to operate a water utility. Mr. Tufaro caused the application to be filed with the Clerk of the Commission. Central serves or proposes to serve 450 to 750 customers in the Amsterdam District of Botetourt County, Virginia.

By Order dated October 12, 1999, and pursuant to our authority under Chapter 10.1 of Title 56 and under § 56-247 of the Code of Virginia, we directed our Staff to conduct an investigation of the application and to submit its findings in a report to be filed with the Commission. The Order also directed the Company to give notice of its application to its customers and to the Chairman of the Board of Supervisors of Botetourt County. The Commission received no requests for hearing on this matter.

On January 14, 2000, the Commission Staff filed the report of its investigation. The report found that the Company's proposed rates were not excessive. The report also recommended a change in one of the Company's proposed tariffs and that the Company make certain changes in its books of account.

On January 28, 2000, Central's Vice President, Stephen C. Rossi, submitted a letter agreeing to implement all recommendations contained in the Staff report.

NOW THE COMMISSION, having considered the application, the Staff report, Mr. Rossi's letter, and the applicable statutes and rules, is of the opinion that the Staff's recommendations are reasonable and should be adopted. Accordingly,

IT IS ORDERED THAT:

(1) The recommendations contained in the January 14, 2000, Staff report are adopted.

(2) Central Water Company is hereby granted Certificate No. W-298 to provide water service.

(3) The Company's proposed rates, rules and regulations, as modified by the Staff recommendations, are approved.

(4) The Company shall comply with the accounting recommendations set out in the Staff report and adopted herein, and shall demonstrate to the Director of the Division of Public Utility Accounting that it has so complied within six months of the date of this Order.

(5) There being nothing further to come before the Commission, this matter is dismissed.

CASE NO. PUE990614
JANUARY 6, 2000

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 March 28, 1999, The Fishel Company damaged a one-half inch plastic gas main line operated by Washington Gas Light Company located at or near 3018 Westmoreland Street, Arlington, Virginia, while excavating;

(2) On or about April 20, 1999, William A. Hazel, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 13401 Lee Highway, Centreville, Virginia, while excavating;

(3) On or about May 3, 1999, D & M Mechanical Contractors, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 8220 Ancient Oak Court, Manassas, Virginia, while excavating;

(4) On or about May 4, 1999, Triple H Contracting Co. damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 4217 Whitacre Road, Fairfax, Virginia, while excavating;

(5) On or about May 5, 1999, Battlefield Utility Contractors, Incorporated damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 4219 Glendale Road, Dale City, Virginia, while excavating;

(6) On or about May 5, 1999, McLean Irrigation, Inc., damaged a three-eighths inch plastic gas service line operated by Washington Gas Light Company located at or near 10000 Garrett Road, Vienna, Virginia, while excavating;

(7) On or about May 6, 1999, Mulchin' Man Landscaping Inc. damaged a three-eighths inch plastic gas service line operated by Washington Gas Light Company located at or near 6133 Beech Tree Drive, Alexandria, Virginia, while excavating;

(8) On or about May 10, 1999, Leo Construction Company damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near Lot 28, Amblewood Drive, Dale City, Virginia, while excavating;

(9) On or about May 17, 1999, Arlington County Public Works damaged a one-half inch copper gas service line operated by Washington Gas Light Company located at or near 1931 North 20th Street, North Arlington, Virginia, while excavating;

(10) On or about May 25, 1999, Arlington County Public Works damaged a one-half inch copper gas service line operated by Washington Gas Light Company located at or near 1900 North Tuckahoe Street, Arlington, Virginia, while excavating;

(11) On or about May 25, 1999, Foley Plumbing, Inc., damaged a four inch plastic gas main line operated by Washington Gas Light Company located at or near Lot 84 Stargrass Court, Prince William, Virginia, while excavating;

(12) On or about June 2, 1999, Cherry Hill Construction, Inc. damaged a three-quarter inch steel gas service line operated by Washington Gas Light Company located at or near 7944 Harwood Place, Springfield, Virginia, while excavating;

(13) On or about June 4, 1999, Fred W. Borden, Incorporated damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 11008 Lance Lane, Oakton, Virginia, while excavating;

(14) On or about June 15, 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 1790 Clovermeadow Drive, Fairfax, Virginia, while excavating;

(15) On or about June 15, 1999, VMG Brothers damaged a four inch plastic gas main line operated by Washington Gas Light Company located at or near 8103 Viola Street, Springfield, Virginia, while excavating;

(16) On or about June 27, 1999, Bill Rhinehart, Jr., homeowner, damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 3828 Glennbrook Road, Fairfax, Virginia, while excavating;

(17) On or about July 4, 1999, David M. Firey, homeowner, damaged a one-half inch plastic gas service line operated by Roanoke Gas Company located at or near 523 Arbutus Avenue, S.E., Roanoke, Virginia, while excavating;

(18) On or about July 15, 1999, T C S Communications damaged a three inch plastic gas service line operated by Washington Gas Light Company located at or near 2038 Royal Fern Court, Fairfax, Virginia, while excavating;

(19) On or about July 19, 1999, West Wing Builders, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 2907 Taj Drive, Fairfax, Virginia, while excavating;

(20) On or about July 21, 1999, The Strong Companies, Inc., damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 7209 Hickory Street, Falls Church, Virginia, while excavating;

(21) For the incidents described in paragraphs (1) through (20) 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 the Code of Virginia;

(22) On or about May 14, 1999, Leo Construction Company notified the notification center of plans to excavate at or near Burke Commons Road, Burke, Virginia;

(23) On or about July 8, 1999, Denise Regan, homeowner, notified the notification center of plans to excavate at or near 608 North Street, Leesburg, Virginia; and

(24) For the incidents described in paragraphs (22) and (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 $20,450 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 $20,450 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. PUE990619
APRIL 19, 2000

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION
v.
ROBERT A. WINNEY, d/b/a THE WATERWORKS COMPANY OF FRANKLIN COUNTY,
Defendant

FINAL ORDER AND JUDGMENT

Before the Commission is the Report of Michael D. Thomas, Hearing Examiner (Report) filed in this proceeding on March 3, 2000. Based on the record developed at a public hearing held January 11, 2000, Examiner Thomas found that Robert A. Winney d/b/a The Waterworks Company of Franklin County ("The Waterworks Company" or "Company") had violated several provisions of the Code of Virginia and had failed to comply with the Commission's Orders. He recommended that the Commission impose monetary penalties. (Report at 18)

On March 17, 2000, the Commission Staff addressed developments subsequent to the January hearing in its comments. The Staff noted that the Company had failed to file a report concerning refunds required by the Dismissal Order of January 19, 2000, in Application of Robert A. Winney d/b/a The Waterworks Company of Franklin County, Case No. PUE990703. The Staff also requested the Commission to consider a Notice of Violation issued on March 8, 2000, to the Company by the Department of Health, Office of Water Programs. Also on April 4, 2000, a Commission Staff Motion for Judicial Notice was filed with the Clerk and a copy served on The Waterworks Company. In this motion, the Staff moved that the Commission take judicial notice of the State Board of Health Special Order Issued to Robert A. Winney, d/b/a The Waterworks Company of Franklin County, Order Number 3-2000-(03) (March 30, 2000).

The Commission will deny the motion of the Staff, regarding what has occurred since the hearing on January 11, 2000. We will not consider the matters raised in these motions in our consideration of this case.

The Waterworks Company has likewise made two filings. On March 27, 2000, the Clerk received a letter dated March 20, 2000, signed by Robert Winney. The Clerk also received on March 29, 2000, a filing headed "Subject: Rebuttal of Michael Thomas's allegations" dated March 22, 2000, and signed by Robert Winney.

Although both pieces of correspondence from the Company were filed after the date set by Examiner Thomas for filing (Report at 18), the Commission will accept the documents filed with the Clerk as comments on the Report. The Commission must note, however, that both documents include what appear to be allegations of fact. The record establishes that Robert A. Winney was present at the hearing on January 11, 2000, but he declined to take the stand and offer under oath any testimony or other evidence. While we will consider the relevant arguments made by Mr. Winney, we cannot accord many of the statements with the same weight that the Commission would accord sworn testimony.

The Commission has reviewed the Report and record filed in this proceeding. The Report reviews the record as it relates to the three allegations concerning adequacy and reliability of service and the three allegations concerning improper billing and failure to refund over-collections. The Report is complete and thorough, and the Commission will adopt the Examiner's findings as stated in the Report, at 18.

With regard to sanctions for these violations, Examiner Thomas recommended entry of judgment for penalties totaling $24,300 as set out in his recommendations (1) through (4) in the Report, at 18. The record supports imposition of these penalties for violation of various provisions of the Code of Virginia and of our orders. Accordingly, we will adopt these recommendations and enter judgment in the amount of $24,300 plus interest as provided by law.

The Examiner has also recommended that the Commission proceed with an action to appoint a receiver for the Company. (Report at 17) In support of this recommendation, the Examiner quoted § 56-265.13:6.1 of the Code of Virginia, which empowers the Commission to appoint a receiver for a small water or sewer utility. He pointed to the record, which established, in his view, gross mismanagement.

The Commission has considered the record, and we have adopted Examiner Thomas's recommendations on finding violations of statute and our orders. As provided by § 56-265.13:6.1 of the Code, however, the Commission cannot, on its own motion, appoint a receiver. The Commission can only act upon receipt of petition from the Staff, the Board of Health, or two-thirds of the customers. In light of the Report, the Commission Staff should promptly consider whether the circumstances justify petitioning for appointment of a receiver as provided by § 56-265.13:6.1.

In conclusion, the Commission has considered the report and the record developed in this proceeding and it adopts the findings that follow:

(1) The Company violated § 56-265.14:4 of the Code of Virginia by failing to furnish adequate service on at least three occasions;

(2) The Company has failed or refused to obey the Commission's Final Order in Case No. PUE980811, requiring the Company to make certain refunds and to file the prescribed report with the Clerk;

(3) The Company violated § 56-265.13:5 of the Code of Virginia by failing to provide customers notice of a proposed increase in charges for the third quarter of 1999; and

(4) The Company has failed or refused to obey the Commission's Dismissal Order in Case No. PUE990613, requiring the Company to make certain refunds and to file the prescribed report with the Clerk. Accordingly,

IT IS ORDERED THAT:

(1) As provided by § 12.1-33 of the Code of Virginia and § 56-265.6 of the Code of Virginia, penalties in the amount of $24,300 be imposed on Robert A. Winney, Social Security No. 123-32-9127, d/b/a The Waterworks Company of Franklin County and that judgment in that amount 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 the date of this Final Order and Judgment, provided that interest will be waived if the judgment is paid in full on or before May 22, 2000, to the Clerk of the State Corporation Commission, P.O. Box 1197, Richmond, Virginia 23218-1197.

(3) This case be dismissed from the Commission's docket.

CASE NO. PUE990667
JANUARY 6, 2000

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 June 15, 1999, OSP Consultants, Inc., damaged an eight inch plastic gas main line operated by Washington Gas Light Company located at or near 12000 Government Center Parkway, Fairfax, Virginia, while excavating;

(2) On or about July 2, 1999, Excalibur Cable Communications, Ltd., damaged a four inch plastic gas main line operated by Washington Gas Light Company located at or near the intersection of Elk Lick Road and Tall Cedars Parkway, Loudoun, Virginia, while excavating;

(3) On or about July 13, 1999, Hubbard Telephone Contractors, Inc., damaged a three-eighths inch plastic gas line operated by Washington Gas Light Company located at or near 12729 Torrington Street, Lake Ridge, Virginia, while excavating;

(4) On or about July 13, 1999, Rock Hard Excavating, Inc., damaged a three-quarter inch steel gas service line operated by Washington Gas Light Company located at or near 4828 North 29th Street, Arlington, Virginia, while excavating;

(5) On or about July 15, 1999, 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 26 Treeview Court, Dranesville, Virginia, while excavating;

(6) On or about July 15, 1999, Jarvis Builders, Incorporated damaged a one-half inch copper gas service line operated by Washington Gas Light Company located at or near 6310 Olmi-Landrith Drive, Alexandria, Virginia, while excavating;

(7) On or about July 15, 1999, Ward Cable Service damaged a one inch plastic gas service line operated by Washington Gas Light Company located at or near 3234 Allness Lane, Fairfax, Virginia, while excavating;

(8) On or about July 20, 1999, Pantech Construction Co., Inc., damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 1366 Eisenhower Circle, Woodbridge, Virginia, while excavating;

(9) On or about July 23, 1999, Odessie Communications damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 1902 Great Falls Street, Falls Church, 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 the Code of Virginia;

(11) On or about May 4, 1999, S. Stephens Cable Construction, Inc., notified the notification center of plans to excavate at or near 6136 Taffy Court, Prince William, Virginia;

(12) On or about May 5, 1999, S. Stephens Cable Construction, Inc., notified the notification center of plans to excavate at or near 13868 Rehnquist Court, Prince William, Virginia;

(13) On or about May 5, 1999, S. Stephens Cable Construction, Inc., notified the notification center of plans to excavate at or near 4218 Summer Ridge Court, Prince William, Virginia;

(14) On or about May 5, 1999, S. Stephens Cable Construction, Inc., notified the notification center of plans to excavate at or near 13135 Willendale Drive, Prince William, Virginia;

(15) On or about May 5, 1999, S. Stephens Cable Construction, Inc., notified the notification center of plans to excavate at or near 12548 Curling Road, Prince William, Virginia;

(16) On or about June 14, 1999, S. Stephens Cable Construction, Inc., notified the notification center of plans to excavate at or near 5419 Quinn Lane, Dale City, Virginia; and

(17) For the incidents described in paragraphs (11) through (20) herein, the Company failed to mark the approximate horizontal location of the underground utility lines on the ground to within two feet 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 $12,600 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.

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 $12,600 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. PUE990677
FEBRUARY 3, 2000

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY

For a general increase in rates

ORDER FOR NOTICE AND HEARING

On December 23, 1999, Virginia-American Water Company ("Virginia-American" or "Company") completed an application for a general increase in rates for services. In its Application, the Company proposed that rates and charges become effective March 6, 2000. The proposed rates and charges initially would produce $1,441,570 in additional annual operating revenues over the current rates and charges approved in the Company's last rate case on September 14, 1999, in Application of Virginia-American Water Company for a general increase in rates, Case No. PUE970523. The Company proposes that the additional annual operating revenues be allocated among the Company's three operating districts as follows:

$675,019 increase for the Alexandria District

$549,359 increase for the Hopewell District

$217,192 increase for the Prince William District.

Additionally, Virginia-American requests a second increase of $341,891 for the Hopewell District effective March 6, 2001. The two-step increase for the Hopewell District is designed for the transition of several large industrial customers from potable to non-potable water where process needs and internal piping can support this change. The second step of the two-step increase is designed to allow the Company full recovery of new investment in facilities in Hopewell along with the increased operation and maintenance expenses.

As noted, the Company would have the proposed rates and charges take effect on March 6, 2000. The Company had filed an incomplete application on October 6, 1999. Subsequently, a jurisdictional cost of service study was filed, and other updates were made. A complete original application was refiled on December 23, 1999, and deemed complete. We admonish Virginia-American, and all other companies, to adhere scrupulously to our Rules Governing Utility Rate Increase Applications and Annual Informational Filings, 20 VAC 5-200-30, and to the specific findings and directions we issue in rate proceeding final orders so that delays between the date of filing and the date of acceptance may be eliminated. These delays are not in the public interest, and they can be avoided if companies thoroughly prepare applications and confer with the Commission Staff in advance of filing.

The Commission will docket the application and establish procedures for notice, investigation, and hearing. Further, the Commission will allow the proposed rates and charges to become effective March 6, 2000, subject to refund, while the reasonableness of those rates and charges is investigated. Accordingly,

IT IS ORDERED THAT:

(1) This Application shall be docketed and assigned Case No. PUE990677, and all associated papers shall be filed therein.

(2) Virginia-American may put its proposed rates and charges in effect on and after March 6, 2000, subject to refund.

(3) As provided by § 12.1-31 of the Code of Virginia and Rule 7:1 of the Commission's Rules of Practice and Procedure ("Practice Rules"), 5 VAC 5-10-520, a Hearing Examiner shall be assigned to conduct further proceedings on behalf of the Commission and to file a final report with a transcript of this proceeding.

(4) A public hearing shall be held on this Application beginning at 2:00 p.m. on Monday, June 26, 2000, in the Board Chambers Room of the James J. McCoart Administration Building, 1 County Complex Court, Prince William, Virginia 22192. Any member of the public desiring to make a statement on the Application need only appear at the Board Chambers Room at 1:45 p.m. on the date of the hearing and identify himself or herself as a public witness to the Commission's bailiff.

(5) A public evidentiary hearing shall be held on this Application beginning at 10:00 a.m. on Wednesday, July 12, 2000, in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia. Any member of the public desiring to make a statement on the Application at that time need only appear in the Commission's courtroom at 9:45 a.m. on the date of the hearing and identify himself or herself as a public witness to the Commission's Bailiff.

(6) Any person may obtain copies of Virginia-American's Application and supporting testimony and exhibits by contacting the Company's counsel at the following address: Richard D. Gary, Esquire, and Gregory M. Romano, Esquire, Hunton & Williams, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074.

(7) On or before 2:00 p.m. on March 3, 2000, the Company shall file with Clerk of the Commission an original and fifteen (15) copies of any additional direct testimony it intends to present at the public hearing, making a copy of the same available to the public as provided in paragraph (6) above.

(8) Any interested person wishing to comment on the application shall, on or before 2:00 p.m. on May 1, 2000, address such comments to: Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUE990677.

(9) On or before 2:00 p.m. on May 1, 2000, all Notices of Protest, as required by Rule 5:16(a) of the Practice Rules, 5 VAC 5-10-420 B, shall be filed with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and a copy simultaneously shall be served on counsel for Virginia-American, Richard D. Gary, Esquire, and Gregory M. Romano, Esquire, Hunton & Williams, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074. A copy of the Notice of Protest also shall be served on every other Protestant on or before May 5, 2000.

(10) Within five days of receipt of a Notice of Protest, Virginia-American shall serve upon the filer a copy of this Order, its Application, supporting testimony and exhibits, unless copies of these materials already have been provided to that person.

(11) On or before 2:00 p.m. on May 25, 2000, each Protestant shall file with the Clerk an original and fifteen (15) copies of its Protest, as required by Rule 5:16(b) of the Practice Rules, 5 VAC 5-10-420 C, and an original and fifteen (15) copies of the testimony and exhibits that it intends to offer in support of its Protest. The Protestant shall serve one (1) copy of the Protest, testimony, and exhibits on counsel for Virginia-American at the address noted above and on all other parties.

(12) The Commission Staff shall investigate the Application and, on or before 2:00 p.m. on June 13, 2000, shall file with the Clerk an original and fifteen (15) copies of the testimony and exhibits that it intends to offer and shall serve one (1) copy on all parties.

(13) On or before 2:00 p.m. on June 27, 2000, Virginia-American may file with the Clerk an original and fifteen (15) copies of any rebuttal testimony and exhibits that it intends to offer in response to testimony and exhibits previously filed and shall serve one (1) copy on all parties.

(14) Discovery shall be conducted in accordance with Part VI of the Practice Rules, 5 VAC 5-10-450 to –510, except that:

(a) Answers and objections shall be served within ten (10) days after receipt of interrogatories; and

(b) Special motions upon the validity of any objections raised by answers shall be filed within three (3) working days of receipt of the objection.

(15) On or before March 3, 2000, the Company shall complete publication of the following notice to be published as display advertising (not classified advertising) once a week for two consecutive weeks in newspapers of general circulation in the Alexandria District:

NOTICE TO THE PUBLIC OF AN APPLICATION
FOR A GENERAL INCREASE IN RATES BY
VIRGINIA-AMERICAN WATER COMPANY
CASE NO. PUE990677

On December 23, 1999, Virginia-American Water Company ("Virginia-American" or "the Company") completed an application with the State Corporation Commission ("the Commission") for a general

increase in rates and to revise its tariff. The Company's proposed tariff revisions are effective March 6, 2000, subject to refund with interest, pending a final determination by the Commission in this matter.

The proposed rates are designed to produce an overall increase of $1,441,570, or 5.24% increase in total annual operating revenues. The Company proposes to allocate the annual increase to its operating districts as follows:

	Revenue Increase	Percent Increase
Alexandria	$675,019	5.21%
Hopewell	$549,359	7.32%
Prince William	$217,192	3.09%

Additionally, the Company requests a second increase of $341,891 for the Hopewell District effective March 6, 2001. The two-step increase for the Hopewell District is designed for the transition of several large industrial customers from potable to non-potable water where possible and to allow full recovery of new investment in facilities along with the increased operation and maintenance expenses. It should be noted that an aggregate revenue requirement finally approved by the Commission may result in an allocation to the operating districts different from that proposed by the Company.

Virginia-American's proposed rates for the Alexandria District are as follows:

AVAILABILITY OF SERVICE:

Available to all metered customers other than customers purchasing water for resale.

RATE:

	Gallons Per Month	Gallons Per Quarter	Rate Per 1000 Gallons
For the first	2,000	6,000	minimum charge
For all over	2,000	6,000	$1.3653

MINIMUM CHARGE:

No bill will be rendered for less than the minimum charges set forth below:

Size of Meter	Minimum Charge Per Month	Minimum Charge Per Quarter
5/8 inch	$8.28	$24.84
3/4 inch	$12.42	$37.26
1 inch	$20.70	$62.10
1-1/2 inch	$41.40	$124.20
2 inch	$66.24	$198.72
3 inch	$124.20	$372.60
4 inch	$207.00	$621.00
6 inch	$414.00	$1,242.00
8 inch	$662.40	$1,987.20

SERVICE CONNECTION CHARGE:

3/4 inch Service Connection	$900.00
Service Connections over 3/4 inch	Actual cost to Company including overhead

All service connection charges will be grossed-up for federal income tax if any should occur. The customer shall pay to the Company the service connection charge prior to installation.

A multiple unit housing development owned by an individual, partnership or corporation other than a governmental authority where each and every unit in the development has at all times the same common owner, is located on a single site composed of one or more contiguous parcels; where the housing development owns, maintains and operates all lines of pipe for the distribution of water within the site; and where the housing development furnishes water to its tenants as part of the considerations for the rent charged and does not install, maintain or operate water meters for the sub-metering of water service; where the housing development enters into a special contract with the Company, with such guarantee as may be satisfactory to the Company, to pay to the Company, a minimum of $5,000 per month for water service to said premises; at the regularly established rates of the Company.

Meters, except those installed on private fire connections or sewer exempt meters will be furnished, installed and removed by the Company and shall remain its property.

When meters are installed for the purpose of allowing customers to use water and be exempt from sewer charges, the customer shall provide a meter and the installation at his expense; however, the meter location and type of meter must be approved by the Water Company.

Turn-on and shut-off charges during normal scheduled working hours will be $25.00.

An additional charge of $25.00 will be made for all returned checks tendered.

The Commission has scheduled a hearing to begin at 10:00 a.m. on Wednesday, July 12, 2000, in the Commission's Second Floor Courtroom in the Tyler Building, 1300 East Main Street, Richmond, Virginia, to receive public comment and evidence relevant to the proposed rate increase. A hearing also will be held on Monday, June 26, 2000, in the Board Chambers Room of the James J. McCoart Administration Building, 1 County Complex Court, Prince William, Virginia 22192 to receive public comment on the Application.

A copy of the Company's application and accompanying materials are available for public inspection Monday through Friday, 8:15 a.m. to 5:00 p.m. at the Commission's Clerk's Office, Document Control Center, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia. On and after March 3, 2000, a copy of any supplementary direct testimony and exhibits prefiled by the Company will be available for public inspection at the same location. A copy of the Company's application, accompanying materials, and supplementary direct testimony and exhibits also may be obtained by contacting Virginia-American's counsel at the following address: Richard D. Gary, Esquire, and Gregory M. Romano, Esquire, Hunton & Williams, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074.

Any person desiring to comment in writing on the application may do so by May 1, 2000. Any such comment shall be directed to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and shall refer to Case No. PUE990677. Any person desiring to make a statement at a public hearing, either for or against the application, need only appear in the designated location fifteen minutes prior to the scheduled hearing time and identify himself or herself as a public witness to the Commission's bailiff.

Any person who expects to present evidence, cross-examine witnesses, or otherwise participate in the proceedings as a Protestant, pursuant to Rule 4:6 of the Commission's Rules of Practice and Procedure, 5 VAC 5-10-180, should promptly obtain a copy of the Order for Notice and Hearing from the Clerk of the Commission for full details of the procedural schedule and instructions on participation. All service on the Company in this matter shall be directed to the Company's counsel as follows: Richard D. Gary, Esquire, and Gregory M. Romano, Esquire, Hunton & Williams, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074, and to other Protestants.

All written communications to the Commission regarding this case shall be directed to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and shall refer to Case No. PUE990677.

VIRGINIA-AMERICAN WATER COMPANY

(16) On or before March 3, 2000, the Company shall complete publication of the following notice to be published as display advertising (not classified advertising) once a week for two consecutive weeks in newspapers of general circulation in the Hopewell District:

NOTICE TO THE PUBLIC OF AN APPLICATION
FOR A GENERAL INCREASE IN RATES BY
VIRGINIA-AMERICAN WATER COMPANY
CASE NO. PUE990677

On December 23, 1999, Virginia-American Water Company ("Virginia-American" or "the Company") completed an application with the State Corporation Commission ("the Commission") for a general increase in rates and to revise its tariff. The Company's proposed tariff revisions are effective March 6, 2000, subject to refund with interest, pending a final determination by the Commission in this matter.

The proposed rates are designed to produce an overall increase of $1,441,570, or 5.24% increase in total annual operating revenues. The Company proposes to allocate the annual increase to its operating districts as follows:

	Revenue Increase	Percent Increase
Alexandria	$675,019	5.21%
Hopewell	$549,359	7.32%
Prince William	$217,192	3.09%

Additionally, the Company requests a second increase of $341,891 for the Hopewell District effective March 6, 2001. The two-step increase for the Hopewell District is designed for the transition of several large industrial customers from potable to non-potable water where possible and to allow full recovery of new investment in facilities along with the increased operation and maintenance expenses. It should be noted

that an aggregate revenue requirement finally approved by the Commission may result in an allocation to the operating districts different from that proposed by the Company.

Virginia-American's proposed rates for the Hopewell District are as follows:

STEP 1 - PROPOSED TO BECOME EFFECTIVE MARCH 6, 2000

SCHEDULE NO. 1 (POTABLE)

AVAILABILITY OF SERVICE:

Available to all metered service for water treated with fluoride and carbon as required, except for customers purchasing water for resale.

METER QUANTITY CHARGE:

Where water is supplied by meter measurement, each customer shall be required to pay, and the Company shall collect for all water so supplied at the regular published schedule of rates, herein set forth, subject to the meter minimum charges herein stated.

RATE:

	Cubic Feet		Rate Per
	Month	Quarter	100 Cubic Feet
For the first	300	900	minimum charge
For the next	1,700	5,100	$2.7984
For the next	48,000	144,000	$2.2500
For the next	950,000	2,850,000	$2.0900
For the next	4,000,000	12,000,000	$0.5600
For all over	5,000,000	15,000,000	$0.5150

SCHEDULE NO. 2 (NON-POTABLE)

AVAILABILITY OF SERVICE:

Available for all metered customers for water not treated with fluoride and carbon, except for customers purchasing water for resale.

RATE:

	Cubic Feet Month	Rate Per 100 Cubic Feet for Allied	Rate Per 100 Cubic Feet for Stone
First	3,000,000	$2.2000	$0.6900
Next	3,000,000	$1.2900	$0.5900
Next	3,000,000	$0.5900	$0.5330
All over	9,000,000	$0.2625	$0.2625

	Cubic Feet Month	Rate Per 100 Cubic Feet for all others
First	500,000	$2.1500
Next	500,000	$1.2500
Next	500,000	$0.8000
Next	1,500,000	$0.4500
Next	2,000,000	$0.4400
All over	5,000,000	$0.4300

METER MINIMUM CHARGE (POTABLE):
(Applicable to Schedule No. 1)

	Minimum Charge	
	Per Month	Per Quarter
5/8 inch	$10.32	$30.96
3/4 inch	$15.48	$46.44
1 inch	$25.80	$77.40
1-1/2 inch	$51.60	$154.80
2 inch	$82.56	$247.68
3 inch	$154.80	$464.40
4 inch	$258.00	$774.00
6 inch	$516.00	$1,548.00

8 inch	$825.60	$2,476.80
10 inch	$1,186.80	$3,560.40
12 inch	$2,218.80	$6,656.40

STEP 2 - PROPOSED TO BECOME EFFECTIVE MARCH 6, 2001

SCHEDULE NO. 1 (POTABLE)

AVAILABILITY OF SERVICE:

Available to all metered service for water treated with fluoride and carbon as required, except for customers purchasing water for resale.

METER QUANTITY CHARGE:

Where water is supplied by meter measurement, each customer shall be required to pay, and the Company shall collect for all water so supplied at the regular published schedule of rates, herein set forth, subject to the meter minimum charges herein stated.

RATE:

	Cubic Feet		Rate Per
	Month	Quarter	100 Cubic Feet
For the first	300	900	minimum charge
For the next	1,700	5,100	$2.8577
For the next	48,000	144,000	$2.3250
For the next	950,000	2,850,000	$2.2050
For the next	4,000,000	12,000,000	$0.6650
For all over	5,000,000	15,000,000	$0.6000

SCHEDULE NO. 2 (NON-POTABLE)

AVAILABILITY OF SERVICE:

Available for all metered customers for water not treated with fluoride and carbon, except for customers purchasing water for resale.

RATE:

	Cubic Feet Month	Rate Per 100 Cubic Feet for Allied	Rate Per 100 Cubic Feet for Stone
First	3,000,000	$2.2400	$0.7100
Next	3,000,000	$1.3000	$0.6000
Next	3,000,000	$0.6000	$0.5465
All over	9,000,000	$0.2625	$0.2625

	Cubic Feet Month	Rate Per 100 Cubic Feet for all others
First	500,000	$2.2360
Next	500,000	$1.3000
Next	500,000	$0.8320
Next	1,500,000	$0.4680
Next	2,000,000	$0.4576
All over	5,000,000	$0.4472

METER MINIMUM CHARGE (POTABLE):
(Applicable to Schedule No. 1)

	Minimum Charge	
	Per Month	Per Quarter
5/8 inch	$10.69	$32.07
3/4 inch	$16.04	$48.11
1 inch	$26.73	$80.18
1-1/2 inch	$53.45	$160.35
2 inch	$85.52	$256.56
3 inch	$160.35	$481.05
4 inch	$267.25	$801.75
6 inch	$534.50	$1,603.50
8 inch	$855.20	$2,565.60

10 inch	$1,229.35	$3,688.05
12 inch	$2,298.35	$6,895.05

SERVICE CONNECTION CHARGE:

3/4 inch Service Connection	$560.00
Service Connections over 3/4 inch	Actual cost to Company including overhead

All service connection charges will be grossed-up for federal income tax if any should occur. The customer shall pay to the Company the service connection charge prior to installation.

Turn-on and shut-off charges during normal scheduled working hours will be $25.00. An additional charge of $25.00 will be made for all returned checks tendered.

The Commission has scheduled a hearing to begin at 10:00 a.m. on Wednesday, July 12, 2000, in the Commission's Second Floor Courtroom in the Tyler Building, 1300 East Main Street, Richmond, Virginia, to receive evidence relevant to the proposed rate increase.

A copy of the Company's application and accompanying materials are available for public inspection Monday through Friday, 8:15 a.m. to 5:00 p.m. at the Commission's Clerk's Office, Document Control Center, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia. On and after March 3, 2000, a copy of any supplementary direct testimony and exhibits prefiled by the Company will be available for public inspection at the same location. A copy of the Company's application, accompanying materials, and supplementary direct testimony and exhibits also may be obtained by contacting Virginia-American's counsel at the following address: Richard D. Gary, Esquire, and Gregory M. Romano, Esquire, Hunton & Williams, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074.

Any person desiring to comment in writing on the application may do so by May 1, 2000. Any such comment shall be directed to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and shall refer to Case No. PUE990677. Any person desiring to make a statement at the public hearing, either for or against the application, need only appear in the Commission's courtroom at 9:45 a.m. on the day of the hearing and identify himself or herself as a public witness to the Commission's bailiff.

Any person who expects to present evidence, cross-examine witnesses, or otherwise participate in the proceedings as a Protestant, pursuant to Rule 4:6 of the Commission's Rules of Practice and Procedure, 5 VAC 5-10-180, should promptly obtain a copy of the Order for Notice and Hearing from the Clerk of the Commission for full details of the procedural schedule and instructions on participation. All service on the Company in this matter shall be directed to the Company's counsel as follows: Richard D. Gary, Esquire, and Gregory M. Romano, Esquire, Hunton & Williams, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074, and to other Protestants.

All written communications to the Commission regarding this case shall be directed to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and shall refer to Case No. PUE990677.

VIRGINIA-AMERICAN WATER COMPANY

(17) On or before March 3, 2000, the Company shall complete publication of the following notice to be published as display advertising (not classified advertising) once a week for two consecutive weeks in newspapers of general circulation in the Prince William District:

NOTICE TO THE PUBLIC OF AN APPLICATION
FOR A GENERAL INCREASE IN RATES BY
VIRGINIA-AMERICAN WATER COMPANY
CASE NO. PUE990677

On December 23, 1999, Virginia-American Water Company ("Virginia-American" or "the Company") completed an application with the State Corporation Commission ("the Commission") for a general increase in rates and to revise its tariff. The Company's proposed tariff revisions are effective March 6, 2000, subject to refund with interest, pending a final determination by the Commission in this matter.

The proposed rates are designed to produce an overall increase of $1,441,570, or 5.24% increase in total annual operating revenues. The Company proposes to allocate the annual increase to its operating districts as follows:

	Revenue Increase	Percent Increase
Alexandria	$675,019	5.21%
Hopewell	$549,359	7.32%
Prince William	$217,192	3.09%

Additionally, the Company requests a second increase of $341,891 for the Hopewell District effective March 6, 2001. The two-step increase for the Hopewell District is designed for the transition of several large industrial customers from potable to non-potable water where possible and to allow full recovery of new investment in facilities along with the increased operation and maintenance expenses. It should be noted that an aggregate revenue requirement finally approved by the Commission may result in an allocation to the operating districts different from that proposed by the Company.

Virginia-American's proposed rates for the Prince William District are as follows:

AVAILABILITY OF SERVICE:

Available to all metered customers other than customers purchasing water for resale.

RATE:

	Gallons Per		Rate Per
	Month	Quarter	1000 Gallons
For the first	2,000	6,000	minimum charge
For all over	2,000	6,000	$3.4318

MINIMUM CHARGE:

No bill will be rendered for less than the minimum charges set forth below:

	Minimum Charge	
Size of Meter	Per Month	Per Quarter
5/8 inch	$8.04	$24.12
3/4 inch	$12.06	$36.18
1 inch	$20.10	$60.30
1-1/2 inch	$40.20	$120.60
2 inch	$64.32	$192.96
3 inch	$120.60	$361.80
4 inch	$201.00	$603.00
6 inch	$402.00	$1,206.00
8 inch	$643.20	$1,929.60

SERVICE CONNECTION CHARGE:

3/4 inch Service Connection	$675.00
Service Connections over 3/4 inch	Actual cost to Company including overhead

All service connection charges will be grossed-up for federal income tax if any should occur. The customer shall pay to the Company the service connection charge prior to installation.

Turn-on and shut-off charges during normal scheduled working hours will be $25.00. An additional charge of $25.00 will be made for all returned checks tendered.

The Commission has scheduled a hearing to begin at 10:00 a.m. on Wednesday, July 12, 2000, in the Commission's Second Floor Courtroom in the Tyler Building, 1300 East Main Street, Richmond, Virginia, to receive public comment and evidence relevant to the proposed rate increase. A hearing also will be held on Monday, June 26, 2000, in the Board Chambers Room of the James J. McCoart Administration Building, 1 County Complex Court, Prince William, Virginia 22192 to receive public comment on the Application.

A copy of the Company's application and accompanying materials are available for public inspection Monday through Friday, 8:15 a.m. to 5:00 p.m. at the Commission's Clerk's Office, Document Control Center, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia. On and after March 3, 2000, a copy of any supplementary direct testimony and exhibits prefiled by the Company will be available for public inspection at the same location. A copy of the Company's application, accompanying materials, and supplementary direct testimony and exhibits also may be obtained by contacting Virginia-American's counsel at the following address: Richard D. Gary, Esquire, and Gregory M. Romano, Esquire, Hunton & Williams, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074.

Any person desiring to comment in writing on the application may do so by May 1, 2000. Any such comment shall be directed to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and shall refer to Case No. PUE990677. Any person desiring to make a statement at a public hearing, either for or against the application, need only appear in the designated location fifteen minutes prior to the scheduled hearing time and identify himself or herself as a public witness to the Commission's bailiff.

Any person who expects to present evidence, cross-examine witnesses, or otherwise participate in the proceedings as a Protestant, pursuant to Rule 4:6 of the Commission's Rules of Practice and Procedure,

5 VAC 5-10-180, should promptly obtain a copy of the Order for Notice and Hearing from the Clerk of the Commission for full details of the procedural schedule and instructions on participation. All service on the Company in this matter shall be directed to the Company's counsel as follows: Richard D. Gary, Esquire, and Gregory M. Romano, Esquire, Hunton & Williams, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074, and to other Protestants.

All written communications to the Commission regarding this case shall be directed to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and shall refer to Case No. PUE990677.

VIRGINIA-AMERICAN WATER COMPANY

(18) The Company forthwith shall serve a copy of this Order on the Chairman of the Board of Supervisors of each county in which the Company offers service, and/or the Mayor or Manager of every city and town (or equivalent officials in counties, cities, and towns having alternate forms of government) in which the Company offers service. Service shall be made by first class mail or delivery to the customary place of business or to the residence of the person served.

(19) At the commencement of the hearing scheduled herein, the Company shall provide the Commission with proof of notice as required by paragraphs (15), (16), (17), and (18) above.

CASE NO. PUE990677
NOVEMBER 30, 2000

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY

For a general rate increase

FINAL ORDER

On December 23, 1999, Virginia-American Water Company ("Virginia-American" or "Company") completed an application for a general increase in rates. The Report of Alexander F. Skirpan, Jr., Hearing Examiner of October 19, 2000 ("Report") and the record have been filed. Examiner Skirpan recommended that the Commission accept a proposed settlement that, among other things, produces a total annual increase in revenues of $857,832. The Company filed the only comment, and it urged adoption of the Report. The Commission will adopt the Report's findings and recommendations.

The Company requested an increase in rates, effective March 6, 2000, designed to increase annual operating revenues by $1,441,570. In addition, Virginia-American proposed a second increase of $341,891 for the Hopewell District scheduled to take effect on March 6, 2001. On February 3, 2000, the Commission issued its Order for Notice and Hearing in which it permitted the proposed rates to become effective March 6, 2000, subject to refund. The City of Hopewell and the Hopewell Committee for Fair Water Rates ("Committee") protested the application.[1] On July 31, 2000, Virginia-American withdrew its requested 2001 increase for the Hopewell District.

During the evidentiary hearing held on September 18, 2000, Virginia-American, the Commission Staff, and the Committee offered a stipulation settling all of the issues of this case. The City of Hopewell did not object to the stipulation. Subject to agreed modifications, Virginia-American adopted Staff's adjustments and agreed to the following revenue changes:

Alexandria -- annual increase of $383,660
Hopewell -- annual increase of $549,359
Prince William – annual decrease of $75,187.

These revenue changes are based on the midpoint of a cost of equity range of 10.25% to 11.25%, or an overall cost of capital of 9.014%.

The participants in the stipulation agreed to the Staff's earnings test results, regulatory asset write-off, and the use of such tests for Annual Informational Filings ("AIFs"). The participants also agreed that the earnings test should have no precedential effect in future rate cases or subsequent AIFs. The stipulation provided for tank painting reserve accruals of $6,000 per month for November 3, 1997, through December 31, 1999. Beginning January 1, 2000, the annual reserve accrual should equal the average actual tank painting costs for the preceding five calendar years.

The stipulation provided for the Staff's modification of Virginia-American's rate design for the Hopewell District Schedule 2 (non-potable service) for this case only. Agreement on rate design was with the understanding that such rates will have limited duration, and that rate design issues will be further addressed after this case.

Examiner Skirpan found that the settlement offered a reasonable resolution of the issues, and he recommended its adoption. After considering the record, the Commission adopts Examiner Skirpan's recommendation and accepts the settlement. As discussed in the Report, recovery of the cost of the non-potable system improvements in the Hopewell District through an appropriate rate design remains an issue. The Commission urges the Company, the City of Hopewell, and the Committee to continue discussions to develop a rate design that balances the interests of the Company, customers, and the City of Hopewell. The Staff will be available to provide any assistance it can.

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[1] The members of the Hopewell Committee for Fair Water Rates are as follows: Cogentrix, Goldschmidt Chemical Company, Hercules Incorporated, Honeywell, Hopewell Cogeneration Facility, James River Cogeneration, PraxAir, Inc., and Smurfit-Stone Container.

Based on the record and the stipulation filed in this proceeding, the Commission finds as follows:

(1) The use of a test year ending March 31, 1999, is proper in this proceeding;

(2) Virginia-American's test year operating revenues, after all adjustments, were $27,407,573;

(3) Virginia-American's test year operating revenue deductions, after all adjustments, were $22,367,261;

(4) Virginia-American's test year net operating income and adjusted net operating income, after all adjustments were $5,040,312 and $5,032,771, respectively;

(5) Virginia-American's adjusted test year rate base is $63,419,417;

(6) Virginia-American's current rates produce a return on adjusted rate base of 7.936% and a return on equity of 8.133%;

(7) Virginia-American's current cost of equity is within a range of 10.25% - 11.25%, and Virginia-American's rates should be established based on the midpoint, 10.75%, of the equity range;

(8) Virginia-American's overall cost of capital, using the midpoint of the equity range and the capital structure as proposed by Staff and reflected in the stipulation, is 9.014%;

(9) Based on the stipulation, Virginia-American requires $857,832 in additional gross annual revenues to earn a reasonable return on rate base;

(10) The $857,832 in additional gross annual revenues is assigned to Virginia-American's divisions as follows: Alexandria — an annual increase of $383,660; Hopewell — an annual increase of $549,359; and Prince William — an annual decrease of $75,187;

(11) In accordance with the stipulation, Staff's earnings test results and corresponding Prince William District regulatory asset write-off shall be used for purposes of this case and all AIFs filed before the Company's next rate filing. Such treatment shall have no precedential effect in future cases;

(12) Tank painting reserve accruals for November 3, 1997, through December 31, 1999, should be $6,000 per month. Beginning January 1, 2000, such accruals should be equal to the monthly average actual tank painting costs for the preceding five calendar years. The tank painting accrual reserve, net of tax, as of March 6, 2000, is $135,639, and is assigned to Virginia-American's divisions as follows: Alexandria - $46,361; Hopewell - $49,137; and Prince William - $40,141; and

(13) Pursuant to the stipulation, the Staff's rate design is adopted for this case.

Accordingly, IT IS ORDERED THAT:

(1) Virginia-American's application for a general increase in rates is granted to the extent discussed above and is otherwise denied.

(2) On or before December 20, 2000, Virginia-American shall file with the Commission's Division of Energy Regulation schedules of rates, charges, rules and regulations designed to produce $857,832 in additional gross annual revenues and bearing an effective date of January 1, 2001. The additional revenues shall be apportioned using the methodology approved herein.

(3) On or before June 20, 2001, Virginia-American 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 March 6, 2000. Where application of the rates prescribed by this Final Order results in a reduced bill, Virginia-American shall refund with interest the difference.

(4) 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.

(5) The refunds ordered in (4) 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. Virginia-American 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. Virginia-American may retain refunds owed to former customers when such refund amount is less than $1. Virginia-American 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.

(6) On or before July 20, 2001, Virginia-American shall file with the Divisions of Public Utility Accounting and Energy Regulation a report showing refunds made pursuant to this Final 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 Final Order.

(7) This case is dismissed from the Commission's docket.

CASE NO. PUE990677
DECEMBER 15, 2000

APPLICATION OF
VIRGINIA-AMERICAN WATER COMPANY

For a general rate increase

ORDER ON RECONSIDERATION

On December 13, 2000, Virginia-American Water Company ("Virginia-American" or "Company") petitioned for reconsideration of the Commission's Final Order of November 30, 2000, in this proceeding. The Company requested that the date for completing its refund set in ordering paragraph (3) of the Final Order, June 20, 2001, be extended to July 20, 2001. In support of its petition, Virginia-American stated that additional time was required to implement the new rates and calculate the refunds.

The Commission finds that the Company timely petitioned for reconsideration. Upon consideration of the petition, the Commission will grant the requested extension in the date for completing the refund to customers.

Accordingly, IT IS ORDERED THAT:

(1) The Company's petition for reconsideration is granted.

(2) Ordering paragraph (3) of the Final Order of November 30, 2000, is amended to require recalculation bills and refunds on or before July 20, 2001.

(3) The Final Order of November 30, 2000, otherwise remains in full force and effect.

(4) This case is dismissed from the Commission's docket.

CASE NO. PUE990681
APRIL 6, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
VIRGINIA NATURAL GAS, 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 construction inspections of a new main installation in Virginia Beach, Virginia, and of the relocation of approximately 2,400 feet of 24-inch steel transmission piping in Hanover County, Virginia, involving Virginia Natural Gas, Inc. ("VNG" or "Company"), the Defendant, and alleges:

(1) That VNG 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. § 192.303 – Failure to follow Company Construction Procedure 3.12.2.2, by not installing a weak link to prevent pulling stresses on the pipe;

(b) 49 C.F.R. § 192.303 – Failure to follow Company Construction Procedure Part III, Section 13.01, by transporting coated pipe ells with chain and dropping chain on the coating;

(c) 49 C.F.R. § 192.303 – Failure to follow Company Construction Procedure Part III, Section 1.02 by not installing coating and wrapping materials according to the manufacturer's recommendations;

(d) 49 C.F.R. § 192.303 – Failure to follow Company Construction Procedure Part 111, Section 4.04 by not performing adequate dry film thickness inspections; and

(e) 49 C.F.R. § 192.225(a) – Failure to use a qualified welding procedure to weld a sleeve thickness of 1.25 inches.

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, VNG represents and undertakes that:

(1) The Company will pay a fine to the Commonwealth of Virginia in the amount of $29,000 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) 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 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 VNG 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 VNG be, and it hereby is, accepted.

(2) Pursuant to § 56-5.1 of the Code of Virginia, VNG be, and it hereby is, fined in the amount of $29,000.

(3) The sum of $29,000 tendered contemporaneously with the entry of this Order is accepted.

(4) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. PUE990711
MARCH 7, 2000

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 April 23, 1999, Capco Construction Company damaged a power primary line operated by Virginia Electric and Power Company located at or near the intersection of Corporate Ridge and Magarity Road, McLean, Virginia, while excavating;

(2) On or about June 23, 1999, T C S Communications damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 2360 Albot Road, Reston, Virginia, while excavating;

(3) On or about July 9, 1999, Preferred Services, Inc., damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 1354 Eisenhower Circle, Woodbridge, Virginia, while excavating;

(4) On or about July 22, 1999, Mastec, Inc., damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 2040 Great Falls Street, Fairfax, Virginia, while excavating;

(5) On or about August 2, 1999, Suburban Propane damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 713 Potomac Knolls Drive, Fairfax, Virginia, while excavating;

(6) On or about August 2, 1999, Rockingham Construction Company, Incorporated, damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near Lot 33, Howland Place, Gainesville, Virginia, while excavating;

(7) On or about August 4, 1999, J. B. Strong Plumbing & Heating, Inc., damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 701 Scarburgh Way, Alexandria, Virginia, while excavating;

(8) On or about August 9, 1999, Baughan & Son, Inc., damaged a three-quarter inch steel gas service line operated by Washington Gas Light Company located at or near 7419 Elgard Street, Fairfax, Virginia, while excavating;

(9) On or about August 9, 1999, Down Under Construction Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 705 Park Street Southeast, Vienna, Virginia, while excavating;

(10) On or about August 11, 1999, A. Heatwall Plumbing Company damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 11710 Blue Smoke Trail, Reston, Virginia, while excavating;

(11) On or about August 11, 1999, D. A. Foster Company damaged a three-quarter inch steel gas service line operated by Washington Gas Light Company located at or near 6154 Patrick Henry Drive, Fairfax, Virginia, while excavating;

(12) On or about August 13, 1999, H. T. Bowling, Inc., damaged a one and one-quarter inch plastic gas service line operated by Roanoke Gas Company located at or near 4347 Franklin Road, Roanoke, Virginia, while excavating;

(13) On or about August 15, 1999, Brenda Harris, homeowner, damaged a one-half inch plastic gas service line operated by Roanoke Gas Company located at or near 4670 Whipplewood Court, S.W., Roanoke, Virginia, while excavating;

(14) On or about August 16, 1999, Ferguson Heating & Plumbing, Inc., damaged a one inch plastic gas service line operated by Roanoke Gas Company located at or near 3245 Old Barn Road, Fincastle, Virginia, while excavating;

(15) On or about August 16, 1999, Air Power, Incorporated, damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 42856 Kirkland Street, Ashburn, Virginia, while excavating;

(16) On or about August 16, 1999, Contracting Enterprises, Incorporated, damaged a two inch plastic gas main line operated by Roanoke Gas Company located at or near 5202 Castlerock Road, S.W., Roanoke, Virginia, while excavating;

(17) On or about August 16, 1999, C. B. Turley Concrete Construction, Inc., damaged a one-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 3814 Whitman Road, Annandale, Virginia, while excavating; and

(18) 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 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 $14,150 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 $14,150 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. PUE990715
JANUARY 19, 2000

NOTIFICATION OF
STONE MOUNTAIN ENERGY, L.C.

To make an exempt sale of gas and to provide transmission and delivery service in Lee County pursuant to § 56-265.4:5 of the Code of Virginia

DISMISSAL ORDER

Stone Mountain Energy, L.C. ("Stone Mountain") has notified the Commission, pursuant to § 56-265.4:5 of the Code of Virginia, of its plan to make an exempt sale of natural gas and to provide transmission facilities and delivery service ancillary to the sale to DeRoyal Industries, Inc., Rose Hill, Lee County.

In its Order Docketing Proceeding and Providing for Notice on November 9, 1999, the Commission found that the customer's facility 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 Stone Mountain'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. PUE990716
JULY 26, 2000

APPLICATION OF
APPALACHIAN POWER COMPANY

To revise its fuel factor pursuant to Va. Code § 56-249.6

ORDER ESTABLISHING 1999-2000 FUEL FACTOR

On October 20, 1999, Appalachian Power Company, d/b/a/ American Electric Power ("Apco" or "the Company"), filed an application, testimony and exhibits in support of its proposal to decrease its currently operative fuel factor from 1.482¢/kWh to 1.325¢/kWh, effective with bills rendered on and after December 1, 1999. The proposed fuel factor reflected the Company's proposal to include the costs of sulfur dioxide ("SO_2") emission allowance costs in the fuel factor, costs which it will incur after January 1, 2000, when it burns coal to produce electric energy for its Virginia customers. Apco also proposed to revise its current Definitional Framework of Fuel Expenses ("Definitional Framework") to accommodate the inclusion of the SO_2 emission allowance costs in the Company's fuel factor.

By Order dated November 2, 1999, the Commission established a procedural schedule, required the Company to provide notice of its application to the public, and set a hearing on the proposed fuel factor to be held on December 15, 1999. The Commission ordered a fuel factor of 1.297¢/kWh to go into effect on an interim basis with bills rendered on and after December 1, 1999. The interim factor was based upon projected annual fuel expenses exclusive of estimated SO_2 emission allowance costs. By Order dated November 8, 1999, the Commission adjusted the interim fuel factor based on a revised estimate of the deferred fuel balance and the discovery of a computational error that was made in determining the initial interim fuel factor. The Commission amended its Order of November 2, 1999, to state that an interim fuel factor of 1.339¢/kWh is appropriate and should go into effect with bills rendered on and after December 1, 1999.

On December 1, 1999, Staff filed a motion requesting a general continuance. On December 2, 1999, the Old Dominion Committee for Fair Utility Rates ("the Committee") filed a motion in support of Staff's request for a continuance.[1] Apco filed a response on December 2, 1999, stating that it did not oppose a reasonable extension of the procedural schedule, but it did not believe a general continuance of the case was necessary. Apco proposed that the Commission establish a new procedural schedule in order to avoid an unnecessary delay of this proceeding.

Also on December 2, 1999, Staff filed a motion to strike ("Motion to Strike") the portion of the Company's application and supporting testimony concerning Apco's proposed revision to the Definitional Framework to allow fuel factor recovery of SO_2 emission allowance costs. Staff contended that the recovery of SO_2 emission allowance costs through the Company's fuel factor was prohibited by the Stipulation adopted by the Commission in Case No. PUE960301 ("Stipulation"), which governs the Company's rates and services for the period January 1, 1998, through December 31, 2000 ("Plan Period").[2]

In an Order issued December 3, 1999, the Commission granted Staff's motion to continue the case generally until the Commission ruled on the issue of the treatment of SO_2 emission allowance costs.[3] On December 9, 1999, Apco filed a Response in Opposition to Staff's Motion to Strike ("December 9 Response"). On December 14, 1999, Staff filed a Reply to the Company's December 9 Response.

By Order dated January 27, 2000, the Commission denied Staff's Motion to Strike and Apco's request for a discovery cut-off date. The Commission concluded that a hearing should be established to consider the Company's application, including its request to revise its Definitional Framework in order to permit SO_2 emission allowance costs to be recovered through the fuel factor. The Commission set a hearing date of April 11, 2000, and established a revised procedural schedule for the filing of testimony. The Commission directed Staff to investigate the reasonableness of Apco's request and to file a report by March 24, 2000, and directed Apco to file by April 5, 2000, any testimony it expected to introduce in rebuttal to all prefiled direct testimony and exhibits.

As directed, Staff filed the testimony of its witnesses on March 24, 2000, and Apco filed the rebuttal testimony of its witnesses on April 5, 2000. On April 7, 2000, Staff filed a motion for leave to file supplemental testimony, which testimony addressed the treatment of SO_2 emission allowance costs in other states.

Shortly before the evidentiary hearing was to be held, the Commission was informed that newspaper notice of the Company's application had not been published in *The Roanoke Times*. Therefore, by Order dated April 17, 2000, the Commission directed Apco to publish notice of the application in that newspaper. Such notice was to inform the public that the hearing in this matter had been held, but if any interested party requested a hearing, the hearing would be reconvened. The Commission also invited interested parties to submit comments, notices of protest, protests, and testimony. None of the aforementioned was filed.

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[1] The Committee had filed a notice of protest on November 3, 1999.

[2] The Stipulation was entered into by Apco, the Staff, the Division of Consumer Counsel of the Office of the Attorney General, and the Committee.

[3] The original hearing date of December 15, 1999, was retained for the purpose of hearing testimony from public witnesses. The hearing was held as scheduled, and no public witnesses appeared.

The hearing was held on April 11, 2000. The Commission Staff, Apco, and the Committee participated at the hearing. The Commission heard evidence primarily concerning the issue of whether the Company should be allowed to recover its SO_2 emission allowance costs through its fuel factor. The Committee also raised two other issues relating to the fuel factor that it requests be addressed in the future, further discussed below. At the conclusion of the hearing, the Commission provided the parties and Staff an opportunity to file post-hearing briefs simultaneously on the issue of the inclusion of SO_2 emission allowance costs in the fuel factor. Post-hearing briefs were timely filed by the Company, Staff, and the Committee.

In its Memorandum in Support of its Application, Apco rebuts Staff's argument that the Stipulation entered into in Case No. PUE960301 bars any revision to the Definitional Framework. Apco contends that SO_2 emission allowance costs are fuel costs and, since the statute permits the recovery of fuel costs, the Company is merely requesting that the Definitional Framework be amended (with respect to the proper accounting treatment of emission allowance costs) to clarify something that otherwise is allowed. Apco adds that its Definitional Framework was adopted long before the Clean Air Act Amendments of 1990 ("CAA"), and since this is the first case in which Apco's emission allowance costs are at issue, it is appropriate that its Definitional Framework be revised at this time to reflect the emission allowance costs.

In response to Staff's argument that SO_2 emission allowance costs are not fuel costs, the Company contends that the proper way to determine whether a particular cost is appropriate for fuel factor recovery is to consider its function. The Company states that although the allowances themselves are represented by paper certificates, the cost of allowances is part of the cost of the coal since coal cannot be burned and the generator will not run without emission allowances. Moreover, the Company states, the cost of coal and the cost of emission allowances directly track each other since the emission allowance is consumed when the coal is burned. As such, Apco argues, emission allowance costs are a component of fuel and are properly recoverable through the fuel factor.

In its brief, Staff maintained that a change in Apco's Definitional Framework would violate the Stipulation's clear requirement that "[t]he Company's fuel factor and deferred accounting mechanism shall continue under current regulation." Staff states that when, in 1984, the Commission adopted Staff's recommended revision to Apco's Definitional Framework, the Commission stated that "fuel costs recoverable through the fuel factor shall henceforth be in conformity with the following [Definitional Framework]."[4] Staff further notes that the Definitional Framework lists the accounts to which certain fuel costs should be assigned, and, to its knowledge, Apco has never recovered a fuel cost that was not assigned to an account specifically listed in its Definitional Framework.

Staff maintains that SO_2 emission allowance costs are not fuel costs. Staff states that emission allowances are not intrinsically tied to fuel in that they are not a physical fuel, and they are not physically required to burn fuel. Responding to Apco's argument that the statute permits the recovery of emission allowance costs because they serve a fuel-like function, Staff counters that lime and calcilox are used to remove SO_2 from flue gas stack emissions from some generating units and are consumed in proportion to fuel burned, and these costs have been excluded as a fuel cost in fuel factor applications.[5] Staff also points out that fuel handling and fuel analysis costs are just as closely related to fuel as emission allowance costs, and also vary in proportion to the quantity of fuel burned, and these costs are not and never have been recoverable through the fuel factor.

Staff contends that SO_2 emission allowance costs are instead environmental costs that are properly recovered through base rates. More specifically, Staff states that emission allowance costs are the costs of complying with the requirements of Title IV of the CAAA, which limit the amount of SO_2 that may be emitted into the atmosphere. Staff explains that the emission allowance costs that Apco seeks to recover through the fuel factor are based in large part on the price the Company must pay to transfer allowances from its sister operating companies under the Interim Allowance Agreement ("IAA").[6] Staff contends that, under the IAA, the majority of the AEP system cost of compliance (*i.e.*, the AEP system's total cost to reduce its SO_2 emissions) represents the installation of new plant at various AEP units. Staff states that these costs include, for example, the costs of adding scrubbers at Gavin units 1 and 2, a truck unloading facility at Muskingum unit 5, and the cost of building a new barge unloading facility at Kammer units 1 through 3. Staff contends that the costs associated with the system cost of compliance should not be recovered as fuel costs through the fuel factor, but as capacity costs in base rates, the same way all other plant costs are recovered.

The Committee filed a Post-Hearing Brief in which it urges the Commission to reject Apco's proposal to include SO_2 emission allowance costs in its fuel factor. The Committee contends that such costs are not fuel costs, pointing out that the coal is the fuel and the sulfur is the contaminant. The Committee points out that the Commission adopted definitional frameworks for each electric utility in Virginia that sought to recover fuel costs pursuant to § 56-249.6, and that, while these definitional frameworks have evolved slightly over time, none of them have allowed the inclusion of extraneous, non-fuel costs. The Committee notes, like Staff, that the Commission has determined that the costs of calcilox and lime used in the process of "scrubbing" sulfur during the combustion process was rejected as a fuel cost.[7] The Committee states that other electric utilities in Virginia have experienced pollution abatement expenses since Phase I SO_2 reductions began in 1995, and when these utilities incurred SO_2 allowance costs, they recovered such costs through their base rates. The Committee also contends that the capping of Apco's base rates under the Stipulation did not contemplate that Apco would be permitted to shift historically non-fuel costs out of base rates to enhance base rate earnings.

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[4] Staff Post-Hearing Brief at 6, citing *Commonwealth of Virginia, ex. rel. State Corporation Commission, Ex Parte, in re: Investigation to determine appropriate tariffs pursuant to Code § 56-249.6 and PURPA § 210 for Appalachian Power Company*, Case No. PUE840003, Order Setting Fuel Factor and Cogeneration Rate (Mar. 21, 1984).

[5] *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte, in re: Investigation to determine appropriate tariffs pursuant to Code § 56-249.6 for electric utilities which purchase fuel for generation including: Virginia Electric and Power Company, The Potomac Edison Company, Appalachian Power Company, Delmarva Power and Light Company of Virginia, Potomac Electric Power Company, and Old Dominion Power Company*, Case No. 20068-79/80 (PUE790010), Order Prescribing Rates to Recover Fuel Costs by The Potomac Edison Company, 1979 S.C.C. Rept. Ann. 338, 344.

[6] The IAA established the methodology for transferring pricing allowances among the operating companies of the American Electric Power Company ("AEP"), Apco's parent company. AEP has five operating companies, including Apco, referred to as "member companies." The other four member companies are: Kentucky Power Company, Ohio Power Company, Columbus and Southern Power Company, and Indiana and Michigan Power Company.

[7] The Committee Post-Hearing Brief at 2, citing *Ex Parte: in re: Investigation to determine appropriate tariffs pursuant to Va. Code § 56-249.6*, 1979 S.C.C Ann. Rept. 338, 344.

With respect to issues other than that of SO_2 emission allowance costs, the Committee states that, with the capacity that AEP will have available by the end of this year, AEP may experience a great increase in off-system sales and, hence, a great increase in margins. The Committee observes that if the Company does not file a base rate case by the end of this year, AEP's ratepayers will not receive any of the benefit of the incremental growth in sales. The Committee suggests that the Commission require Apco, in its 2001 fuel factor case after the Plan Period ends, to change the Definitional Framework to return all or part of off-system sales margins to the deferred fuel account.

Finally, the Committee urges the Commission to establish a proceeding that will include a hearing, pre-filed testimony, and discovery, to consider whether Apco made every reasonable effort to minimize replacement fuel costs incurred as a result of the extended outages of the Cook nuclear units that began in 1997 and are expected to end in 2000. The Committee recommends that this matter be investigated before the final audit reports for fuel expenses are concluded for the years 1997-2000.

NOW THE COMMISSION, having considered the record, Staff's and the parties' comments and briefs, and the relevant statutes and regulations, is of the opinion and finds that Apco's request to include the cost of SO_2 emission allowances in its fuel factor should be denied.

Apco argues that emission allowance costs serve a fuel-like function and therefore should be treated as a cost of fuel that may be included in the fuel factor. We are not persuaded by the Company's arguments.

Emission allowance costs simply are not fuel costs. The costs of emission allowances are not a physical fuel and they are not physical substances consumed in the generation process. It should be noted that companies incur other costs that are similarly tied to the cost of coal for which the Commission has not permitted fuel clause recovery. As Staff and the Committee noted, the Commission has refused to allow the costs of limestone and calcilox to be included in another company's fuel factor, and these are physical substances that are used to remove SO_2 from flue gas stack emissions from some generating units and are consumed in proportion to fuel burned. Additionally, there are costs of fossil fuel-related variable expenses, such as fuel handling and fuel analysis, that are just as closely related to fuel as emission allowances and also vary in proportion to the amount of fuel burned, that companies are not allowed to recover through the fuel factor.

We agree with Staff that SO_2 emission allowance costs are costs that the Company incurs to comply with environmental regulations. Staff states, and the Company does not dispute, that the allowance costs Apco seeks to recover through the fuel factor are largely based on the AEP system cost of compliance, and that the majority of the AEP system cost of compliance represents the installation of new plant at various AEP units. Staff further states that the system costs of compliance include, for example, the costs of adding scrubbers, a truck unloading facility, and a barge unloading facility. These are capital costs that should be recovered through base rates like all other plant costs.

Since we decide this matter on the basis that the costs of emission allowances are not fuel costs, we do not decide the other issues raised by the parties, including the issue of whether the Stipulation bars a revision of the Company's Definitional Framework.

We also will address the Committee's request that a proceeding be established to consider whether Apco made every reasonable effort to minimize replacement fuel costs incurred as a result of the extended outages of the Cook units. We find that the Committee's request is reasonable and will direct the Company to include, in its next fuel factor application, a report identifying the sources and the incremental costs of replacement energy purchased as a result of those outages. If Cook Unit # 1 is not brought back on line from its extended outage by the time the Company files said application, the Company shall file such report in the form of a supplement to that application within 45 days of the date that Unit # 1 becomes operational.

Finally, with respect to the Committee's request that the Definitional Framework be revised to apply all or part of the off-system sales margins to the deferred fuel account, we note that, historically, the Company's customers have received some portion of the benefits of AEP's off-system sales through lower base rates. Therefore, a change in the manner in which the Company's customers receive such benefits is an issue that is properly raised in a base rate change application.

Accordingly, IT IS ORDERED THAT:

(1) The Company's request to include the costs of SO_2 emission allowance in its fuel factor is denied.

(2) The zero-based fuel factor of 1.339¢/kWh established by Commission Order of November 8, 1999, shall remain in effect.

(3) The Company shall file, as part of its next fuel factor application, a report detailing the sources and the costs of incremental net replacement power associated with the extended outages of the Cook units, as discussed in the body of this order.

(4) This matter is continued generally.

CASE NO. PUE990717
MARCH 28, 2000

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To revise its fuel factor pursuant to Va. Code § 56-249.6

FINAL ORDER

On December 21, 1999, Virginia Electric and Power Company ("Virginia Power" or the "Company") filed an application, testimony, and exhibits in support of an increase in its fuel factor from 1.152¢/kWh to 1.339¢/kWh, effective for usage on and after February 1, 2000. The proposed fuel factor would result in an increase in annual fuel revenues of approximately $104 million.

Virginia Power's application contained the direct testimony of Kurt W. Swanson, Daniel J. Green, Charles A. Stadelmeier, William R. Eckroade, and Harrison H. Barker. The Company stated that its testimony and exhibits demonstrated that a revision in the current fuel factor was necessary to provide Virginia Power the appropriate level of fuel expense recovery over the period of February 1, 2000, through January 31, 2001.

By Order issued December 29, 1999, the Commission established a procedural schedule and directed Staff to investigate the reasonableness of the Company's projected fuel expenses and fuel factor and to file a report on its investigation on or before February 4, 2000. The Commission noted that the instant application raised three issues of first impression: (i) the consideration of off-system sales in light of the Company's retail access pilot program; (ii) the Company's fuel costs incurred in replacing the power that had previously been purchased through the Merom and Rockport long-term contracts; and (iii) the determination of the proper fuel expenses attributable to the Chaparral (Virginia) Inc. special contract. The Commission stated that, due to the complexity of these issues, a hearing would be scheduled for February 17, 2000, and that the Commission would allow the fuel factor to be placed into effect on an interim basis, beginning with usage on and after February 1, 2000. The Commission provided an opportunity for any person desiring to participate as a Protestant to file with the Clerk on or before January 27, 2000, a Notice of Protest, Protest, and any prepared testimony and exhibits the Protestant intended to present at the hearing.

On January 27, 2000, the Virginia Committee for Fair Utility Rates ("Virginia Committee") filed a Motion for a One-Week Extension to file its Protest and prepared testimony and exhibits, explaining that additional time was needed because of inclement weather.

By Order dated January 27, 2000, the Commission granted the Virginia Committee's request for an extension. The Commission extended the deadline for the filing of Protests and testimony and exhibits from January 27, 2000, to February 3, 2000. The Commission also extended the deadline for the filing of Staff's testimony from February 4, 2000, to February 7, 2000.

On February 3, 2000, the Virginia Committee filed a Protest and the prepared testimony of Ali Al-Jabir.

On February 7, 2000, Staff filed the prefiled testimony of Jarilaos Stavrou, Howard M. Spinner, and Michael W. Martin.

On February 11, 2000, Virginia Power filed the rebuttal testimony of E. Paul Hilton and Kurt W. Swanson.

The hearing was held on February 17, 2000, before the Commission. Edward L. Flippen, Esquire, and Kodwo Ghartey-Tagoe, Esquire, appeared on behalf of Virginia Power; Louis R. Monacell, Esquire, and Robert M. Gillespie, Esquire, appeared on behalf of the Virginia Committee, and M. Renae Carter, Esquire, appeared on behalf of the Commission's Staff. On March 9, 2000, post-hearing briefs were filed by the Virginia Committee, Virginia Power, and the Commission's Staff.

Because Virginia Power's rebuttal testimony and post-hearing brief respond primarily to the arguments raised by the Virginia Committee, we will discuss the Virginia Committee's position first.

The Virginia Committee's Position

By its prepared testimony and post-hearing brief, the Virginia Committee raises two primary arguments; i.e., that Virginia Power should be required to: (1) flow 100% of margins from off-system sales, except for displaced pilot sales, through the fuel factor; and (2) provide the same fuel cost accounting treatment for sales under the Real Time Pricing ("RTP") Schedule as is provided for sales under the Chaparral (Virginia) Inc. ("Chaparral") Special Contract for Electric Service.

First, the Virginia Committee contends that after the first 50% of margins from off-system sales has been credited against fuel factor expenses, the remaining 50% that in the past had been assigned to offset deferred capacity expenses should flow through the fuel factor to offset fuel costs. The Virginia Committee argues that Virginia Power has incorrectly interpreted the settlement reached in Case Nos. PUE960036 and PUE960296 (henceforth, "Stipulation"),[1] which terminated the deferred capacity account, to allow the Company to include the remaining 50% of its off-system sales margins in the Company's earnings calculations that must be performed under the terms of the Stipulation. The Virginia Committee states that there is no provision in the Stipulation that addresses the fuel factor treatment of off-system sales, and the Stipulation explicitly provides that it does not affect the Commission's authority over regulatory requirements, except as provided in the Stipulation. The Virginia Committee contends that because no fuel issues were involved in Case Nos. PUE960036 and PUE960296 or were addressed in the Stipulation, the treatment of the 50% of off-system sales margins that previously were applied to the deferred capacity account is a policy issue that is properly before the Commission in this case. Further, the Virginia Committee contends that, consistent with the Commission's intent expressed in a prior fuel factor case,[2] the Commission should require the Company to credit 100% of its off-system sales margins to the fuel factor to the benefit of the Company's ratepayers. The Virginia Committee adds that Virginia Power's practice of applying the remaining 50% of the margins to its earnings creates an incentive for the Company to favor sales into the competitive off-system market as opposed to sales to native load customers.

Second, the Virginia Committee contends that Virginia Power should account for its fuel expense associated with RTP sales in the same way it accounts for its Chaparral sales. The Virginia Committee states that Virginia Power includes incremental fuel costs associated with RTP sales in calculating the fuel factor but credits only the average fuel factor revenues against such sales. Noting that incremental fuel costs typically are higher than system average fuel costs, the Virginia Committee contends that because the Company collects fuel expenses from RTP customers in excess of the system average fuel revenues, the Company's accounting treatment for RTP sales, in effect, artificially increases its fuel cost under-recovery at the expense of the Virginia customers who pay Virginia Power's Fuel Charge Rider A, thereby resulting in the double-recovery of some of the Company's fuel costs. The Virginia

[1] The Stipulation required, among other things, that $220 million of regulatory assets be written off by the end of the rate period ending February 28, 2002. The first regulatory asset required to be written off, as of March 1, 1998, was the Capacity Deferral Balance of $61.1 million. See *Virginia Electric and Power Company 1995 Annual Informational Filing*, Case No. PUE960036, and *Commonwealth of Virginia at the relation of the State Corporation Commission, Ex Parte: Investigation of Electric Utility Industry Restructuring--Virginia Electric and Power Company*, Case No. PUE960296, 1998 Ann. Rept. 322.

[2] *Application of Virginia Electric and Power Co.*, Case No. PUE950094, 1995 S.C.C. Ann. Rept. 363.

Committee acknowledged that it is raising the RTP incremental fuel revenue adjustment for the first time in this case because it had not focused on the mismatch of the Company's imputation of average fuel factor revenue in the past.

Virginia Power's Position

The Company's rebuttal testimony and post-hearing brief address the Virginia Committee's arguments that the Company should be required to credit 100% of the off-system sales margins to the fuel factor and that RTP sales should be subject to the same fuel factor treatment as sales to Chaparral.

First, Virginia Power opposes the Virginia Committee's recommended treatment of off-system sales, arguing that it has no legal or economic justification. The Company contends that because the Stipulation required that the deferred capacity account be written-off as of March 1, 1998, and established how the Company would apply its earnings during the rate period covered by the Stipulation, the 50% of off-system sales margins not credited to the fuel factor now is part of the overall cost of service and is included in the Company's earnings test. Virginia Power notes that its witness, Mr. E. Paul Hilton, who was involved in the discussions resulting in the Stipulation, testified that during those discussions the parties all understood that the margins from off-system sales previously applied to the deferred capacity account were in the revenues that were considered in setting the rates, refunds, and rate reductions, and in determining the amount of regulatory assets the Company would be required to write-off pursuant to the Stipulation.[3] The Company argues that to remove the portion of the off-system sales not credited against fuel expenses from the Company's earnings would reduce the amount of total earnings available to write down regulatory assets, a result not intended by the Stipulation.

Second, Virginia Power addresses the Virginia Committee's argument that Schedule RTP sales should be accorded the same fuel factor treatment as sales to Chaparral. The Company maintains that its present fuel factor treatment for RTP sales is reasonable. Virginia Power states that the majority of Schedule RTP sales are the result of RTP customers transferring their purchases from the companion GS rate schedule (GS-3 or GS-4) to Schedule RTP, and that these customers are limited to transferring up to 20% of their existing purchases to the RTP Schedule. The Company contends that there is no justification to change from average to incremental fuel costs simply because a customer purchases its electricity on a different rate schedule. Virginia Power states that RTP sales continue to be supplied from a proportionate mix of all the company's units, and therefore RTP fuel factor accounting should remain the same; i.e., based on average fuel cost. Rebutting the Virginia Committee's contention that the Company will double recover some fuel costs if it does not adopt a fuel accounting treatment for RTP customers based on incremental costs, Virginia Power states that revenues received from the RTP Schedule "in excess" of average fuel costs are applied to Virginia Power's base revenues.

Staff's Position

Staff finds that the Company's assumptions underlying the proposed fuel factor are reasonable and recommends that the Commission approve the continuation of the currently-operative total fuel factor of 1.339¢/kWh, effective with usage on and after February 1, 2000. In addition, Staff discusses certain issues that it believes warranted special consideration.

The first issue involved the determination of the proper fuel expenses attributable to the Chaparral sales. Staff expresses concern that the Company's proposed use of the projected hourly system lambda to approximate Chaparral fuel costs will result in a biased estimate of the marginal fuel costs to supply Chaparral's load, thereby increasing the amount of fuel expenses that would have to be collected from other Virginia jurisdictional ratepayers. Staff states that it intends to monitor and evaluate the Company's proposed methodology, and will explore alternative ways to identify Chaparral fuel costs more precisely.

Second, Staff discusses the treatment of off-system sales margins associated with the sale of power that will become available when customers who will participate in the Company's retail access pilot program elect to purchase their power from an alternative generation supplier. Staff agrees with Virginia Power that the Company should be able to retain all of the off-system sales margins associated with these "displaced pilot sales," and that the energy revenues associated with these sales should be credited against the fuel factor in an amount equal to the average fuel factor cost. Staff points out that the difficulty with this proposal is how properly to determine which off-system sales are associated with departed retail load in the pilot program. Staff requests that the Commission direct Virginia Power to work with Staff to develop a proper method for determining which off-system sales represent displaced pilot sales.

Staff also discusses the Company's use of a new forecasting model ("PROSYM") to forecast Virginia-allocated energy margins derived from off-system sales, and requested that the Commission order the Company to provide documentation and a demonstration of the PROSYM forecasting model to Staff and explain the assumptions, parameters, and data used to run the models. Staff recommended that in future fuel factor proceedings, the Company should be required to estimate the magnitude of energy sales "displaced" due to customers choosing alternative generation suppliers, and to adjust its forecast of energy sales as appropriate. Staff also pointed out that, due to changes in state law related to electric utility restructuring, as of January 1, 2001, corporations that use electricity to furnish heat, light or power will no longer be subject to gross receipts taxes, and that it is important that all electric utilities collecting such taxes through a fuel factor remove the gross receipts tax from customer bills at the appropriate time.

Staff takes no position on the Virginia Committee's claims. Staff states that it believes the issues raised by the Virginia Committee may warrant consideration at the expiration of the Stipulation period (i.e., February 28, 2002). Regarding the determination of fuel expenses associated with sales made under the Chaparral Agreement, Staff states that it will continue to monitor the method by which Virginia Power quantifies these fuel costs and to examine alternative methods for deriving these costs. Staff urges the Commission to require the Company to work with Staff to arrive at a method for quantifying fuel costs related to serving Chaparral and for identifying displaced pilot sales and the associated margins.

NOW THE COMMISSION, upon consideration of the record in this case, is of the opinion that Virginia Power's proposed fuel factor of 1.339¢/kWh is appropriate based on its projected fuel expenses. Approval of this factor, however, is not to be construed as approval of the Company's actual fuel expenses. For each calendar year, 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 ("Annual Report"). A copy of the Annual Report will be sent to the Company and each party who participated in the Company's last fuel factor proceeding, all of whom will be provided an opportunity to comment and request a hearing on the report.

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[3] Virginia Power Post-hearing Brief at 7-8.

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, 20__, 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 of the Company's over- or underrecovery positions 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.

We will not adopt the Virginia Committee's proposed adjustments to the fuel factor discussed above. The Stipulation was the result of extensive discussions and a thorough analysis by the parties in that case, including the Virginia Committee, of a number of significant and complex rate and allocation issues. The resulting Stipulation was a balance that required the Company to provide refunds, to reduce its rates over a five-year period, and to write-off regulatory assets of no less than $220 million.

Negotiation of the Stipulation required certain concessions by the Company and the other parties to reach a compromise each party would find acceptable. On one hand, the Company assumed the risks that existing costs reflected in the base rates might increase and new costs might be incurred. Since Virginia Power's rates were "frozen" for the duration of the rate period, base rates could not be adjusted to recover such costs. On the other hand, the Company's customers assumed the risks that the Company's costs would decline without a concomitant decrease in base rates. When we approved the Stipulation in 1998, we realized the Stipulation entailed concessions by the various parties and posed potential risks and rewards for both the Company and its customers. In our judgment, the Stipulation represented a careful balancing of these potential outcomes. Given the record in this case, we find it would be inconsistent with the Stipulation and fundamentally unfair to adopt the Virginia Committee's proposed adjustments to the fuel factor at this time.

Turning to the matter of Chaparral's fuel expenses, we will direct our Staff to continue to investigate methods for quantifying fuel costs associated with the Chaparral sales, and to file a report on its findings and recommendations on or before July 1, 2000. The Company shall assist and cooperate with the Staff. This issue will be addressed in the Company's next fuel factor case.

Finally, we will adopt the Company's proposed revision to the Definitional Framework of Fuel Expenses.[4] This revision to the Definitional Framework of Fuel Expenses is necessitated by the retail access pilot program which the Company has developed at the direction of the Commission in Case No. PUE980813. We will direct our Staff to propose a method for identifying those off-system sales that result from the departure of retail customers who choose an alternative generation supplier and the margins associated with such sales, and to file a report on its findings and recommendations on this matter on or before September 1, 2000. The Company shall assist and cooperate with the Staff. This issue will be addressed in the Company's next fuel factor case. Accordingly,

IT IS ORDERED THAT:

(1) The total fuel factor of 1.339¢/kWh, effective for usage on and after February 1, 2000, established by the Commission Order of December 29, 1999, remains in effect.

(2) The proposed revision to the Definitional Framework of Fuel Expenses is hereby adopted, as discussed in the Order.

(3) The Commission's Staff shall conduct an investigation regarding methods for quantifying fuel costs associated with the Chaparral sales and file a report on its findings and recommendations on or before July 1, 2000.

(4) The Commission's Staff shall develop a method to identify those off-system sales that result from the departure of retail customers who choose an alternative generation supplier and the margins associated with such sales, and file a report on its findings and recommendations on or before September 1, 2000.

(5) The Company is hereby directed to make arrangements with the Commission's Staff to provide documentation and a demonstration of the PROSYM forecasting model and to explain the assumptions, parameters, and data used to run the models, within a timeframe deemed appropriate by Staff.

(6) This case shall be continued generally.

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[4] The Company proposes adding a clause stating:

> During the Retail Pilot Program, the Company shall be permitted to credit energy revenues associated with Displaced Pilot Sales against fuel factor expenses in an amount equal to the average fuel factor. No energy margin associated with the sale of the Displaced Pilot Sales should be credited against fuel factor expenses.

CASE NO. PUE990779
MAY 26, 2000

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 May 19, 1999, Zellen & Associates, Inc., damaged a telephone line operated by Bell Atlantic-Virginia, Inc., located at or near the intersection of Corporate Ridge and Magarity Road, McLean, Virginia, while excavating;

(2) On or about June 25, 1999, Zellen & Associates, Inc., damaged a primary power line operated by Virginia Electric and Power Company located at or near the intersection of Corporate Ridge and Magarity Road, McLean, Virginia, while excavating;

(3) On or about July 8, 1999, Zellen & Associates, Inc., damaged a power line operated by Virginia Electric and Power Company located at or near the intersection of Corporate Ridge and Magarity Road, McLean, Virginia, while excavating;

(4) On or about August 2, 1999, Rockingham Construction Co., Inc., damaged a four-inch plastic gas main line operated by Washington Gas Light Company located at or near Orange Blossom Trail and Springwood Meadow, Lorton, Virginia, while excavating;

(5) On or about August 3, 1999, The Brothers Signal Company, Inc., damaged a four-inch plastic gas main line operated by Washington Gas Light Company located at or near 107 Seneca Ridge Drive, Sugarland Run, Virginia, while excavating;

(6) On or about August 16, 1999, Fairfax County Water Authority damaged a one-inch plastic gas service line operated by Washington Gas Light Company located at or near 3724 Freehill Lane, Fairfax, Virginia, while excavating;

(7) On or about August 18, 1999, Woodlawn Construction Company damaged a one-inch plastic gas service line operated by Washington Gas Light Company located at or near 9473 Lapstrake Lane, Springfield, Virginia, while excavating;

(8) On or about August 18, 1999, Solis Fence Company of Virginia, Inc., damaged a two-inch plastic gas main line operated by Washington Gas Light Company located at or near 46889 Rabbit Run Terrace, Sterling, Virginia, while excavating;

(9) On or about August 19, 1999, Fairfax County Water Authority damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 11212 Wedge Drive, Reston, Virginia, while excavating;

(10) On or about August 24, 1999, Complete Landscaping Service damaged a three-eighths inch plastic gas service line operated by Washington Gas Light Company located at or near 8416 Georgian Way, Annandale, Virginia, while excavating;

(11) On or about August 26, 1999, William A. Hazel, Inc., damaged a four-inch plastic gas main line operated by Washington Gas Light Company located at or near 440 Evans Ridge Terrace, Leesburg, Virginia, while excavating;

(12) On or about August 31, 1999, C. J. Fisher & Sons, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 1700 Drewlaine Drive, Vienna, Virginia, while excavating;

(13) On or about September 1, 1999, Virginia Electric and Power Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 11596 Tolson Place, Woodbridge, Virginia, while excavating;

(14) On or about September 13, 1999, S and N Communications, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 5702 Ridgedale Drive, Dale City, Virginia, while excavating;

(15) On or about September 23, 1999, Valley Irrigation Service damaged a one-inch plastic gas service line operated by Roanoke Gas Company located at or near 3343 Glade Creek Boulevard, Roanoke, Virginia, while excavating;

(16) For the incidents described in paragraphs (1) through (15) 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 the Code of Virginia;

(17) On or about August 27, 1999, Chinn Ridge Construction notified the notification center of plans to excavate at or near 12471 Glade Drive, Reston, Virginia;

(18) On or about September 20, 1999, Impact Augering, Inc., notified the notification center of plans to excavate at or near 4500 Stone Pine Court, Fairfax, Virginia; and

(19) For the incidents described in paragraphs (17) and (18) 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 forty-eight 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 $20,250 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.

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 $20,250 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. PUE990780
JANUARY 6, 2000

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 25, 1999, Fairfax County Water Authority damaged a fifty pair main telephone line operated by GTE South Incorporated located at or near 8937 Jameson Street and Lorfax Drive, Lorton, Virginia, while excavating;

(2) On or about June 17, 1999, Mastec, Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 502 North Main Street, Gordonsville, Virginia, while excavating;

(3) On or about June 18, 1999, Quantico Marine Base damaged a twenty-five pair telephone service line operated by GTE South Incorporated located at or near Golf Club House on Fuller Road, Quantico, Virginia, while excavating;

(4) On or about June 22, 1999, Ellicott City Underground, Inc., damaged a twenty-five pair main telephone line operated by GTE South Incorporated located at or near 102 Rolling Hill Court, Stafford, Virginia, while excavating;

(5) On or about July 1, 1999, Guy C. Eavers Excavating Corp. damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 210 Campsite Road, Waynesboro, Virginia, while excavating;

(6) On or about July 9, 1999, R & P Lucas Underground Utilities, Inc., damaged a two inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near 2809 Scale Board Circle, Chesapeake, Virginia, while excavating;

(7) On or about July 9, 1999, R. L. Rider & Co. damaged a one and one-quarter inch steel gas main line operated by Columbia Gas of Virginia, Inc., located at or near Jackson Street, Warrenton, Virginia, while excavating;

(8) On or about July 17, 1999, Atlantic Cable & Trench, Inc., damaged a two inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near Joliff Woods at Oriole Drive, Chesapeake, Virginia, while excavating;

(9) On or about July 23, 1999, Magnum Services of Virginia, Inc., damaged a one-hundred pair main telephone line operated by GTE South Incorporated located at or near 28 Greensprings Drive, Stafford, Virginia, while excavating;

(10) On or about July 29, 1999, Maureen Shanahan, homeowner, damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 3714 Fountain Bridge Court, Fredericksburg, Virginia, while excavating;

(11) On or about August 3, 1999, Excalibur Cable Communications, Ltd., damaged a two inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near Old Centreville Road, Manassas, Virginia, while excavating;

(12) On or about August 5, 1999, City of Portsmouth damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 1525 Maple Avenue, Portsmouth, Virginia, while excavating;

(13) On or about August 6, 1999, Summit USA Land Development Corporation damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 10564 Coral Berry Drive, Manassas, Virginia, while excavating;

(14) On or about August 11, 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 3302 Trenton Street, Hopewell, Virginia, while excavating;

(15) On or about August 16, 1999, Chesapeake Excavation damaged a twenty-five pair main telephone line operated by GTE South Incorporated located at or near 18825 Fuller Heights Road, Triangle, Virginia, while excavating;

(16) On or about August 18, 1999, City of Winchester damaged a three-quarter inch steel gas service line operated by Shenandoah Gas Company located at or near 208 Shenandoah Avenue, Winchester, Virginia, while excavating;

(17) On or about August 30, 1999, Hyland Services Incorporated damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 1226 West Queens Street, Hampton, Virginia, while excavating;

(18) On or about August 31, 1999, Colonial Gardens damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 115 Royal St. Georges, James City County, Virginia, while excavating;

(19) On or about September 3, 1999, Newport News Water Works damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 120 North 6th Street, Hampton, Virginia, while excavating;

(20) On or about September 7, 1999, Cable Associates, Inc., damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 4 Yeardley's Grant, James City County, Virginia, while excavating;

(21) On or about September 7, 1999, Myers Cable, Inc., damaged a twenty-four strand fiber telephone line operated by GTE South Incorporated located at or near 80264 Courthouse Road, Stafford, Virginia, while excavating;

(22) On or about September 8, 1999, Ray Sink Pipeline Company damaged a two inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near the intersection of Liberty Hall Road and Dold Place, Lexington, Virginia, while excavating;

(23) On or about September 9, 1999, Robinson Plumbing damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 1230 Thomas Jefferson Place, Fredericksburg, Virginia, while excavating;

(24) On or about September 24, 1999, Mastec, Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 4112 Waterswatch Drive, Midlothian, Virginia, while excavating;

(25) On or about September 24, 1999, Apple Door Systems, Inc., damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near Route 340, Rosser Avenue Extention, Augusta, Virginia, while excavating;

(26) For the incidents described in paragraphs (1) through (25) 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;

(27) On or about September 1, 1999, Minors Fence Inc. notified the notification center of plans to excavate at or near 11717 Alder Ridge Terrace, Henrico, Virginia;

(28) On or about September 1, 1999, Minors Fence Inc. notified the notification center of plans to excavate at or near 5224 Avery Green Drive, Henrico, Virginia;

(29) On or about September 2, 1999, Scott Kincaid, homeowner, notified the notification center of plans to excavate at or near 7197 Mill Waye Drive, Mechanicsville, Virginia;

(30) On or about September 7, 1999, Minors Fence Inc. notified the notification center of plans to excavate at or near 403 Michaux Court, Chesterfield, Virginia;

(31) On or about September 7, 1999, Minors Fence Inc. notified the notification center of plans to excavate at or near 12405 Cutler Ridge Drive, Henrico, Virginia;

(32) On or about September 8, 1999, Minors Fence Inc. notified the notification center of plans to excavate at or near 7241 Beach Road, Chesterfield, Virginia;

(33) On or about September 8, 1999, Minors Fence Inc. notified the notification center of plans to excavate at or near 7402 Hillview Drive, Hanover, Virginia;

(34) On or about September 8, 1999, Minors Fence Inc. notified the notification center of plans to excavate at or near 2012 Rockstone Place, Henrico, Virginia;

(35) On or about September 8, 1999, Minors Fence Inc. notified the notification of plans to excavate at or near 2104 Boardman Lane, Henrico, Virginia;

(36) On or about September 8, 1999, Minors Fence Inc. notified the notification center of plans to excavate at or near 9537 Hungary Ridge Drive, Henrico, Virginia;

(37) On or about September 15, 1999, Fence Rider, notified the notification of plans to excavate at or near 16 Kidwell Lane, Boston, Virginia;

(38) On or about September 22, 1999, Minors Fence Inc. notified the notification center of plans to excavate at or near Ware Bottom Springs Road, Chesterfield, Virginia;

(39) On or about September 22, 1999, Minors Fence Inc. notified the notification center of plans to excavate at or near 13131 Parkers Battery Road, Chesterfield, Virginia;

(40) On or about September 22, 1999, Minors Fence Inc. notified the notification center of plans to excavate at or near 13100 Ramblewood Drive, Chesterfield, Virginia;

(41) On or about September 23, 1999, All Star Paving notified the notification center of plans to excavate at or near 11712 Carters Creek Drive, Chesterfield, Virginia;

(42) On or about September 27, 1999, Jeffrey Williams, homeowner, notified the notification center of plans to excavate at or near 4313 Soundview Lane, Richmond, Virginia;

(43) For the incidents described in paragraphs (27) through (42) 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; and

(44) For the incident described in paragraph (42) herein, the Company also failed to mark the utility line after a three hour notice, in violation of § 56-265.17 B 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 $61,950 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 $61,950 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. PUE990781
JULY 12, 2000

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.

For approval of a special rate and contract

FINAL ORDER

On November 12, 1999, Columbia Gas of Virginia, Inc. ("Columbia" or "the Company"), filed public and confidential versions of an application with the State Corporation Commission ("Commission") for approval of a special rate and contract for natural gas transportation service[1] it will provide to Chaparral (Virginia), Inc. ("Chaparral"), a steel recycling facility located in Dinwiddie County, Virginia. This application was filed pursuant to § 56-235.2 of the Code of Virginia 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 ("Guidelines"). Columbia's agreement with Chaparral provided for service to be provided under the Company's Schedule TS-2 and its General Terms and Conditions of Service at a special negotiated rate for transportation service.

On January 13, 2000, the Commission issued an Order for Notice and Hearing that directed Columbia to publish notice of its application, established a procedural schedule for the Company, Staff, protestants, and public witnesses, and set the matter for hearing on April 12, 2000, before a Hearing Examiner. That Order directed Columbia to supplement its application to provide the Commission with information on why confidential treatment

[1] Columbia and Chaparral entered into an agreement for natural gas transportation service on January 26, 1999.

of various portions of its application was required. The Order also permitted the Company to request entry of a further ruling governing confidential treatment of documents filed in this proceeding.

On January 24, 2000, Columbia filed a Motion for Protective Order, together with a draft protective order. On January 27, 2000, the Hearing Examiner entered a Ruling authorizing responses to the Company's motion. After considering the Staff's response to the Company's motion and Columbia's reply thereto, the Hearing Examiner entered a protective ruling on February 17, 2000. The protective ruling afforded the Staff access to confidential portions of the captioned application and established a procedure to guard against the disclosure of confidential information to competitors or customers of Columbia or Chaparral.

On February 28, 2000, Chaparral filed its Notice of Protest, and on March 6, 2000, it filed its Protest with the Commission.

Michael D. Thomas, Hearing Examiner, convened a public hearing on the application on April 12, 2000. Counsel appearing were Kodwo Ghartey-Tagoe, Esquire, and James S. Copenhaver, Esquire, counsel for Columbia; Michael E. Kaufmann, counsel for Chaparral; and Wayne N. Smith, Esquire, and Sherry H. Bridewell, Esquire, counsel for the Commission Staff. Columbia's proof of public notice was received into the record as Exhibit A. John Sternlicht, Director of Community Relations, Policy and Legislation for the Virginia Economic Development Partnership, appeared as a public witness in support of Columbia's application. Pursuant to an agreement of the case participants, the prefiled testimonies and errata sheets of Columbia and the Staff were received into the record as exhibits without cross-examination.

On June 8, 2000, the Hearing Examiner issued his Report. In his Report, the Hearing Examiner summarized the record and concluded that none of Columbia's other customers or classes of customers would be prejudiced or disadvantaged by approving the subject contract. He noted that the record demonstrated that the special rate and contract would provide a positive return to Columbia. According to the Hearing Examiner, the record is unrebutted that a primary motivating factor for Chaparral to locate in Virginia was the flexibility provided by § 56-235.2 of the Code of Virginia to negotiate special rates for utility service. He concluded that the special rate and contract would not jeopardize reliable service to any other Columbia customer. The Hearing Examiner also found that the Company's provision of service to Chaparral required the construction of a pipeline system that was not connected to any other part of Columbia's system and that this system had sufficient capacity to serve Chaparral and other businesses that choose to locate near Chaparral's facility.

The Hearing Examiner also found that the special rate firm gas transportation contract between Columbia and Chaparral satisfied the requirements of § 56-235.2 of the Code of Virginia and recommended that the Commission enter an order that adopts the findings contained in his Report; approves Columbia's special rate and contract for firm transportation of natural gas and balancing services for Chaparral's facility in Dinwiddie County; directs Columbia, pursuant to the agreement of counsel, to include Chaparral in a classification called "Special Contracts, LVTS, and Economic Development" for presentation purposes in future cost-of-service studies; and dismisses the proceeding from the Commission's docket of active cases. The Hearing Examiner invited the parties to file comments to his report within fifteen (15) days from the date of its issuance.

On June 22, 2000, Columbia, by counsel, and Chaparral, by counsel, each filed comments in support of the Hearing Examiner's Report.

NOW THE COMMISSION, upon consideration of the record and the June 8, 2000, Hearing Examiner's Report, the comments thereon, as well as the applicable statutes and Guidelines, is of the opinion and finds that Columbia's application should be approved, subject to the requirements described below for the presentation of Chaparral in future cost of service studies and subject to the requirement that any future amendments to this special rate and contract receive additional Commission approval.

We agree with the Hearing Examiner's findings that no other customer or class of customers would be unreasonably prejudiced or disadvantaged by the approval of this special rate and contract. The evidence in the record demonstrates first that the special rate will cover the operation and maintenance costs for service to Chaparral, and provides a contribution to Columbia's overall cost of service that might not otherwise have been made. Chaparral's contribution to the cost of service offsets costs that would otherwise be recovered from the Company's other customers. The testimonies of Chaparral witness Clark and Columbia witness Horner indicate that one factor motivating Chaparral to locate in Virginia was the availability of a discounted special rate for the Company's service. Were the special rate not available, Chaparral might have decided to locate elsewhere, and Columbia's customers would not have the benefit of Chaparral's contribution to the Company's overall return on rate base and the overall favorable effect on Columbia's rates.

With regard to the special rate and contract, we will require Columbia, consistent with its representation to the Hearing Examiner, to include Chaparral in a classification called "Special Contracts, LVTS, and Economic Development" for presentation purposes in future cost of service study evaluations. Such classification would consist of the Company's present LVTS customer class, LVEDTS class, and any special rate customers such as Chaparral. We further find that Columbia should present additional cost of service information relative to the individual customers within the classification in the event Staff requests such information. Additionally, consistent with the Company's representation to the Hearing Examiner and with Staff witness Spinner's recommendation (Exhibit HS-5 at 10), we will require Columbia to seek our approval in the event the contract entered into by Chaparral and Columbia on January 26, 1999, is amended.

In sum, subject to the foregoing directives, we find that the contract and special rate between Columbia and Chaparral appear to be in the public interest, will not unreasonably prejudice or disadvantage any customer or class of customers, and will not jeopardize the continuation of reliable natural gas service. Consistent with our Guidelines, it does not appear, based on the record made in this case, that Columbia's other customers will be caused to bear increased rates as a result of our approval of Columbia's special rate and contract with Chaparral.

Accordingly, IT IS ORDERED THAT:

(1) Columbia's application to provide firm gas transportation service to Chaparral under a special rate and contract is granted.

(2) Columbia shall seek further Commission approval if the agreement between Chaparral and Columbia is amended.

(3) Chaparral shall be included in a classification called "Special Contracts, LVTS, and Economic Development" for presentation purposes in future cost-of-service study evaluations. This classification for presentation in a cost of service study shall consist of the Company's present LVTS customer class, LVEDTS class, and any special rate customers, such as Chaparral. Columbia shall also present additional cost-of-service information relating to individual customers within this cost-of-service classification if our Staff requests such information.

(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 shall be placed in the Commission's file for ended causes.

CASE NO. PUE990783
JANUARY 19, 2000

APPLICATION OF
ROBERT A. WINNEY, d/b/a THE WATERWORKS COMPANY OF FRANKLIN COUNTY

To change rates and charges

DISMISSAL ORDER

On January 11, 2000, The Waterworks Company of Franklin County filed with the Clerk of the Commission a notice of withdrawal of this application filed November 17, 1999. By Order Suspending Changes of December 9, 1999, the Commission suspended the proposed increase in the flat rate for service from $67.50 per quarter to $82.50 per quarter from January 1, 2000, to February 29, 2000. The proposed increase in availability fee from $60 per year to $100 per year was also suspended. The effect of the suspension was that the current flat rate for service of $67.50 and the current availability fee of $60 remained in effect on January 1, 2000. The Commission is concerned, however, that some customers may have paid the higher rates. The Commission will dismiss the application as requested and direct The Waterworks Company to refund promptly any overpayment. Accordingly,

IT IS ORDERED THAT:

(1) The request to withdraw the application be granted and that the application be dismissed from the Commission's docket.

(2) On or before February 14, 2000, The Waterworks Company shall refund to any customer the difference between a payment for the first quarter of 2000 based on the proposed rate of $82.50 and a payment based on a rate of $67.50; such refund shall be by check made payable to the customer.

(3) On or before February 14, 2000, The Waterworks Company shall refund to any customer the difference between a payment based on the proposed availability fee of $100 and a payment based on a fee of $60; such refund shall be by check made payable to the customer.

(4) On or before February 21, 2000, 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 (2) and (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; if no refunds are made, the report shall so state.

(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. PUE990785
MAY 2, 2000

APPLICATION OF
WOLF HILLS ENERGY, LLC

For Approval of a Certificate of Public Convenience and Necessity Pursuant to Va. Code § 56-265.2 and an Exemption from Chapter 10 of Title 56

FINAL ORDER

On November 30, 1999, Wolf Hills Energy, LLC ("Wolf Hills" or "the Company"), filed an application pursuant to § 56-265.2 of the Code of Virginia for a certificate of public convenience and necessity ("certificate") to construct an electric generating facility ("the proposed facility") consisting of five gas-fired turbine generator units with an aggregate nominal capacity rating of 250 megawatts. Wolf Hills also seeks an exemption, pursuant to § 56-265.2 B of the Code of Virginia, from the provisions of Chapter 10 of Title 56.

The proposed facility is to be located just outside of the Bristol, Virginia, city limits in the Bristol – Washington County Industrial Park in Washington County, Virginia. A portion of the proposed project site is a "brownfield site" that was a publicly owned sewage treatment works closed under oversight of the Virginia Department of Environmental Quality ("DEQ").

Wolf Hills is a limited liability company organized under the laws of the State of Maryland, and is a wholly owned subsidiary of Constellation Power, Inc. The Company would furnish electric generation service in Virginia as a "public utility" as defined in § 56-265.1(b) of the Code of Virginia. Wolf Hills states that it anticipates all of the electricity produced by the proposed facility will be sold on a wholesale basis to Constellation Power Source, Inc., an affiliate under common ownership with Wolf Hills.

Wolf Hills anticipates the proposed facility would begin commercial operation by June 2001 and operate mostly during the months of June through September.

The Commission Staff investigated Wolf Hills' application to evaluate the Company's financial and technical ability to perform services contemplated in the application. The Staff filed testimony on April 4, 2000. The Staff found that Wolf Hills has the financial capability to construct the

proposed facility by virtue of its association with its ultimate corporate parent, Constellation Energy Group, Inc. The Staff also found that Wolf Hills', with the participation of its affiliates, is capable of developing the proposed facility.

The Staff's investigation included a review, coordinated by the DEQ, by various state and local agencies responsible for permits associated with the proposed facility. The DEQ advised that if the project is constructed in accordance with certain recommendations, the proposed facility "is unlikely to have significant effects on water quality, wetlands, historic structures and it will not affect species of plants listed by state agencies as rare, threatened, or endangered." [1]

Wolf Hills' application was heard before Hearing Examiner Michael D. Thomas on April 27, 2000. No public witnesses appeared at the hearing. Richard D. Gary, Esquire, and Gregory M. Romano, Esquire, appeared for Wolf Hills, and C. Meade Browder Jr., Esquire, appeared for the Commission Staff. At the hearing, Wolf Hills tendered a Stipulation entered by the Company and the Staff.[2] This Stipulation sets forth the Company's and Staff's agreement that Wolf Hills' application satisfies the statutory requirements of § 56-265.2 B for a certificate and an exemption from Chapter 10. In the Stipulation, Wolf Hills also commits to comply, or require its contractors to comply, with all recommendations of the reviewing agencies as to environmental issues.[3]

At the April 27, 2000, public hearing, the Hearing Examiner ruled on Wolf Hills' application from the bench and filed his written Report later the same day.[4] The Hearing Examiner opined that Wolf Hills' application presents a case "where the right project is proposed for the right site at the right time."[5]

In considering the statutory requirements of § 56-265.2 B, the Examiner found that the record established that the proposed facility will have no material adverse effect upon the rates paid by customers of any regulated public utility in Virginia or upon reliability of electric service provided by any such regulated public utility. He further found that the proposed facility would have no material effect on the environment and that it would comply with all current federal and state environmental permitting requirements. The Examiner found that the proposed facility is not otherwise contrary to the public interest, thereby concluding that Wolf Hills' application meets the requirements of § 56-265.2 B, and that the proposed facility should be exempt from the provisions of Chapter 10 of Title 56.

The Hearing Examiner's Report recommends that Wolf Hills be granted a certificate pursuant to § 56-265.2 B and that its proposed facility be granted an exemption from Chapter 10.

NOW THE COMMISSION, having considered the record, including Wolf Hills's application, the Staff Report, and the Stipulation, and the Hearing's Examiner's Report and applicable statutes, is of the opinion and finds that the findings and recommendations of the Hearing Examiner are reasonable and should be adopted. We concur with the Hearing Examiner that Wolf Hills' application meets the requirements for a certificate pursuant to § 56-265.2 B and its proposed facility is not otherwise contrary to the public interest. Accordingly,

IT IS ORDERED:

(1) The findings and recommendations of the Hearing Examiner's April 27, 2000, Report are adopted.

(2) Pursuant to § 56-265.2 B of the Code of Virginia, Wolf Hills is authorized to construct at the Bristol – Washington County Industrial Park in Washington County, Virginia, five gas-fired turbine generating units with an aggregate nominal capacity rating of 250 megawatts.

(3) The facilities authorized herein shall be exempt from the provisions of Chapter 10 of Title 56 of the Code of Virginia.

(4) There being nothing further to come before the Commission, this case shall be removed from the docket and the papers transferred to the file for ended causes.

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[1] Ex. HMS-6, App. 1-A. An operating air permit to be issued by DEQ will address specific regulations that must be adhered to for compliance on air issues. A draft air permit was issued to Wolf Hills by DEQ on March 9, 2000, and a final permit was expected to be issued on or about May 1, 2000. See Ex. JS-7 at 10 & Attachment 8.

[2] Ex. JS-7.

[3] Ex. JS-7 at 9.

[4] At the hearing, Wolf Hills and the Staff waived their right to file comments on the Hearing Examiner's Report. Tr. at 15.

[5] Report of Michael D. Thomas, Hearing Examiner at 4 (Apr. 27, 2000).

CASE NO. PUE990786
DECEMBER 19, 2000

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 ADOPTING RULES

This Order promulgates revised rules for the enforcement of the Underground Utility Damage Prevention Act. Section 56-265.30 of the Code of Virginia permits the Commission to promulgate any rules "necessary to implement the Commission's authority to enforce" the Underground Utility Damage Prevention Act ("Act"), Chapter 10.3 (§ 56-265.14 et seq.) of Title 56 of the Code of Virginia. 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.[1] Since the initial Rules were promulgated in 1994, the Commission, the Commission Staff ("Staff") and the Advisory Committee[2] 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 current Rules should be revised, expanded, and clarified. In light of the time that has elapsed since the adoption of the Rules to Enforce the Underground Utility Damage Prevention Act in 1994, a full review of these rules is timely.

To facilitate the review of currently effective Rules, we entered an Order Establishing Investigation and Inviting Comments on December 13, 1999. This Order solicited public comment on a number of issues (Appendix A to the Order) relating to the enforcement of the Act. It directed the Division of Energy Regulation ("Division") to publish notice of the rulemaking in newspapers of general circulation throughout the Commonwealth and to forward the Order and accompanying list of issues to the Virginia Register of Regulations for publication. The Order instructed Staff to file a report summarizing and responding to the comments filed in this proceeding and to propose appropriate revisions, as necessary, to the Rules that were adopted in 1994.

Fifty-nine comments were filed in response to the December 13, 1999, Order Establishing Investigation and Inviting Comments.

The Staff filed its report on May 26, 2000. This report summarized the filed comments, discussed the development of the underground utility damage prevention program in Virginia, reviewed national "best practices" relative to damage prevention, and proposed specific revisions and additions to the Rules for Enforcement of the Underground Utility Damage Prevention Act adopted in Case No. PUE940071.

On June 14, 2000, the Commission entered an Order inviting interested persons to file comments or request a hearing on the Staff's proposed rules for enforcement of the Act that were attached to that Order. Comments and requests for hearing were to be filed on or before August 1, 2000.

The following parties filed comments concerning the proposed rules: the Associated General Contractors of Virginia, Inc. ("AGC"); Campbell County Utilities and Service Authority ("Campbell County"); Roanoke Gas Company ("Roanoke"); Washington Gas Light Company ("WGL"); Kentucky Utilities Company d/b/a Old Dominion Company ("KU"); Columbia Gas Transmission ("Columbia Transmission"); Virginia Electric and Power Company ("Virginia Power"); Old Dominion Electric Cooperative and its member distribution cooperatives,[3] together with the Virginia, Maryland & Delaware Association of Electric Cooperatives (collectively, "the Cooperatives"); Columbia Gas of Virginia, Inc. ("Columbia") and Virginia Natural Gas, Inc. ("VNG"); Virginia Telecommunications Industry Association ("VTIA"); Appalachian Power Company, d/b/a American Electric Power ("AEP-VA"); Cox Virginia Telecom, Inc. ("Cox"); Virginia Cable Telecommunications Association ("Cable Association"); Fairfax County Public Works ("Fairfax County"); Capco Construction Corporation ("Capco"); and RCN Telecom Services of Virginia, Inc. ("RCN").

Virginia Power requested a hearing on the proposed Rules as part of its comments. Accordingly, by Order of September 5, 2000, we scheduled a public hearing for October 23, 2000, and directed the Staff to prefile its direct testimony on September 22, 2000, and parties to file either testimony or statements adopting their comments on October 2, 2000. Parties planning to adopt their comments and not planning to add any additional comments or testimony were directed to notify the Commission in writing of such intent on or before September 29, 2000. The Staff was further ordered to prefile its rebuttal testimony, if any, by October 13, 2000.

A public hearing on the proposed Rules was convened before the Commission on October 23, 2000. The following counsel noted an appearance at the proceeding: Kenneth Tawney, Esquire, counsel for Columbia Transmission; Senator Malfourd Trumbo, counsel for Roanoke; Kodwo Ghartey-Tagoe, Esquire, counsel for Virginia Power; Robert L. Omberg, Esquire, counsel for the Cooperatives; Robert M. Gillespie, Esquire, counsel for Cox; Richard D. Gary, Esquire, counsel for the VTIA; Michael J. Quinan, Esquire, counsel for AEP-VA; James S. Copenhaver, Esquire, counsel for Columbia; Robert B. Evans, Esquire, counsel for WGL; and Sherry H. Bridewell, Esquire, counsel for the Commission Staff. Proof of notice of the rulemaking was received into the record as Exhibit A.

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[1] 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).

[2] The Advisory Committee ("Committee") includes representatives from the following stakeholder groups: utility operators, notification centers, localities, the Virginia Department of Transportation, Board of Contractors, underground line locators, and the Commission Staff. It is established pursuant to § 56-265.31 of the Code of Virginia, and charged with, among other things, reviewing reports of probable violations of the Act and making recommendations on enforcement actions to the Commission.

[3] A & N Electric Cooperative, BARC Electric Cooperative, Central Virginia Electric Cooperative, Community Electric Cooperative, Craig-Botetourt Electric Cooperative, Mecklenburg Electric Cooperative, Northern Neck Electric Cooperative, Inc., Northern Virginia Electric Cooperative, Powell Valley Electric Cooperative, Prince George Electric Cooperative, Rappahannock Electric Cooperative, Shenandoah Valley Electric Cooperative, and Southside Electric Cooperative.

By agreement of counsel, all testimony was admitted into the record without cross-examination. Thomas A. Dick, appearing on behalf of the Municipal Electric Power Association of Virginia ("MEPAV"); Gray Pruitt, an excavator; and Jim Stepahin, Executive Director of the Heavy Construction Contractors Association in Northern Virginia, testified as public witnesses. At the conclusion of the proceeding, counsel offered closing statements based on the evidence received in this matter.

NOW THE COMMISSION, upon consideration of the evidentiary record, closing statements, and the applicable law, is of the opinion and finds that the Rules set out in Attachment A attached hereto should be adopted, effective July 1, 2001. Our revisions to the Rules have been made after consideration of the proposals from the Staff and parties to this proceeding, including the views expressed in closing statements. We commend the parties for their cooperation in narrowing the issues that remain for deliberation. While we will not comment on all of the revisions we have made to the Rules originally proposed by the Staff, we will address the following provisions of the amended Rules that, in our opinion, merit additional discussion: Rules 20 VAC 5-309-40 B;[4] 90; 100; 110; 120; 140 1; 160 K; 160 L; 160 M, N, and O; 170; 200 6; and 210. Minor revisions have been made to certain of the other rules in Attachment A to prepare the rules for publication in the Virginia Register of Regulations.

Rule 40 B - Role of the Advisory Committee

In his rebuttal testimony (Exhibit MT-2), Staff witness Tahamtani proposes revisions to Rule 40 B to address concerns expressed by a number of parties, including Columbia and AEP-VA, about the role of the Advisory Committee in instances where Staff, but not the Advisory Committee, recommends enforcement action against a probable violator. In closing statements presented at the October 23, 2000, hearing, Columbia and Cox agree that the Rule set out on page 2 of Exhibit MT-2 properly balances the role of the Staff and the Advisory Committee in making recommendations to the Commission concerning enforcement actions for alleged violations of the Act. Cox cautions that "there is still a hazard that something will be lost in the translation when the Staff places the Committee's recommendations and reasons" before the Commission. Oct. 23, 2000 Transcript at 114-15.[5]

We agree that Rule 40 B, as revised in witness Tahamtani's rebuttal testimony, properly balances the role of the Staff and the Committee when disagreement exists between the two on whether enforcement action should be undertaken. The Advisory Committee serves as a valuable resource to the Commission, and we commend the Committee for its careful and conscientious review of alleged violations of the Act. Consequently, we will adopt Rule 40 B as it appears in Staff witness Tahamtani's rebuttal testimony. It is our expectation that the Division will fully and fairly relate to us the reasons for the Committee's recommendations in circumstances where the Staff and the Advisory Committee disagree over whether enforcement action should be taken against a probable violator.

Rule 90 - Data Requests to the Division of Energy Regulation

Proposed Staff Rule 90 provides that:

> Upon request, the Division shall provide to any person information or documents gathered by the Division in the course of the Division's investigation of probable violations under the Underground Utility Damage Prevention Act. Such documents or information may include a list of violations and probable violations of the Act, provided that such information or documents has (sic) not been determined by the Commission or a court of competent jurisdiction to be confidential or privileged.

The Staff supports its proposed Rule, relying on § 12.1-19 2 of the Code of Virginia[6] and the public manner in which Advisory Committee meetings are conducted.

AGC's comments urge the Commission to consider carefully the confidentiality of information gathered as part of investigations of probable violations of the Act. Virginia Power asserts that Rule 90 is unnecessary and would discourage the open exchange of information necessary to the Staff's investigative and administrative role under the Act. Virginia Power further contends that liberal dissemination of information gathered in investigations of alleged violations, as proposed in the Rule, could result in abuse by insurance carriers, plaintiff's attorneys, and other persons. KU maintains that the information disseminated pursuant to the Rule should be limited to information or documents addressing actual violations of the Act.

After considering the comments of the parties, we recognize that the candid exchange of information is a valuable tool in the investigation of probable violations and enforcement of the Act. Advisory Committee meetings are and have been open to the public. Information is, and has been, openly and freely exchanged at these meetings. The current informal practices governing access to information gathered in the enforcement of the Act do not appear to impose any undue burdens on stakeholders in the enforcement process. Consequently, we will permit these informal practices to continue, unfettered by the adoption of a rule.

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[4] For ease of reference, the designation "20 VAC 5-309" will be dropped. The reader should assume this is the title and chapter for all the rules discussed in this Order unless specifically stated otherwise. For example, when the Order refers to "Rule 40 B", it should be understood that this refers to 20 VAC 5-309-40 B.

[5] Hereafter all references to the transcript will be to "Tr. at ____".

[6] Section 12.1-19 2 of the Code of Virginia provides in pertinent part:

> The clerk of the Commission shall:
>
> * * *
>
> 2. Subject to the supervision and control of the Commission, have custody of and preserve all of the records, documents, papers, and files of the Commission, or which may be filed before it in any complaint, proceeding, contest, or controversy, and such records, documents, papers, and files shall be open to public examination in the office of the clerk to the same extent as the records and files of the courts of this Commonwealth; . . ..

Rule 100 - Mandatory Reporting Requirements for Electric Operators

Proposed Rule 100 (new Rule 90)[7] requires electric operators to report to the Division all probable violations of the Act, involving damages affecting 1,000 or more customer meters or resulting in injury requiring in-patient hospitalization or resulting in a fatality. AEP-VA, Virginia Power, and the Cooperatives support this Rule.

MEPAV asserts, however, that there is no clear authority for the Commission to mandate reporting by municipalities as proposed in the Rule. It argues that cities and towns are governmental bodies with a strong public safety obligation to its citizens and sufficient statutory authority to deal with those who violate the Act in a way that is greater than that provided to the Commission under the Act. Tr. at 7-8. It recommends that Rule 100 be amended to exclude cities and towns from the reporting requirement. Tr. at 7.

"Operator" is defined in § 56-265.15 of the Code of Virginia to mean "any person who owns, furnishes or transports materials or services by means of a utility line." Section 56-265.15 defines "person" to include municipalities or other political subdivisions, governmental units, departments, or agencies. Thus, municipalities and towns are clearly "operators" for purposes of the Act. Rule 100 properly applies to "operators" inasmuch as the Act itself does not distinguish between municipal and non-municipal operators in terms of an operator's responsibilities under the Act. Section 56-265.32 A expressly prohibits the Commission from imposing civil penalties on any county, city, or town but requires it to inform counties, cities and towns of reports of alleged violations of the Act, involving the locality. Therefore, in the spirit of § 56-265.32 A, should the Commission become aware that a locality has not complied with any of the attached applicable rules, including Rule 100 (new Rule 90), we will direct our Staff to inform the locality of its noncompliance with that Rule.

We encourage operators of electric systems that are cities, towns, and counties to report damages to their underground utility lines affecting 1,000 or more customer meters, resulting in an injury requiring in-patient hospitalization, or resulting in a fatality. In this way, the Commission's authority to enforce the provisions of the Act may complement the actions taken by localities as they seek to protect the citizens of the Commonwealth and minimize damage to their underground utility lines.

Rule 110 - Mandatory Reporting Requirements for Telecommunications Operators

Rule 110 (new Rule 100) would require all telecommunications operators to report all probable violations of the Act to the Division, involving damages to outside facilities affecting 1,000 or more access lines. As noted in Witness Tahamtani's direct testimony, the "1,000 or more access line" threshold was selected since significant outages of this magnitude are now reported to the Commission's Division of Communications. Exhibit MT-1 at 14-15. Roanoke and WGL support mandatory reporting requirements for all nongas operators, including telecommunications operators.

The VTIA, however, opposes new Rule 100 and asserts that the telecommunications industry has spent millions of dollars installing "self-healing rings" which, when damaged, divert telecommunications traffic in another direction. Tr. at 117-18. It is concerned that telecommunications companies may be in technical violation of the Rule proposed by the Division because these companies may not know that an outage affecting service has occurred. Id.

In order to enforce the requirements of the Act, the Commission must be made aware that a probable violation has occurred. The Rule, as proposed, assumes that a telecommunications operator knows that damage to underground lines affecting 1,000 or more access lines has occurred. We find the mandatory reporting threshold of damage to outside plant facilities affecting 1,000 access lines reasonable and consistent with the existing service criteria applied to local exchange telephone companies. We will therefore adopt Rule 110 (new Rule 100), with the minor modification set out below:

> All operators of telecommunication utility lines shall report all probable violations of the Act to the division involving damages to [underground] outside facilities affecting 1,000 or more access lines.[8]

Rule 120 - Mandatory Reporting for Cable TV and Cable TV/telecommunications Operators

AGC comments that Rule 120 (new Rule 110) should be eliminated because damages to cable television lines do not constitute safety hazards. July 31, 2000, Comments of AGC at 1. As noted by the Staff and other case participants, cable operators participate in the Emergency Alert System used to notify the public of national emergencies. Indeed, the cable industry has often asserted that cable service is an "essential public service." See Exhibit MT-1 at 16; Exhibit ALP-14 at 2-3. Tr. at 96-97.

Cable television operator Cox filed comments supporting reporting requirements applicable to damages affecting 1,000 or more customers rather than access lines. Exhibit CVT-9 at 4. Rule 120, as noted in Exhibit MT-1 at 16-17, refers to customers and not access lines as the necessary threshold for reporting damages to the Division. We will adopt Rule 120 (new Rule 110) as proposed by the Staff in Exhibit MT-1 and supported by Cox, with the minor modification set out below:

> All operators of cable TV and cable TV [~~and~~] telecommunication utility lines shall report all probable violations of the Act to the division involving damages to [underground] outside plant facilities [~~impacting~~ affecting] 1,000 or more customers.

Reporting Requirements for Jurisdictional Gas Utilities

Presently, jurisdictional gas utilities report all probable violations involving their underground lines to the Division. Columbia has requested that the Division enter into a dialogue with it and other jurisdictional natural gas utilities regarding possible exemptions to the policy requiring that jurisdictional gas utilities report all probable violations. It urges the Commission not to adopt a rule on this issue at this time. Tr. at 132-133.

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[7] Because the preceding Rule governing data requests (old Rule 90) has been eliminated, the remaining rules have been renumbered sequentially. The renumbered rules are referenced in the Order as "new Rule __".

[8] Brackets indicate language added to a rule. Language that has been deleted from a rule is struck through.

In its rebuttal testimony (Exhibit MT-2 at 7), the Staff has noted that it is prepared to begin a dialogue with the gas industry to determine if the current reporting requirement may be altered without compromising public safety. It has also asked that we refrain from adopting a rule relative to reporting requirements for gas operators in this proceeding to allow this dialogue to take place. Although it is not a gas utility that is subject to the Commission's pipeline safety regulation, Columbia Transmission has also requested that it be permitted to participate in this dialogue. Tr. at 92.

We note that excavation damage to pipelines remains one of the primary causes of pipeline accidents. Preventing or significantly decreasing these damages reduces the risk of loss of life, injuries, property damage, environmental damage, economic loss, and service outages. Exhibit MT-1 at 18. Damages per 1,000 tickets to gas pipelines have declined by 47 percent since 1996. Exhibit MT-1 at 19. The primary reason for the reduction of incidents involving gas pipelines is the reporting of all damages and the enforcement of the Act relative to these incidents. Exhibit MT-1 at 19 and Exhibit RCI-12 at 3.

The informal Staff policy requiring reporting of all damages by jurisdictional gas utilities has obviously been successful because of the cooperation of all involved. We are comfortable with permitting Staff and jurisdictional gas pipelines to discuss potential modifications to this policy. Therefore, consistent with the Staff's and Columbia's requests, we will not adopt a formal rule governing the reporting requirements by the gas utilities. Instead, we will direct the Staff to initiate a dialogue with jurisdictional gas utilities concerning the merits of creating exemptions to the reporting requirements now applied to these utilities. It is our expectation that the Staff will report to us the outcome of this dialogue. Columbia Transmission may also participate in these discussions.

Rule 140 1 - Dispatched Personnel Responding to an Emergency

Proposed Rule 140 1 (new Rule 130 1) would require dispatched crews responding to an emergency to notify the notification center and request an emergency locate of underground utility lines at the earliest reasonable opportunity. AEP-VA comments that the Rule should be clarified to permit the excavator or operator to notify the notification center since personnel actually responding to the emergency are likely to be focused upon the exigencies of emergency circumstances. Exhibit TLM-11 at 8. Staff responds that those who dispatch personnel or crews to an emergency may not be familiar with the field procedures used to respond properly to the emergency situation at hand, e.g., the extent of excavation. They may not be able to describe the circumstances existing in the field fully to the notification center. Exhibit MT-2 at 4-5. We agree with the Staff and will adopt Rule 140 1 (new Rule 130 1) as set out in Exhibit MT-1.

Rule 160 K - Validity of Markings

Rule 160 K (new Rule 150 K) defines how long markings shall be valid at an excavation site. Pursuant to this Rule, markings indicating the horizontal location of an underground utility line shall be valid for 15 days from the time of notification by the excavator or until one of the following events occurs: (1) the markings become faded, illegible, or destroyed; or (2) if the markings were placed in response to an emergency, and the emergency condition has ceased to exist.

Cox comments that this Rule should not be read contrary to § 56-265.17 C. Cox maintains that, consistent with that statute, the excavator should be responsible for calling the notification center for remarking. Tr. at 115.

This Rule will not be applied contrary to § 56-265.17 C, and is consistent with the requirements of that statute. Section 56-265.17 C provides that an excavator's notification is valid for fifteen working days from the time of notification to the notification center, and provides for the remarking of lines if they become illegible. Rule 160 K (new Rule 150 K) accomplishes the same result. The Rule is also consistent with § 56-265.24 B of the Code of Virginia, which requires an excavator to request remarking if markings become illegible due to time, weather, construction, or other causes. Most importantly, the Rule supplies an administrative detail clarifying when markings made during an emergency condition become invalid. To clarify this portion of new Rule 150 K, we will revise it as follows:

> 2. [~~An~~ If the markings were placed in response to an] emergency[, ~~condition~~ and the emergency condition ~~no longer exists~~ has ceased to exist].

Rule 160 L - Requiring Indication of the Number of Utility Lines of the Same Type Within the Same Trench

As originally proposed, Rule 160 L (new Rule 150 L) requires that if a single mark is used to mark utility lines of the same type within a trench, the number of utility lines within the trench must be indicated at every other mark. AEP-VA and other commentators observe that operator records are not always sufficiently detailed to permit the operator to know how many lines are in a trench. See, e.g., Exhibit TLM-11 at 10-11. MEPAV comments that locating techniques are not accurate enough to identify the number of utility lines within a trench. Tr. at 9.

In its rebuttal testimony, Staff addresses these commentators' concerns by revising Rule 160 L to provide

> Where permitted by the operator's records, all utility lines of the same type in the same trench owned by the same operator shall be marked individually, or by a single mark. If a single mark is used, the number of the utility lines shall be indicated at every other mark.

Exhibit MT-2 at 5 (emphasis added). This revision will require operators whose records identify the number of utility lines in a trench to provide that information to excavators. It also accommodates the concerns of those operators that currently do not maintain such information.

We agree that this Rule is an appropriate means of permitting operators to fulfill their duty under § 56-265.19 A of the Code of Virginia to mark the approximate horizontal location of their underground utility lines. We will adopt the Staff's proposed Rule as set forth in Exhibit MT-2. We recognize the limitations of locating equipment, but believe that this additional information, if available in an operators' records, should be communicated to the excavator through the markings made during locates as a further means of avoiding damage to multiple underground utility lines of the same type installed in the same trench.

Additionally, as part of the requirements of Rule 210 (new Rule 200), the operators must maintain information relative to the number of utility lines of the same type in the same trench. This information shall be used to comply with Rule 160 L (new Rule 150 L) for underground utility lines installed after July 1, 2001.

Rule 160 M - The Requirement that Operators or Contract Locators Use All Information Necessary to Mark Their Facilities Accurately

As set out in Exhibit MT-1, Rule 160 M (new Rule 150 M) requires operators or their contract locators to use all information necessary to mark their underground facilities accurately. Exhibit MT-1 at 33-34. Columbia and VNG support this Rule. Id. Virginia Power contends that this Rule is unnecessary and too vague. Tr. at 105-106.

We disagree with Virginia Power. As Exhibit CGV/VNG-13 recognizes, a prudent locator should be expected to utilize all information necessary under the circumstances to assure accurate markings. The appropriate records to be relied upon will vary with the locator's experience, type of underground material to be located, extent and availability of various records, and vintage of maps. In conjunction with the locator's expertise, use of records, documents, and other information should enable the locator to locate accurately underground utility lines under the circumstances that may be unique to each locate. We will adopt Rule 160 M (new Rule 150 M) as set out on page 34 of Exhibit MT-1.

Rule 160 N - Requirements to Mark Underground Pipelines Greater than 12 Inches in Diameter

Proposed Rule 160 N (new Rule 150 N) provides that markings of an underground pipeline greater than 12 inches in nominal outside dimension shall include the size of the pipeline in inches at every other mark. This Rule would provide additional information to an excavator about an underground pipeline so that the excavator may properly protect and support the pipeline during excavation. Gray Pruitt, an excavator, testified that this rule should be revised to require identification of pipeline circumferences greater than two to four inches in diameter. Tr. at 27-28. It is unnecessary to refine the rule in the way Mr. Pruitt proposes at this time.

Section 56-265.24 A requires excavators to take all reasonable steps necessary to properly protect, support, and backfill underground utility lines. This protection, set out in § 56-265.24 A, includes, among other things, hand digging "starting two feet of either side of the extremities of the underground utility line".

The proposed rule requires locators to provide the excavator with the size in inches of large pipelines, i.e., those 12 inches and greater in diameter, so that the excavator clearly understands how far to hand dig on either side of the marked utility line. We find that the Rule's marking requirement for a pipeline twelve inches or greater in dimension properly recognizes the need for protection of a large pipeline and avoids the imposition of unnecessary burdens on operators or contract locators marking underground pipelines. We will therefore adopt Rule 160 N (new Rule 150 N) as the Staff has proposed.

Rule 160 O - Horizontal Marking Symbols for Duct Structures and Conduit Systems

Proposed Rule 160 O (new Rule 150 O) requires that duct structures and conduit systems be marked in accordance with the horizontal marking standards for such structures and systems set out in the National Utility Locating Contractors Association's ("NULCA") Standards. Mr. Pruitt, an excavator, testified that national standards such as these are not as "detailed" as they need to be. Tr. at 30-31.

The recognition of NULCA as an appropriate national standard merits further discussion. In 1998, Congress directed the Federal Department of Transportation to identify "best practices" for the prevention of damage to underground facilities and to assure their safe operation. For nearly a year, experts, representing multiple industries, community interests, government, and professional representatives worked in teams to identify, define, and agree on the best practices governing all aspects of damage prevention. The integrated report on this effort, "Common Ground, Study of One-Call Systems and Damage Prevention Best Practices" ("Common Ground Report") was issued on June 30, 1999, and contains 130 damage prevention "best practices". May 26, 2000, Staff Report at 13-14, attached as Appendix 1 to Exhibit MT-1 (hereafter "Staff Report"). The Common Ground Report recognizes NULCA standards as an appropriate model to reduce confusion for excavators working in multiple regions across the country. Staff Report at 25. Indeed, the Staff and others submitting comments note that additional marking standards should help to reduce damage to underground utility lines by reducing errors associated with misinterpreting locate marks. Id. at 25. While there is room to argue about any set of standards, as Mr. Pruitt does, the additional detail provided by the NULCA standards will be useful. We believe these standards represent the industry's best efforts to date in this area. We will, therefore, adopt proposed Rule 160 O (new Rule 150 O).

Rule 170 - Clear Evidence of a Utility Line

Proposed Rule 170 (new Rule 160) provides that "clear evidence" as used in § 56-265.24 C of the Act includes, but is not limited to, visual evidence of an unmarked utility line, knowledge of the presence of a utility line, or faded marks from previous marking of a utility line. Public witness Pruitt asserts that the Rule requires clarification to ensure that a private irrigation line does not constitute clear evidence. He maintains that the Rule needs to be more specific on what constitutes "clear evidence". Tr. at 36-37.

Section 56-265.24 C of the Act provides that

> If, upon arrival at the site of a proposed excavation, the excavator observes clear evidence of the presence of an unmarked utility line in the area of the proposed excavation, the excavator shall not begin excavating until an additional call is made to the notification center for the area pursuant to subsection B of § 56-265.17.

The Rule proposed by Staff provides guidance as to what may constitute "clear evidence" of an unmarked utility line, i.e., visual evidence, knowledge of the presence of a utility line, or faded marks from the previous marking of a utility line. The language "shall include, but is not limited to" indicates that there may be other means of "clear evidence". The exact nature of what should be considered "clear evidence" will be fact dependent. Visual evidence of an unmarked utility line may include for a telephone utility, a telephone pedestal; and for a gas utility, a meter or permanent gas marker. The evidence must be observable. In addition, knowledge by an excavator that there is a utility line present or the presence of faded locating marks are sufficient, in our judgment, to require an excavator to make the additional call to the notification center required by § 56-265.24 C of the Code of Virginia. We will therefore adopt Rule 170 (new Rule 160) as set out in Exhibit MT-1.

Rule 200 6 - Hand Digging During Trenchless Excavation

Rule 200 6 (new Rule 190 6) requires an excavator conducting trenchless excavation to expose all utility lines that will be in the bore path by hand digging to establish the utility lines' location prior to commencing a bore. For parallel type bores, the Rule requires excavators to expose the utility line by hand digging at reasonable distances along the bore path.

The Cooperatives have expressed concern in their testimony that they may not be permitted to hand dig in environmentally sensitive areas. See Exhibit AW-7 at 5-6. Tr. at 110-111. The Staff has agreed to work with the Cooperatives to address their concerns about hand digging in wetlands and other protected areas when trenchless excavation techniques are employed. Tr. at 71.

We recognize that other regulatory authorities may issue permits prescribing how an excavation may be conducted by an excavator. Section 56-265.29 provides that compliance with the Underground Utility Damage Prevention Act will not exempt any operator or person from the operation of any other applicable laws, ordinances, regulations or rules of governmental and regulatory authorities having jurisdiction, "unless exempted by such other laws, ordinances, regulations, or rules as a result of" compliance with the Act. Some regulatory bodies with jurisdiction over excavation may not permit the use of hand digging during trenchless excavation. Consequently, we will revise Rule 200 6, now renumbered as 190 6, as follows:

> [Unless prohibited by other laws, ordinances, regulations, or rules of governmental and regulatory authorities having jurisdiction,] the excavator shall expose all utility lines which will be in the bore path by hand digging to establish [the underground utility line's] location prior to commencing bore. For a parallel type bore, [unless prohibited by other laws, ordinances, regulations, or rules of governmental and regulatory authorities having jurisdiction,] the excavator shall expose the utility line by hand digging at reasonable distances along the bore path;

Rule 210 - Maintenance of Reasonably Accurate Installation Records by Operators

Proposed Rule 210 (new Rule 200) would require all operators to maintain reasonably accurate installation records for all lines other than service lines installed after July 1, 2001. The wording of this Rule created confusion as to which utilities must maintain records. See e.g., Exhibit VP-6 at 12; Exhibit CGV/VNG-13 at 15-16. We believe the Rule should require operators to maintain reasonably accurate installation records for all underground utility lines installed after July 1, 2001, other than underground electric, telecommunications, cable TV, water, and sewer service lines to single family dwelling units.

Reasonably accurate installation records should assist operators and their contract locators as they mark the approximate horizontal locations of their underground lines, thus fulfilling the duties imposed upon them by § 56-265.19 A of the Code of Virginia. We agree that the Rule proposed by the Staff could be misconstrued. Therefore, we will revise Rule 210 (new Rule 200) as follows to require operators to maintain reasonably accurate installation records for all underground utility lines installed after July 1, 2001, with the exception of electric, telecommunications, cable TV, water, and sewer service lines to single family dwelling units:

> [~~For all new underground utility lines, excluding electric, phone, cable TV, water and sewer service lines, installed after July 1, 2001, the~~ The] operator shall prepare and maintain reasonably accurate installation records of the [underground] utility [~~line~~ lines installed after July 1, 2001~~.~~, other than electric, telecommunications, cable TV, water, and sewer underground service lines connected to a single family dwelling unit. ~~These records shall indicate if all or a portion of the utility line has been abandoned.~~]

Accordingly, IT IS ORDERED THAT:

(1) The Rules for Enforcement of the Underground Utility Damage Prevention Act, appended hereto as Attachment A, are hereby adopted, effective July 1, 2001.

(2) A copy of this Order and the Rules adopted herein shall be forwarded to the Virginia Register of Regulations for publication.

(3) There being nothing further to be done in this matter, this case shall be dismissed from the Commission's docket of active proceedings, and the papers filed herein shall be placed in the Commission's file for ended causes.

NOTE: A copy of Attachment A entitled "Chapter 309. Rules for Enforcement of the Underground Utility Damage Prevention Act" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. PUE990787
JANUARY 7, 2000

NOTIFICATION OF
EQUITABLE PRODUCTION COMPANY

To discontinue an exempt sale of gas in Wise County made pursuant to § 56-265.4:5 of the Code of Virginia

ORDER

By Order Dismissing Proceeding of January 17, 1999, in Equitable Resources Energy Co., Case No. PUE950099, 1996 State Corp. Commission Ann. Rep. 285, the Commission found that notice of Equitable Resources Energy Company's plan to provide supplemental natural gas to Buster Brown Apparel, Inc. in Wise County had been given as required by § 56-265.4:5 of the Code of Virginia and that no public utility had applied to provide the

planned service. On December 6, 1999, the corporation, now named Equitable Production Company ("Equitable"), filed with the Commission notice that it no longer provided the supplemental service. According to Equitable, Buster Brown had ceased doing business.

Equitable requests that the Commission not count the service formerly provided to Buster Brown toward the limit of "fewer than thirty-five commercial or industrial customers" for service established by § 56-265.1(b)(4) of the Code of Virginia. The Commission takes notice of the reduction in customers served by Equitable. Accordingly,

IT IS ORDERED THAT:

(1) This matter be docketed and assigned Case No. PUE990787.

(2) There being nothing further to be done, this matter is dismissed from the Commission's docket.

CASE NO. PUE990788
MAY 25, 2000

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 ADOPTING REGULATIONS GOVERNING NET ENERGY METERING

As part of the Virginia Electric 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.

By order entered December 22, 1999, the Commission established this proceeding for the promulgation of regulations in accordance with § 56-594. Also on December 22, 1999, the Commission Staff filed proposed regulations to govern net energy metering as well as a report describing its proposed regulations. The Staff's proposed regulations were developed after receiving input from numerous stakeholders and interested parties. These parties provided both written responses to Staff data requests and participated in meetings and a workshop conducted by the Staff.

Our order of December 22, 1999, provided notice to interested parties and the public of the proposed regulations and invited formal comments and requests for hearing. The Commission received comments from the following parties: The Potomac Edison Company, d/b/a Allegheny Power; Appalachian Power Company, d/b/a American Electric Power ("AEP-VA"); the Office of the Attorney General's Division of Consumer Counsel ("Consumer Counsel"); Old Dominion Electric Cooperative and its member distribution cooperatives, together with the Virginia, Maryland & Delaware Association of Electric Cooperatives ("the Cooperatives"); the Maryland-DC-Virginia Solar Energy Industries Association ("MDV-SEIA"); Southern Environmental Law Center; LG&E Energy Corporation; and Virginia Electric and Power Company ("Virginia Power"). AEP-VA and Virginia Power requested a hearing on the proposed regulations.

By order of February 22, 2000, we established a procedural schedule for receiving evidence at a public hearing. We directed our Staff to file testimony or other filing adopting its December 22, 1999, report, and we directed parties desiring to participate at the hearing to similarly file testimony or other filing adopting its previously filed comments. The Staff filed comments adopting its report on March 10, 2000, and parties made their filings on March 21, 2000. The hearing was held on March 29 and 30, 2000. The Staff, Consumer Counsel, MDV-SEIA, Virginia Power, the Cooperatives, AEP-VA, and Allegheny Power participated at the hearing. At the hearing, the Commission heard opening statements from counsel and received extensive evidence from the Staff and witnesses for the parties.

NOW THE COMMISSION, upon consideration of the record and the applicable law, is of the opinion and finds that the regulations attached hereto should be adopted, effective as of the date of this order. These regulations will, as required by § 56-594 A of the Code of Virginia, establish a program affording eligible customer-generators the opportunity to participate in net energy metering.

The regulations we adopt herein contain various modifications to those that were published in this case by our order of December 22, 1999. These modifications have been made after our consideration of proposed changes made to those rules by the Staff prior to the hearing in March of this year, other changes suggested at that proceeding, and our analysis of the question of how best to "facilitate the provision of net energy metering" without adversely affecting the public interest, as required by § 56-594 A of the Code of Virginia.

One change we have made corrects what we find to have been a misimpression of the statutory requirement that was incorporated in the third paragraph of proposed rule 20 VAC 5-315-50. That rule, as originally proposed, provided that excess generation occurring during any billing periods would be carried forward to be applied to consumption in future billing periods, but not past the end of the twelve-month net metering period. That proposal was intended to apply the provision of § 56-594 D of the Code of Virginia that a customer is not to be compensated for excess electricity produced during a net metering period in the absence of a separate power purchase agreement. That rule, as proposed, treated the customer less favorably than the statute requires, however. We have modified that rule herein to make it consistent with the statutory provision. Accordingly,

IT IS ORDERED THAT:

(1) Regulations governing net energy metering are hereby adopted as shown in Attachment A to this order.

(2) All electric utilities in the Commonwealth subject to Chapter 10 of Title 56 of the Code of Virginia shall file with the Commission's Division of Energy Regulation by June 16, 2000, tariff provisions necessary to implement the regulations as adopted herein.

(3) There being nothing further to come before the Commission, this case shall be removed from the docket and the papers filed herein be placed in the file for ended causes.

NOTE: A copy of Attachment A entitled "Chapter 315. Regulations Governing Net Energy 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. PUE990815
MARCH 30, 2000

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 March 29, 1999, Diamonds Utility Construction, Inc., damaged a forty-eight strand fiber telephone line operated by GTE South Incorporated located at or near Silverbrook Road (next to CVS), Lorton, Virginia, while excavating;

(2) On or about May 11, 1999, William B. Hopke Co. Inc. damaged a two inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 11951 Freedom Street, Reston, Virginia, while excavating;

(3) On or about May 21, 1999, Masters, Inc., damaged a twenty-five pair telephone service line operated by GTE South Incorporated located at or near 3352 Mt. Laurel Loop, Lot 51, Dumfries, Virginia, while excavating;

(4) On or about June 28, 1999, Rapidan Service Authority damaged a twenty-five pair main telephone line operated by GTE South Incorporated located at or near 3921 Lakeview Parkway, Locust Grove, Virginia, while excavating;

(5) On or about July 28, 1999, Columbia Gas of Virginia, Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 187 Mansfield Street, Fredericksburg, Virginia, while excavating;

(6) On or about August 5, 1999, Myers Cable, Inc., damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 7312 Terranova Drive, Warrenton, Virginia, while excavating;

(7) On or about August 17, 1999, Fowler Construction Co., Inc., damaged a two-hundred pair main telephone line operated by GTE South Incorporated located at or near 5 Clark Lane, Stafford, Virginia, while excavating;

(8) On or about August 18, 1999, Cadyco, Inc., damaged a twenty-five pair main telephone line operated by GTE South Incorporated located at or near the corner of Great Lake Lane and Sunset Terrace, Lorton, Virginia, while excavating;

(9) On or about August 20, 1999, Johnson Utility Construction Corporation damaged a three-hundred pair main telephone line operated by GTE South Incorporated located at or near the intersection of Aquia Drive and Schooner Drive, Stafford, Virginia, while excavating;

(10) On or about August 24, 1999, Vico Construction Corporation damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near Marina Lane, Newport News, Virginia, while excavating;

(11) On or about August 26, 1999, Falcon Construction Corporation damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 632 34th Street, Newport News, Virginia, while excavating;

(12) On or about August 31, 1999, East Coast Abatement & Demolition, Inc., damaged a one and one-quarter inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near 1045 West 43rd Street, Norfolk, Virginia, while excavating;

(13) On or about September 7, 1999, Myers Cable, Inc., damaged a two-hundred pair main telephone line operated by GTE South Incorporated located at or near Courthouse and Shelton Shop Road, Stafford, Virginia, while excavating;

(14) On or about September 20, 1999, C. Lewis Waltrip II, Inc., damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near Chelmsford Way, Newport News, Virginia, while excavating;

(15) On or about September 23, 1999, Atlantic Cable & Trench, Inc., damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 1500 Hidden Cove Road, Virginia Beach, Virginia, while excavating;

(16) On or about September 24, 1999, Osborne Irrigation, Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 3200 Fox Hurst Drive, Midlothian, Virginia, while excavating;

(17) On or about September 24, 1999, Centerville Signs, Inc., damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 2716 Bernadotte Street, Virginia Beach, Virginia, while excavating;

(18) On or about September 28, 1999, Cable Communications and Engineering, Inc., damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc. located at or near 101 Holman Road, James City County, Virginia, while excavating;

(19) On or about September 30, 1999, Keystone Pipeline Services, Inc., damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near 2222 Vincent Avenue, Norfolk, Virginia, while excavating;

(20) On or about October 5, 1999, Atlantic Cable & Trench, Inc., damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near 1305 Arce Court, Chesapeake, Virginia, while excavating;

(21) On or about October 8, 1999, Atlantic Cable & Trench, Inc., damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 229 South Newtown Road, Virginia Beach, Virginia, while excavating;

(22) On or about October 13, 1999, Innerview Ltd. damaged a power line operated by Virginia Electric and Power Company located at or near South Kentucky Avenue, Virginia Beach, Virginia, while excavating;

(23) On or about October 13, 1999, R & P Lucas Underground Utilities, Inc., damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 5433 Steamboat Court, Chesapeake, Virginia, while excavating;

(24) On or about October 15, 1999, Inter-Earth Underground Construction, Inc., damaged a primary power line operated by Virginia Electric and Power Company located at or near 2600 Red Wing Lane, Richmond, Virginia, while excavating;

(25) On or about October 19, 1999, James City Service Authority damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 152 John Rolfe, James City County, Virginia, while excavating;

(26) On or about October 19, 1999, Directional Boring, L.L.C., damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near 5201 Canoe Landing, Virginia Beach, Virginia, while excavating;

(27) On or about October 30, 1999, Gene Page, homeowner, damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 1865 Haverhill Drive, Virginia Beach, Virginia, while excavating;

(28) On or about November 16, 1999, Stoney Creek Sanitary District damaged a primary power line operated by Virginia Electric and Power Company located at or near the corner of Lots 254 and 255 Ironwood Road, Bayse, Virginia, while excavating;

(29) For the incidents described in paragraphs (1) through (28) 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;

(30) On or about August 9, 1999, Dean Designs notified the notification center of plans to excavate at or near Lot 3, Cliff Mills Road, Marshall, Virginia;

(31) On or about September 21, 1999, Minors Fence Inc. notified the notification center of plans to excavate at or near 9309 Crossover Drive, Hanover, Virginia;

(32) On or about September 22, 1999, S. W. Poindexter Plumbing notified the notification center of plans to excavate at or near Marsh Light Lane, Chesterfield, Virginia;

(33) On or about September 24, 1999, Minors Fence Inc. notified the notification center of plans to excavate at or near 12405 Danny Hill Road, Chesterfield, Virginia;

(34) On or about September 27, 1999, Minors Fence Inc. notified the notification center of plans to excavate at or near 3801 Raftersridge Drive, Chesterfield, Virginia;

(35) On or about September 29, 1999, F. G. Pruitt Contracting Co., Inc., notified the notification center of plans to excavate at or near the intersection of New Market Road and Route 895, Henrico, Virginia;

(36) On or about September 29, 1999, F. G. Pruitt Contracting Co., Inc., notified the notification center of plans to excavate at or near the intersection of Willson Road and Route 895, Henrico, Virginia;

(37) On or about September 29, 1999, F. G. Pruitt Contracting Co., Inc., notified the notification center of plans to excavate at or near the intersection of Yarnell Road and Route 895, Henrico, Virginia;

(38) On or about September 29, 1999, F. G. Pruitt Contracting Co., Inc., notified the notification center of plans to excavate at or near the intersection of Darbytown Road and Route 895, Henrico, Virginia;

(39) On or about September 29, 1999, F. G. Pruitt Contracting Co., Inc., notified the notification center of plans to excavate at or near the intersection of Miller Road and Willson Road, Henrico, Virginia;

(40) On or about September 29, 1999, F. G. Pruitt Contracting Co., Inc., notified the notification center of plans to excavate at or near Southern Watch Place, Hanover, Virginia;

(41) On or about September 29, 1999, F. G. Pruitt Contracting Co., Inc., notified the notification center of plans to excavate at or near Lodge Pole Drive, Hanover, Virginia;

(42) On or about September 29, 1999, F. G. Pruitt Contracting Co., Inc., notified the notification center of plans to excavate at or near the intersection of Bayberry Court and Glen Forest Drive, Hanover, Virginia;

(43) On or about September 29, 1999, F. G. Pruitt Contracting Co., Inc., notified the notification center of plans to excavate at or near the intersection of Lakeside Avenue and Hilliard Road, Henrico, Virginia;

(44) On or about September 29, 1999 F. G. Pruitt Contracting Co., Inc., notified the notification center of plans to excavate at or near Intersection of Old Hundred Road and Echo Ridge Drive, Chesterfield, Virginia;

(45) On or about October 6, 1999, Minors Fence Inc. notified the notification center of plans to excavate at or near 5133 Chelsea Brook Lane, Henrico, Virginia;

(46) On or about October 6, 1999, Minors Fence Inc. notified the notification center of plans to excavate at or near 6302 Whistler Road, Henrico, Virginia;

(47) On or about October 8, 1999, Kidd and Company, Inc., notified the notification center of plans to excavate at or near 2101 Rainbow Drive, Chester, Virginia;

(48) On or about October 12, 1999, Minors Fence Inc. notified the notification center of plans to excavate at or near 10497 Chamberlayne Road, Hanover, Virginia;

(49) On or about November 1, 1999, Eastern Irrigation notified the notification center of plans to excavate at or near 510 Lake Caroline Drive, Caroline, Virginia;

(50) For the incidents described in paragraphs (30) through (49) 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;

(51) On or about October 15, 1999, John Solominides, homeowner, damaged a secondary power line operated by Virginia Electric and Power Company located at or near 65 Settlers Way, Stafford, Virginia, while excavating;

(52) For the incident described in paragraph (51) herein, the Company failed to mark the approximate horizontal location of the line on the ground to within two feet of the underground utility line, in violation of § 56-265.19 A of the Code of Virginia; and

(53) The Company failed to mark the utility line after a three hour notice, in violation of § 56-265.17 B 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 $65,200 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 $65,200 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. PUE990816
MARCH 7, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UNDERGROUND TECHNOLOGY INCORPORATED,
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) During the week of November 1, 1999, Solis Fence Company of Virginia, Inc., notified the notification center of their plans to excavate at 5205 Easton Drive, Fairfax, Virginia; 4 West Oak Street, Alexandria, Virginia; 8911 Wilson Avenue, Prince William, Virginia; 10038 Darnaway Court, Prince William, Virginia; and McCarty Crest Court, Fairfax, Virginia;

(2) On or about November 16, 1999, Solis Fence Company of Virginia, Inc., notified the notification center of their plans to excavate at 10125 Dwight Avenue, Fairfax, Virginia; and 5333 South Port Lane, Fairfax, Virginia;

(3) On or about November 17, 1999, Arlington County Department of Parks and Natural Resources, notified the notification center of their plans to excavate at 4609 36th Street South, Arlington, Virginia; South Highland Street, Arlington, Virginia; 1908 South Lorton Street, Arlington, Virginia; 4130 36th Street South, Arlington, Virginia; 620 South Vitch Street, Arlington, Virginia; 2100 South Fern Street, Arlington, Virginia; South Fern Street, Arlington, Virginia; 23rd Street South, Arlington, Virginia; Old Dominion Road, Arlington, Virginia; 24th Street North, Arlington, Virginia; Key Boulevard, Arlington, Virginia; 5th Street North, Arlington, Virginia; Key Boulevard, Arlington, Virginia; 2906 Key Boulevard, Arlington, Virginia; 502 North Hudson Street, Arlington, Virginia; 4901 16th Road North, Arlington, Virginia; 13th Street North, Arlington, Virginia; North Abingdon Street, Arlington, Virginia; 4640 North 13th Street, Arlington, Virginia; 4814 North 14th Street, Arlington, Virginia; North Abingdon Street, Arlington, Virginia; 1141 North Stuart Street, Arlington, Virginia; 4906 14th Street North, Arlington, Virginia;

(4) For twenty-eight of the notices in paragraphs (1), (2), and (3), Underground Technology Incorporated ("the Company") failed to mark the approximate horizontal location of the underground 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;

(5) For one of the notices in paragraph (1), identified as 5205 Easton Drive, Fairfax, Virginia, the Company failed to respond to the Ticket Information Exchange System ("TIE") as "marked" no later than 48 hours after receiving notice from the notification center, in violation of § 56-265.19 A of the Code of Virginia;

(6) For one of the notices in paragraph (1), identified as 8911 Wilson Avenue, Prince William, Virginia, the Company failed to respond to the TIE as "clear" no later than 48 hours after receiving notice from the notification center, in violation of § 56-265.19 B of the Code of Virginia; and

(7) For one of the notices in paragraph (3), identified as Old Dominion Road, Arlington, Virginia, the Company failed to directly notify the excavator of an inability to mark 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 $9,200 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 $9,200 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. PUE990825
FEBRUARY 2, 2000

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 28, 1999, Virginia Electric and Power Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company ("the Company") located at or near 5749 Dangerfield Way, Burke, Virginia, while excavating;

(2) On or about October 11, 1999, Northern Pipeline Construction Co. the Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 11671 Captain Rhett Lane, Fairfax, Virginia, while excavating;

(3) On or about October 13, 1999, Rockingham Construction Company, Incorporated damaged a one-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 14902 Concord Drive, Dale City, Virginia, while excavating;

(4) On or about October 15, 1999, Virginia-American Water Company damaged a four inch plastic gas service line operated by Washington Gas Light Company located at or near 5801 Duke Street, Alexandria, Virginia, while excavating;

(5) On or about October 15, 1999, Harry B. King Sewer and Water Services damaged a three-quarter inch steel gas service line operated by Washington Gas Light Company located at or near 2810 North Quebec Street, Arlington, Virginia, while excavating;

(6) On or about October 18, 1999, Shirley Contracting Corporation damaged a three-quarter inch steel gas service line operated by Washington Gas Light Company located at or near Franconia Road and Frontier Drive, Springfield, Virginia, while excavating;

(7) On or about October 18, 1999, Cherry Hill Construction, Inc., damaged a three-quarter inch steel gas service line operated by Washington Gas Light Company located at or near 4417 Taney Avenue, Alexandria, Virginia, while excavating;

(8) On or about October 18, 1999, Cherry Hill Construction, Inc., damaged a three-quarter inch steel gas service line operated by Washington Gas Light Company located at or near 4427 Taney Avenue, Alexandria, Virginia, while excavating;

(9) On or about October 19, 1999, J. G. Miller, Inc., damaged a two inch plastic gas service line operated by Washington Gas Light Company located at or near 13-A King Street, Leesburg, Virginia, while excavating;

(10) On or about October 26, 1999, Shirley Contracting Corporation damaged a three-quarter inch steel gas service line operated by Washington Gas Light Company located at or near 6612 Franconia Road, Springfield, Virginia, while excavating;

(11) On or about October 27, 1999, Cherry Hill Construction, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 4362 Raleigh Avenue, Alexandria, Virginia, while excavating; and

(12) 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 $9,250 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 $9,250 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. PUE990826
MAY 26, 2000

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 September 14, 1999, Joseph Kent Excavating, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 7877 Dogueindian Trail, Lorton, Virginia, while excavating;

(2) On or about September 15, 1999, Hydro-Tech Irrigation Company damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 3310 Lauren Oak Court, Fairfax, Virginia, while excavating;

(3) On or about September 22, 1999, Atlas Plumbing & Mechanical, Inc., damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 11259 Sommersworth Court, Drainsville, Virginia, while excavating;

(4) On or about September 27, 1999, Atlas Plumbing & Mechanical, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 12393 Falkirk Drive, Fairfax, Virginia, while excavating;

(5) On or about September 30, 1999, McGuire Plumbing & Heating, Inc., damaged a two inch plastic gas main line operated by Roanoke Gas Company located at or near 408 Clubhouse Drive, N.W., Roanoke, Virginia, while excavating;

(6) On or about October 4, 1999, City of Salem damaged a one-half inch plastic gas service line operated by Roanoke Gas Company located at or near 524 Kimball Avenue, Salem, Virginia, while excavating;

(7) On or about October 6, 1999, Accokeek Fence Company, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 14503 Meeting Camp Road, Centreville, Virginia, while excavating;

(8) On or about October 7, 1999, D. A. Foster Company damaged a two inch plastic gas service line operated by Washington Gas Light Company located at or near 4437 Brookfield Corporate Drive, Chantilly, Virginia, while excavating;

(9) On or about October 11, 1999, Modular Technologies, Inc., damaged a one inch plastic gas service line operated by Roanoke Gas Company located at or near 3838 Overdale Drive, S.W., Roanoke, Virginia, while excavating;

(10) On or about October 12, 1999, Arlington County Public Works damaged a six inch plastic gas service line operated by Washington Gas Light Company located at or near 850 South Army-Navy Drive, Arlington, Virginia, while excavating;

(11) On or about October 15, 1999, Bison Inc. damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near Old Courthouse Road and Gosnell Road, Tysons Corner, Virginia, while excavating;

(12) On or about October 19, 1999, Atlas Plumbing and Mechanical, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 12812 Holly Grove Court, Oakton, Virginia, while excavating;

(13) On or about October 28, 1999, the City of Roanoke damaged a one-half inch plastic gas service line operated by Roanoke Gas Company located at or near 732 Brandon Avenue S.W., Roanoke, Virginia, while excavating;

(14) For the incidents described paragraphs (1) through (13) herein, Utiliquest, LLC, ("the Company"), failed to mark the approximate horizontal location of the lines on the ground to within two feet of the underground utility lines, in violation of § 56-265.19 A of the Code of Virginia;

(15) On or about September 21, 1999, Impact Augering, Inc., notified the notification center of plans to excavate at or near 8225 Clairmont Woods Drive, Alexandria, Virginia;

(16) On or about October 5, 1999, G & M Homes, Inc., notified the notification center of plans to excavate at or near 6680 Hunters Ridge Road, Manassas, Virginia;

(17) On or about October 29, 1999, James G. Davis Construction Corp. notified the notification center of plans to excavate at or near 8000 Jones Branch Drive, McLean, Virginia;

(18) For the incidents described in paragraphs (15) through (17) herein, the Company failed to mark the approximate horizontal location of the lines of 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;

(19) On or about September 27, 1999, Atlas Plumbing & Mechanical, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 11259 Sommersworth Court, Drainsville, Virginia, while excavating; and

(20) For the incident described in paragraph (19) herein, the Company failed to directly notify the excavator of an inability to mark 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 $17,700 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 $17,700 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. PUE990881
JULY 12, 2000

APPLICATION OF
ROANOKE GAS COMPANY

Annual Informational Filing

FINAL ORDER

On December 23, 1999, Roanoke Gas Company ("Roanoke" or the "Company") filed its Annual Informational Filing ("AIF") for the 12 months ended September 30, 1999.

Following a review of the AIF, on March 24, 2000, the Commission Staff filed a report ("Staff's Report") summarizing its accounting analysis and the financial highlights of Roanoke's utility operations for the aforementioned test period.[1]

Roanoke filed comments on the Staff Report ("Roanoke's Comments"). The Company accepted the Staff's recommendations with the exception of Staff's recommendation concerning the application of the earnings test to the write-off of $25,485 of unamortized deferred rate case expenses associated with Case No. PUE980626 ("rate case expenses").[2] Roanoke contended that its rate case expenses should not be subject to the earnings test. In support, Roanoke asserted that the effect of the earnings test is to accelerate the amortization of regulatory assets on the books, even though previous Commission orders set the appropriate amortization periods for recovery. The Company asserted that no utility should be required to write-off prudently incurred rate case expenses as part of an earnings test since such costs were created as a by-product of the regulatory process. The Company further contended that the earnings test "threatens to affect financial reporting."[3] That is, the Company expresses concern that it may not be able to satisfy the criteria of Statement of Financial Accounting Standards ("SFAS") No. 71, which permits a public utility to report a regulatory asset only if certain conditions are met, because the application of an earnings test would create uncertainty regarding the availability of future revenue to cover capitalized costs.

Roanoke further argued that, if the Commission nevertheless determines to apply the earnings test, the Company should be allowed to write-off regulatory assets to the top of the return on equity range. Roanoke contended that Staff's justification for requiring write-offs to the bottom of the range defeats the purpose of establishing a range of return values because writing off regulatory assets to the bottom of the range denies the Company the "right to any earnings within the authorized range."[4] The Company added that since earnings cannot be predicted with any certainty and the use of a reasonable range of return values is appropriate, earnings within the range, not just at the bottom of the range, should be allowable.

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[1] Staff noted that during 1999, the Company underwent a corporate restructuring. On July 1, 1999, RGC Resources, Inc., was established as a holding company, with its three utility operating companies consisting of Roanoke, Bluefield Gas Company ("Bluefield"), and Diversified Energy Company. As a result of the reorganization, Commonwealth Public Service Corporation, formerly a subsidiary of Bluefield, was merged into Roanoke.

[2] *Roanoke Gas Company, For General Increase in Rates and to Revise its tariff*, Case No. PUE980626, Doc. Control No. 981030099 (Oct. 27, 1998).

[3] Roanoke's Comments at 2.

[4] *Id.* at 3.

On May 17, 2000, Staff filed a response to Roanoke's Comments ("Staff Response"). Staff observed that Roanoke had raised similar arguments regarding the application of the earnings test in Case Nos. PUE960102 and PUE960304 (which were consolidated).[5] Staff noted that, in rejecting the Company's argument in *Roanoke Gas* that it would be penalized by the write-off, the Commission observed that the deferral of costs and creation of regulatory assets had benefited Roanoke because, absent the deferral and amortization of such costs, the costs at issue may have been disallowed in its cost-of-service as a non-recurring expense. Responding to Roanoke's argument that no utility should be required to write-off prudently incurred rate case expenses, Staff stated that rate case expenses cannot be distinguished from other regulatory assets since all such assets are a product of the regulatory process and would not exist in an unregulated environment. Staff observed that, even with Staff's recommended write-off, Roanoke will earn above the mid-point of its authorized range for return on equity of 10.0% to 11.0%.

NOW THE COMMISSION, upon consideration of the record and the applicable statutes, is of the opinion and finds that Staff's recommended write-off of Roanoke's deferred rate case expenses in the amount of $25,485 should be adopted.

The sole issue presented in this case is whether the earnings test should be applied to Roanoke's unamortized balance of deferred rate case expenses, and, if so, whether the top of the authorized range of return on equity, or the bottom of the range, should be used in determining the extent to which such costs should be deemed recovered.[6] A regulatory asset is a deferral of a current period cost amortized over an extended period of time for ratemaking and booking purposes. Generally, a prudently incurred cost may be deferred and amortized only when a regulated entity incurs unusually large or nonrecurring costs that could cause the company's financial results to be materially and negatively affected if such costs were currently expensed. The Commission applies the earnings test to determine whether regulatory assets have been recovered more quickly than anticipated or whether they should continue to be deferred and amortized on a company's books.

In rejecting the Company's argument that it should not be required to write-off its deferred rate case expenses, we note that the option to defer extraordinary current costs is unique to regulated entities. Underlying Roanoke's arguments as to why the earnings test should not be applied to its rate case expenses is its assumption that the Company has a right to recover the full amount of the regulatory asset in addition to all earnings that fall within the Company's authorized range of return. However, as the Commission previously has explained, "the deferral of any costs is unusual and should be allowed for ratemaking purposes only rarely and in extreme situations."[7] The recovery of a deferred cost is an opportunity, not a "right," that offers benefits to public utilities that non-regulated entities do not enjoy. The booking of regulatory assets allows public utilities to recover extraordinary costs from ratepayers over future periods, costs that otherwise may have been excluded from recovery in the utility's cost of service as nonrecurring. An unregulated entity does not book regulatory assets and is required to expense similar costs during the period in which they were incurred, regardless of the impact on earnings. Deferrals of prudently incurred costs provide for a greater degree of rate stability. Moreover, the utility's shareholders benefit from the original deferral of the costs associated with regulatory assets since the deferral increases earnings above what they would have been absent the booking of the regulatory asset. Given that the recovery of extraordinary costs over a future time period is an opportunity available only to regulated companies and there is no guarantee such costs will be recoverable, Roanoke's argument that its rate case expenses should not be subject to the earnings test because such application would prevent Roanoke from recovering its rate case expenses is unsupportable.

Roanoke's alternative suggestion, *i.e.*, if the earnings test is applied, the Company should be required to write off the rate case expenses only to the top of its authorized range, also is implicitly premised on the notion that the Company is entitled to recover the full cost of a regulatory asset in addition to all earnings within the Company's authorized range of return on equity. This argument fails for the same reasons discussed above. Moreover, Commission precedent is clear on this matter. The Commission has determined that, in applying the earnings test to deferred expenses, the cost will be deemed recovered to the extent it could be expensed and the company's return on equity was equal to or greater than the bottom of the allowed range of return on equity.[8] The Commission has explained that because earnings within a utility's authorized range are considered lawful and will be considered neither excessive nor insufficient, costs that do not reduce a company's earnings below its authorized range will be found to have been recovered.[9]

Finally, the Company's argument that the earnings test "threatens to affect financial reporting" is unfounded. The application of the earnings test does not appear to conflict with the requirements of SFAS No. 71 as to when a cost may be booked as a regulatory asset. When the earnings test is applied, the regulatory asset is written off early only if there are sufficient revenues and earnings to accommodate such a write-off.

Accordingly, IT IS ORDERED THAT:

(1) The recommendations set out in Staff's Report of March 24, 2000, are hereby adopted.

(2) 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.

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[5] *Application of Roanoke Gas Company, For an Annual Informational Filing and Application of Roanoke Gas Company, For expedited rate relief*, Case Nos. PUE960102 and PUE960304, 1998 S.C.C. Ann. Rept. 327 ("Roanoke Gas")

[6] The costs at issue are costs that the Commission previously determined may be booked as regulatory assets and should be subject to the earnings test. *Roanoke Gas*, 329-330. *See also Report of Deborah V. Ellenberg, Chief Hearing Examiner's Report, Application of Roanoke Gas Company, For an Annual Informational Filing and Application of Roanoke Gas Company, For expedited rate relief*, Case Nos. PUE960102 and PUE960304, Doc. Control No. 980440225 (Apr. 30, 1998).

[7] *Application of Appalachian Power Co., For an expedited increase in base rates*, Case No. PUE940063, 1996 S.C.C Ann. 255, 257 ("*Appalachian Power*").

[8] *Roanoke Gas, supra*, at 329.

[9] *Appalachian Power, supra*, at 257, *citing Application of Virginia Electric and Power Co., For an increase in base rates*, Case No. PUE880014, 1998 S.C.C. Ann. Rept. 312.

CASE NO. PUE990882
JANUARY 19, 2000

APPLICATION OF
WEST ROCKINGHAM WATER COMPANY, INC.

For a general increase in rates

ORDER PERMITTING WITHDRAWAL OF APPLICATION

On November 10, 1999, West Rockingham Water Company, Inc. ("West Rockingham" or "the Company"), served its customers with a Notice of Increase 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.

On December 30, 1999, the Commission issued an order suspending the Company's rates, tolls, and charges for sixty (60) days beginning January 1, 2000, and stating that a hearing and a procedural schedule would be set by subsequent order.

On January 4, 2000, West Rockingham filed a letter stating that since Rockingham County will be operating its system within the foreseeable future, it wished to withdraw its request for a rate increase.

NOW THE COMMISSION, having considered West Rockingham's request, is of the opinion and finds that the Company should be permitted to withdraw its application. We also find that the Company should give notice to its customers of the withdrawal of its application. Accordingly,

IT IS ORDERED THAT:

(1) West Rockingham may withdraw its application for a rate increase in this matter.

(2) By bill message or insert, West Rockingham shall give notice to its customers of the withdrawal of its application.

(3) This matter is hereby DISMISSED without prejudice.

(4) The papers filed herein shall be placed in the Commission's files for ended causes.

CASE NO. PUE000004
MARCH 1, 2000

APPLICATION OF
THE POTOMAC EDISON COMPANY

To revise its fuel factor pursuant to Va. Code § 56-249.6

ORDER ESTABLISHING 2000-2001 FUEL FACTOR PROCEEDING

On January 18, 2000, The Potomac Edison Company d/b/a Allegheny Power ("AP" or "the Company") filed with the Commission written testimony, exhibits, and proposed tariffs intended to decrease its zero-based fuel factor effective with March 2000 cycle bills rendered on and after March 8, 2000. Considering the Company's anticipated fuel recovery position as of February 29, 2000, its forecast of future fuel costs and level of transmission services and power sales transactions, and its expected generator unit performance and kilowatt-hour sales to jurisdictional customers, AP proposes to decrease its zero-based fuel factor from the currently authorized level of 1.181¢/kWh to 1.013¢/kWh, or by approximately 14.2%. Accordingly,

IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUE000004.

(2) AP's proposed fuel factor of 1.013¢ per kWh shall be effective, on an interim basis, effective with March 2000 cycle bills rendered on and after March 8, 2000.

(3) A hearing is hereby scheduled for 10:30 a.m. on Thursday, May 11, 2000, in the Commission's second floor courtroom for the purpose of receiving evidence related to the establishment of the Company's fuel factor for the twelve-month period commencing with bills rendered on and after March 8, 2000, pursuant to § 56-249.6 of the Code of Virginia.

(4) The Company shall provide a copy, at no charge, of its application and prefiled testimony and exhibits to any person desiring such copy. Requests for copies of the application shall be directed to Philip J. Bray, Esquire, The Potomac Edison Company, 10435 Downsville Pike, Hagerstown, Maryland 21740.

(5) On or before April 3, 2000, any person desiring to participate as a Protestant, as defined in the Commission's Rules of Practice and Procedure ("S.C.C. Rules") Rule 4:6 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 as provided in S.C.C. Rule 5:16(a) and serve a copy on the Company. Service upon the Company shall be directed to Philip J. Bray, Esquire, at the address set forth above.

(6) On or before April 13, 2000, each Protestant shall file an original and fifteen (15) 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 AP and all other Protestants.

(7) On or before April 28, 2000, the Commission Staff shall investigate the reasonableness of the Company's estimated costs and proposed fuel factor and file testimony with the Clerk, sending a copy to the Company and each Protestant.

(8) On or before May 4, 2000, the Company shall file an original and fifteen (15) copies of all testimony it expects to introduce in rebuttal to all direct prefiled testimony and exhibits. Additional rebuttal evidence may be presented 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 and any Protestant shall respond to written interrogatories within seven (7) days after receipt of same. Except as modified above, discovery shall be in accordance with Part VI of the SCC Rules.

(10) On or before March 17, 2000, the Company 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
2000-2001 FUEL FACTOR PROCEEDING
FOR THE POTOMAC EDISON COMPANY

On January 18, 2000, The Potomac Edison Company d/b/a Allegheny Power ("AP" or "the Company") filed an application with the State Corporation Commission for a decrease in its zero-based fuel factor effective with March 2000 cycle bills rendered on and after March 8, 2000. Considering the Company's anticipated fuel recovery position as of February 29, 2000, its forecast of future fuel costs and level of transmission and power sales transactions, and its expected generator unit performance and kilowatt-hour sales to jurisdictional customers, AP proposes to decrease its zero-based fuel factor from the currently authorized level of 1.181¢/kWh to 1.013¢/kWh, or by approximately 14.2%.

Pursuant to Virginia Code § 56-249.6, the Commission has scheduled a public hearing to commence at 10:30 a.m., on Thursday, May 11, 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 the Company's fuel factor. The Commission has authorized AP to collect, on an interim basis, its proposed fuel factor of 1.013¢ per kWh effective with March 2000 cycle bills rendered on and after March 8, 2000.

Any person desiring a copy of the application, testimony, and exhibits filed by the Company shall direct their request to Philip J. Bray, Esquire, The Potomac Edison Company, 10435 Downsville Pike, Hagerstown, Maryland 21740.

Any interested person (public witness) desiring to make a statement at the hearing should appear in the Commission's courtroom at 10:15 a.m. on the hearing date and identify himself or herself to the bailiff.

On or before April 3, 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"), to present evidence and cross-examine witnesses, shall file an original and fifteen (15) copies of a Notice of Protest, as described in S.C.C. Rule 5:16(a) with the Clerk of the Commission, and serve a copy upon AP. Service upon Potomac Edison shall be directed to Philip J. Bray, Esquire, at the address listed above.

On or before April 13, 2000, each Protestant shall file an original and fifteen (15) copies of a Protest (S.C.C. Rule 5:16(b)) and an original and fifteen (15) copies of the prepared testimony and exhibits Protestant intends to present at the public hearing, and serve two (2) copies each upon Potomac Edison and each Protestant. All written communications to the Commission regarding this proceeding shall identify Case No. PUE000004, and be directed to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218.

THE POTOMAC EDISON COMPANY

(11) On or before March 17, 2000, AP 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, Potomac Edison shall provide proof of service and notice as required in this Order.

CASE NO. PUE000008
MARCH 21, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UNDERGROUND TECHNOLOGY, INCORPORATED,
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 1, 1999 through November 9, 1999, multiple excavators notified the notification center of plans to excavate at multiple locations in Virginia;

(2) Underground Technology, Incorporated ("the Company"), failed to report that the lines were marked, in violation of § 56-265.19 A of the Code of Virginia;

(3) On or about November 2, 1999, Hall Mechanical & Associates, Inc., notified the notification center of plans to excavate at or near 47473 Meadow Ridge Road, Loudoun, Virginia;

(4) On or about November 2, 1999, Hall Mechanical & Associates, Inc., notified the notification center of plans to excavate at or near 20402 Clifton Point Street, Loudoun, Virginia;

(5) On or about November 8, 1999, Hall Mechanical & Associates, Inc., notified the notification center of plans to excavate at or near 20386 and 20383 Clifton Point Street, Loudoun, Virginia;

(6) On or about November 8, 1999, Hall Mechanical & Associates, Inc., notified the notification center of plans to excavate at or near 20442 and 20418 Clifton Point Street, Loudoun, Virginia;

(7) On or about November 8, 1999, Hall Mechanical & Associates, Inc., notified the notification center of plans to excavate at or near 12324 Sherborne Street, Prince William, Virginia;

(8) On or about November 9, 1999, Hall Mechanical & Associates, Inc., notified the notification center of plans to excavate at or near 21181 Marsh Creek Drive, Loudoun, Virginia;

(9) On or about November 23, 1999, Fairfax County Wastewater Collection Division notified the notification center of plans to excavate at or near 9706 Rhapsody Drive, Vienna, Virginia;

(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;

(11) On or about November 8, 1999, Leo Construction Company notified the notification center of plans to excavate at or near 9208 Greenshire Drive, Manassas, Virginia;

(12) 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; and

(13) The Company failed to mark the utility line after a three-hour notice, in violation of § 56-265.17 B 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 $6,750 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 $6,750 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 NOS. PUE000009 and PUE000010
JULY 28, 2000

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of expenditures for new generation facilities and for a certificate of public convenience and necessity

and

For approval and certification of transmission facilities

ORDER GRANTING INTERIM AUTHORITY FOR EXPENDITURES

At 4:31 p.m. on Thursday, July 27, 2000, Virginia Electric and Power Company ("Virginia Power" or "Company") filed its Motion for Interim Authority to Make Financial Expenditures and to Undertake Preliminary Construction Work ("Motion") in this matter, in which Virginia Power seeks necessary authorizations under the Code of Virginia to construct a combustion turbine generating unit and attendant electrical transmission facilities. These matters were heard May 22 and 23, 2000, before the Commission's Hearing Examiner and the Examiner's report on the substantive merits of these applications is pending.

In the Motion, Virginia Power asserts that the "Company has entered into a contract with General Electric for the construction and installation of the combustion turbine units. That contract requires construction to begin by August 1, 2000, to meet the June, 2001, completion date. The Company would incur significant cost if construction begins later than August 1." The Motion alleges that beginning work on September 1, 2000, rather than August 1, 2000, would add $300,000 in unexplained additional costs to the project. Virginia Power's Motion requests that we authorize the Company to "make such financial expenditures for the Project and to undertake preliminary construction work consisting of the installation of pilings and foundations" at the Company's expense and risk.

On Friday, July 28, 2000, Protestant Dynegy Power Corporation ("Dynegy") filed its response, urging us to deny the Motion, and objecting to the last-minute nature of the filing. Dynegy notes that Virginia Power has complete control over the timing of its filing for applications for construction certificates and should bear the consequences of any time delays attributable to its filing decision. Dynegy further notes that Virginia Power failed to effect service of the Motion on it by either telefax or hand-delivery.

On Friday, July 28, 2000, Chief Hearing Examiner Deborah V. Ellenberg issued a Ruling advising us that her final report was imminent and will recommend issuance of the requested authorizations. The Examiner recommends in her Ruling that we grant the Motion. The Ruling also discloses that the criticality of the August 1 construction date does not appear in the record under her consideration prior to Thursday, July 27, 2000, when the Company filed the Motion.

We are concerned that the Company waits until literally the eleventh hour before filing its Motion, which incorporates what it asserts is critical information not previously of record, according to our Chief Hearing Examiner who has reviewed all the documents of record and presided over the two days of hearing in this matter. The Company's Motion states that eight months are needed for construction and the contractual start date for operation is June 1, 2001. Eight months prior to June 1, 2001, is October 1, 2000, the date that has heretofore been considered the critical date in connection with construction start-up.

It is disturbing to have what the Company believes to be important factual matters about a construction project of some importance raised in a post-hearing pleading, and we note that the Company did not apprise the Protestant of its impending filing of the Motion, nor apparently take care to see that it was timely served. According to Dynegy's response, it became aware of the Motion when the Commission Staff telefaxed it a copy of the Motion on the morning of July 28. The public interest cannot be well-served when the Commission is asked to render important decisions on such a last-minute basis that all sides of the issue cannot effectively be heard from and a meaningful record developed. Were it not that the matter is so easily decided, we could not act on the Motion as requested due to the Company's failure to provide adequate notice. Neither the Commission Staff, nor any party, nor any member of the public should be put to the burden of responding to a request of this nature on less than a day's notice. The Company, and others, should be on notice that requests for our action in the future may be denied unless made with sufficient time to permit meaningful response and consideration.

We will, however, grant the Motion. The Hearing Examiner indicates she will recommend issuance of the requested construction certificates and authorizations in her final report that will be filed shortly, and recommends we grant the Motion for this reason. We are advised by the Staff that it does not oppose the Company being permitted to make the requested expenditures and undertake the designated construction activities. The relief we grant will allow the Company to begin financial commitments and specified construction activity on the Project at its expense and risk while we consider the merits of the application, the anticipated final report of the Hearing Examiner, and any comments thereon. Accordingly, IT IS ORDERED that:

(1) The Company is hereby granted an exemption from § 56-234.3 of the Code of Virginia for the purpose of making financial expenditures for and to undertake preliminary construction of pilings and footers for this Project.

(2) This Order shall have no ratemaking implications, nor does it constitute any final decision as to the merits of the applications. Any action taken by the Company under the provision of Paragraph No. 1 above shall be at its sole risk and expense.

(3) This matter is continued for further orders of the Commission.

CASE NO. PUE000009
OCTOBER 6, 2000

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For approval of expenditures for new generation facilities and for a certificate of public convenience and necessity
and
For approval and certification of transmission facilities

FINAL ORDER

On January 21, 2000, Virginia Electric and Power Company ("Virginia Power" or "the Company") filed an application requesting Commission approval for expenditures pursuant to § 56-234.3 of the Code of Virginia to construct two simple cycle combustion turbine ("CT") generator units of approximately 160 megawatts ("MW") each. The proposed units are to be usually gas-fired, but also capable of firing on fuel oil. The total cost of both units will be approximately $97.5 million, or $305 per kW.

The Company also requested a certificate of public convenience and necessity pursuant to § 56-265.2 to construct the proposed facility. The proposed facility is to be located in Caroline County near the town of Ladysmith and the Company's Ladysmith Substation.

Virginia Power proposes commercial operation of the units on or about June 2001. According to application, the new generating units will meet a portion of the Company's increased capacity requirements for the 2001 and subsequent years. The Company states that the proposed facility will have minimal adverse effects on the environment, noting that it will operate for relatively few hours each year, will normally be fueled by natural gas, and will not require large amounts of cooling water. The Company filed the testimony of E. Paul Hilton, Edward J. Rivas, Daniel J. Green,[1] and Jeffrey L. Jones in support of its application.

Virginia Power also filed an application on January 21, 2000, requesting a certificate of public convenience and necessity for the construction and operation of approximately four miles of 230 kV transmission line to connect the two proposed generating units to the Company's existing transmission facilities. This application was supported by the prefiled testimonies of Michael J. Chupka, John B. Bailey, and James A. Cox. The Company's two applications were docketed in the Commission's Order for Notice and Hearing of February 16, 2000, and consolidated and merged into a single proceeding under Case No. PUE000009.

Dynegy Power Corp. ("Dynegy") filed as a Protestant in this proceeding. Dynegy is a subsidiary of Dynegy Inc., an independent power producer with interests in power generation facilities located in Virginia, California, Texas, Georgia, Michigan, and Nevada, having generation capacity exceeding 8,000 MW. Dynegy filed the testimony of David L. Cruthirds on April 6, 2000.

The Commission Staff investigated the Company's applications and filed the testimonies of Cody D. Walker, Massoud Tahamtani, and Mark K. Carsley on April 25, 2000.

Virginia Power's application was heard before Chief Hearing Examiner Deborah V. Ellenberg on May 23 and 24, 2000. Edward L. Flippen, Kodwo Ghartey-Tagoe, Guy T. Tripp III, and Jill C. Hayek appeared as counsel for the Company. Thomas B. Nicholson appeared as counsel for Dynegy, and C. Meade Browder Jr. and Marta B. Curtis appeared on behalf of the Commission Staff. Floyd W. Thomas Jr., Chairman of the Caroline County Board of Supervisors, appeared as a public witness in support of the Company's application. No other public witnesses appeared.

The Chief Hearing Examiner issued her report on August 7, 2000. The report discusses in detail Virginia Power's evidence in support of its application, the Staff's evaluation of the application, and Dynegy's position in opposition to the application.

The examiner noted that the Company initially sought approval of these two CTs in an application filed August 11, 1998, in which it requested approval of five CTs at either a site near Remington in Fauquier County, or the Ladysmith site.[2] Virginia Power ultimately withdrew its request to construct units at the Ladysmith site and amended its application to seek authority to construct only four CTs at the Remington site. We approved that amended application on May 14, 1999.

In the instant application, the Company offered its current load forecast showing continuing growth in demand in its service territory resulting in additional peak capacity needs of 810 MW in 2001, 1001 MW in 2002, and 1,179 MW in 2003. Virginia Power issued a competitive solicitation for additional capacity through a December 10, 1999, Request for Proposals ("RFP"). The Company stated that its initial evaluation of the bids received indicated the bids were not competitive with the Company's build option for the incremental needs to be satisfied by the proposed Ladysmith CTs. The Company stated that it has contracted for capacity from independent sources as a result of a January 1999 RFP required by the Commission in Case No. PUE980462. Virginia Power is negotiating contracts based on other proposals from the January RFP for capacity in 2000 and 2001, and will be continuing to evaluate bids from the December RFP to fill the remainder of the Company's needs for 2001 and 2002.

Virginia Power stated that the facilities necessary to connect the proposed CTs to the Company's transmission system require the following: approximately four miles of new 230 kV line between the CTs and the Company's Ladysmith Substation; a 500 kV breaker, a 500 – 230 kV, 840 MVA transformer, a 230 kV breaker at the substation; and three 230 kV breakers at the CT site. The estimated cost to connect the CTs to the transmission system at Ladysmith is approximately $12 million. All of the new line will be on either existing transmission line right-of-way or on Company-owned property.

The Staff's testimony recommended approval of Virginia Power's application. It assessed the need of the proposed units by considering the reasonableness of the Company's forecasted loads, planning criteria, and whether there are economic alternatives. Staff witness Carsley noted that the Staff

[1] Mr. Green's testimony was adopted by Charles A. Stadelmeier at the hearing.

[2] See Application of Virginia Elec. and Power Co. ("the Remington application"), Case No. PUE980462, 1999 S.C.C. Ann. Rep't 431.

determined Virginia Power's forecasting methodology was reasonable during its annual review of the Company's latest filed resource plan and in the Company's 1999/2000 fuel factor case. The Staff found Virginia Power's summer peak load forecasts for 2001, 2002, and 2003 to be consistent with its previous forecasts even though the Company's capacity needs forecast did not reflect any loss of load associated with its retail customer choice pilot program. The Staff reasoned that estimating the amount of load loss to competitive generation would be too speculative to factor into the forecasts.

Staff witness Walker accepted Virginia Power's use of a 12.5 percent reserve margin. Mr. Walker also reviewed Virginia Power's evaluation of the bids it received in response to its December 1999 RFP for power supply. Mr. Walker generally concurred with Virginia Power's conclusion that the proposed CTs at Ladysmith will impose less cost on the Company and or provide greater reliability than any of the outside proposals.

The Staff addressed market power implications of the proposed units. Mr. Carsley explained how Virginia Power's increased capacity could serve to restrict entry by potential competitors and could possibly raise generation costs to competing suppliers within the Company's control area. The Staff concluded, however, that the summer peak load forecasts coupled with Virginia Power's continued service obligation to serve customers in its territory outweighed the Staff's concern over the Company's increased market power that would likely result from construction of the proposed units.

The Department of Environmental Quality ("DEQ") coordinated a review of the environmental impacts of the proposed facilities, and the Staff incorporated the DEQ report within its prefiled testimony. The report included a number of recommendations. DEQ found that the project, provided it is constructed in accordance with all recommendations, is unlikely to have significant effects on water quality, wetlands, or geology features, and will not affect rare, threatened, or endangered species of plants. The Staff recommended that the Company be directed to undertake the actions identified in the DEQ review to minimize the potential impacts to natural resources that would not otherwise be required by the various permits and approvals required for the project.

Staff witness Tahamtani prepared a report relative to the 230 kV transmission line to connect the proposed CT units to Virginia Power's Ladysmith substation. Mr. Tahamtani found that transmission facilities are required to connect the proposed CTs to the Company's transmission network, and he agreed with the Company that the new transmission facilities as proposed provide the best technical and economical option available.

The Staff recommended that Virginia Power be granted a certificate to construct and operate the two 160 MW CT units at Ladysmith as proposed, and that a certificate be granted to authorize the construction and operation of the proposed 230 kV transmission facilities.

Dynegy opposed the Company's application. It had submitted an unsuccessful bid in response to the January 1999 RFP. Dynegy's witness, Mr. Cruthirds, argued at length that Virginia Power possesses market power in its control area due to its concentrated ownership of generation and control over transmission facilities. He asserted that the public interest would be best served by not permitting the Company to build additional generation. Virginia Power offered the rebuttal testimony of Mr. Hilton in response to Dynegy's assertions.

The Chief Hearing Examiner discussed in her report the applicable law under Title 56 of the Code of Virginia and the Commission's case law. She noted that for incumbent electric utilities a certificate application such as this must still be evaluated on the basis of need. The examiner found that there was no question that a clear need exists for additional generation capacity in Virginia Power's service territory. She further found that the bids from the Company's two RFPs were evaluated appropriately and that the proposed Ladysmith units represent the least cost and most reliable option available to serve a portion of the Company's need beginning June 2001.

The examiner noted that Virginia Power's Mr. Rivas stated that the Company would be taking the recommended precautions outlined in the DEQ report in the construction at the site, and that it intended to comply with all suggested conditions so as to mitigate environmental impacts.

The Chief Hearing Examiner cited to our final order on Virginia Power's Remington application to conclude that it is clear that the Company continues to hold market power. In that order we said, "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."[3] To counter Virginia Power's argument that the record in the instant proceeding does not support a finding of market power, the examiner noted that there has been no significant change in the level of non-affiliated generation in the Company's control area.

Notwithstanding the market power concern, the examiner recognized that Virginia Power retains the obligation to serve within its designated service territory, and found that the record supports a finding that additional capacity is needed and that the proposed Ladysmith CTs are the most cost-effective and reliable option available for a portion of the need. She further found that the Company's proposal for connecting the CTs to the Ladysmith Substation provides the best option available and will reasonably minimize any adverse effect on the environment.

Virginia Power and Dynegy filed comments in response to the Chief Hearing Examiner's report.

Virginia Power's comments urge the Commission to adopt the examiner's findings and recommendations regarding the public convenience and necessity for the proposed CTs and related transmission facilities. It also, however, takes strong exception to the market power analysis contained in the report. According to the Company, the record in this case contains no evidence that supports the examiner's findings in this area. It contends the evidence on market power offered by Dynegy "was totally lacking in weight and credibility." According to the Company, the Commission's opinion in another docket does not qualify as facts in this docket.

Dynegy's comments reiterate its view that the public interest is best served if all of Virginia Power's incremental capacity needs are met through purchases from non-affiliated suppliers. While Dynegy agrees with many of the examiner's findings on the Company's market power in generation, it disagrees with her conclusion that there are safeguards in place to control any abuse of that market power. Dynegy requests that we deny Virginia Power's application.

Prior to the Chief Hearing Examiner's report, the Company had filed on July 27, 2000, a motion requesting interim authority to make financial expenditures and to undertake preliminary construction work for the proposed facility. This motion, in essence, renewed an earlier Company motion of

[3] 1999 S.C.C. Ann. Rep't at 433.

May 4, 2000. In its July 27 motion, however, Virginia Power advised for the first time that it "would incur significant cost if construction begins no later than August 1."

On July 28, 2000, the Chief Hearing Examiner issued a ruling advising us that her report recommending approval of the proposed Ladysmith CT units was imminent, and therefore recommended that we grant the Company's motion for interim authority. Later on July 28, 2000, the Commission entered an order on Virginia Power's motion authorizing the Company to make financial expenditures and undertake preliminary construction of pilings and footers for the proposed project at Ladysmith.

NOW THE COMMISSION, upon consideration of the record established herein, the comments on the Chief Hearing Examiner's report, and the applicable law, is of the opinion and finds that the recommendations of the Chief Hearing Examiner are reasonable and should be adopted.

It appears that the one issue in this case that remains in controversy is market power. In our order in the Company's Remington application last year, we stated that we were "convinced upon the record before us that Virginia Power 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."[4] As noted above, the Company contends that the record in this case contains no evidence to support a finding that Virginia Power has such market power. Virginia Power states in its comments to the Chief Hearing Examiner's report that, "[t]he only evidence offered on market power was by Mr. Cruthirds, and it was totally lacking in weight and credibility."[5] The Company is incorrect in at least one respect. The Staff's testimony in this case addressed the Company's market power with specificity, and the Company's comments failed to contradict or even to mention this additional evidence. We continue to conclude that Virginia Power possesses market power over the generation and supply of electricity in its service area.

We find, however, that the public convenience makes its necessary for the Company to construct the proposed units to meet the service needs of its customers. These units will meet only a portion of Virginia Power's forecasted incremental capacity needs for 2001 through 2003, and we expect the Company to continue to negotiate with bidders to its RFP to fulfill its additional capacity needs.

While we are approving the Company's application, as we stated in our order on the Company's Remington application, the Commission stands ready to take all necessary actions permitted by law 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 Virginia Electric Utility Restructuring Act.[6]

Accordingly, IT IS ORDERED:

(1) The findings and recommendations of the Chief Hearing Examiner's August 7, 2000, report are hereby adopted.

(2) The interim authority to make financial expenditures and to undertake preliminary construction of pilings and footers granted by order of July 28, 2000, is hereby made final.

(3) Pursuant to § 56-234.3 of the Code of Virginia, Virginia Electric and Power Company is authorized to make expenditures to construct two 160 MW combustion turbine electric generators at Ladysmith in Caroline County, and as more fully described in the Company's application filed January 21, 2000.

(4) Pursuant to § 56-265.2 of the Code of Virginia, Virginia Electric and Power Company is hereby granted Certificate of Public Convenience and Necessity No. ET-159 to construct and operate the two 160 MW combustion turbine electric generators identified in ordering paragraph (3) and as more fully described in the Company's application of January 21, 2000.

(5) Pursuant to §§ 56-46.1 and 56-265.2 of the Code of Virginia, Virginia Electric and Power Company is hereby granted Certificate of Public Convenience and Necessity No. ET-70f authorizing the Company to construct approximately four miles of 230 kV transmission line, a 500 kV breaker, a 500 – 230 kV, 840 MVA transformer, a 230 kV breaker at the Ladysmith Substation; and three 230 kV breakers at the CT site, as more fully described in the Company's application of January 21, 2000, to connect the generating units approved herein to the Company's existing transmission facilities in Caroline County.

(6) Virginia Electric and Power Company shall comply with all conditions identified in the recommendations of the Chief Hearing Examiner's August 7, 2000, report so as to minimize any adverse impact on the environment caused by the construction authorized herein.

(7) The approvals granted herein are for the specific facilities authorized by this Order and as described in Virginia Electric and Power Company's applications of January 21, 2000. The Company shall forthwith advise the Commission of any proposed changes to the facilities or construction practices from that which has been proposed and approved herein.

(8) 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.

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[4] Remington Application, 1999 S.C.C. Ann. Rep't at 432.

[5] Comments of Virginia Power at 2.

[6] Section 56-576 et seq. of the Code of Virginia.

CASE NO. PUE000076
MARCH 22, 2000

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 July 19, 1999, Rockingham Construction Co., Inc., damaged a two inch plastic gas main line operated by Columbia Gas of Virginia, Inc. ("the Company"), located at or near Crooked Branch Court, Manassas, Virginia, while excavating;

(2) On or about August 31, 1999, Excalibur Cable Communications, Inc., damaged a one inch plastic gas service line operated by the Company located at or near 8019 Old Centreville Road, Manassas, Virginia, while excavating;

(3) On or about September 9, 1999, Hayes Construction damaged a one-half inch plastic gas service line operated by the Company located at or near 1314 Valley Road, South Hill, Virginia, while excavating;

(4) On or about October 15, 1999, Moffet Paving & Excavating Corp. damaged a one inch plastic gas service line operated by the Company located at or near 3886 Staunton Road, Fisherville, Virginia, while excavating;

(5) On or about November 19, 1999, Jerry Williams, howeowner, damaged a one inch plastic gas service line operated by the Company located at or near State Route 1303, Route 2, Box 461, Fisherville, Virginia, while excavating;

(6) On or about November 20, 1999, Jerry Williams, homeowner, damaged a one inch plastic gas service line operated by the Company located at or near State Route 1303, Route 2, Box 461, Fisherville, Virginia, while excavating;

(7) On or about November 30, 1999, J. G. Miller, Inc., damaged a four inch plastic gas main line operated by the Company located at or near 3800 Concorde Parkway, Chantilly, Virginia, while excavating;

(8) For the incidents described in paragraphs (1) throughout (7) 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, in violation of § 56-265.19 A of the Code of Virginia;

(9) On or about September 17, 1999, Horace A. Davis Excavating notified the notification center of plans to excavate at or near 1801 Coxendale Road, Chester, Virginia;

(10) For the incident described in paragraph (9) herein, 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 no later than 48 hours after receiving notice from the notification center, in violation of § 56-265.19 A of the Code of Virginia; and

(11) The Company failed to mark the utility line after a three hour notice, in violation of § 56-265.17 B 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 $6,750 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 $6,750 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. PUE000081
MARCH 28, 2000

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 27, 1999, Lakeside Concrete, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company ("the Company") located at or near 6120 Madison Crest Court, Fairfax, Virginia, while excavating;

(2) On or about November 4, 1999, D. A. Foster Company damaged a two inch plastic gas main line operated by the Company located at or near 504 North Thomas Street, Arlington County, Virginia, while excavating;

(3) On or about November 8, 1999, OSP Consultants, Inc., damaged a two inch plastic gas main line operated by the Company located at or near the intersection of Liberia Avenue and Signal Hill Road, Manassas Park, Virginia, while excavating;

(4) On or about November 10, 1999, Leo Construction Company damaged a two inch plastic gas main line operated by the Company located at or near Lot 13, Amblewood Drive, Millbrooke, Virginia, while excavating;

(5) On or about November 24, 1999, Northern Virginia Electric Cooperative damaged three-eighths inch plastic gas service line operated by the Company located at or near 14633 Elba Street, Woodbridge, Virginia, while excavating;

(6) On or about November 24, 1999, C. W. Strittmatter, Inc., damaged a three-quarter inch plastic gas service line operated by the Company located at or near 4102 Mount Vernon Avenue, Alexandria, Virginia, while excavating;

(7) On or about December 11, 1999, Virginia-American Water Company damaged a one-half inch plastic gas service line operated by the Company located at or near 3822 Corona Lane, Dale City, 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 $5,800 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.

(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 $5,800 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. PUE000082
MAY 5, 2000

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 September 23, 1999, Lakeside Concrete, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near Lot 33, Madison Crest Court, Fairfax, Virginia, while excavating;

(2) On or about September 30, 1999, Mainlining Service, Inc., damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 917 North Ivy Street, Arlington, Virginia, while excavating;

(3) On or about October 2, 1999, Down Under Construction Company, Inc., damaged a sixteen inch steel casing operated by Washington Gas Light Company located at or near the intersection of Route 7 and Dranesville Road, McLean, Virginia, while excavating;

(4) On or about October 18, 1999, Leo Construction Company damaged a four inch plastic gas main line operated by Washington Gas Light Company located at or near Lot 24, Santmeyer Drive, S.E., Leesburg, Virginia, while excavating;

(5) On or about November 4, 1999, Southern Cable damaged a four inch plastic gas main line operated by Washington Gas Light Company located at or near 6520 Georgetown Pike, McLean, Virginia, while excavating;

(6) On or about November 9, 1999, E. C. Pace Company, Inc., damaged a one inch plastic gas service line operated by Roanoke Gas Company located at or near the intersection of Brambleton Avenue and Route 419, Roanoke, Virginia, while excavating;

(7) On or about November 16, 1999, American Electric Power damaged a one-half inch plastic gas service line operated by Roanoke Gas Company located at or near 1518 Chapman Avenue, S.W., Roanoke, Virginia, while excavating;

(8) On or about November 30, 1999, Mastec, Inc., damaged a two inch plastic gas main line operated by Roanoke Gas Company located at or near Pine Glen Road, N.E., Roanoke, Virginia, while excavating;

(9) On or about December 1, 1999, Contracting Enterprises, Inc., damaged a one-half inch plastic gas service line operated by Roanoke Gas Company located at or near 5204 Lancelot Lane, N.W., Roanoke, Virginia, while excavating;

(10) On or about December 8, 1999, City of Roanoke damaged a one-half inch plastic gas service line operated by Roanoke Gas Company located at or near 1221 Chapman Avenue, S.W., Roanoke, Virginia, while excavating;

(11) For the incidents described in paragraphs (1) through (10) 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 the Code of Virginia;

(12) On or about November 23, 1999, Fairfax County Wastewater Collection Division notified the notification center of plans to excavate at or near 9706 Rhapsody Drive, Vienna, Virginia;

(13) On or about October 12, 1999, Thompson Cable Services, Inc., notified the notification center of plans to excavate at or near 8003 Langbrook Road, Fairfax, Virginia;

(14) On or about November 3, 1999, Hall Mechanical & Associates, Inc., notified the notification center of plans to excavate at or near 933 Hersch Farm Lane, Prince William, Virginia;

(15) On or about November 3, 1999, Hall Mechanical & Associates, Inc., notified the notification center of plans to excavate at or near 10648 Fencepost Court, Prince William, Virginia; and

(16) For the incidents described in paragraphs (12) through (15) 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 $13,700 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 $13,700 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. PUE000083
MARCH 30, 2000

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 July 1, 1999, The Sheffield Company damaged a four-hundred pair main telephone line operated by GTE South Incorporated located at or near the corner of Jameson Street and Lorfax Drive, Lorton, Virginia, while excavating;

(2) On or about July 19, 1999, Color-Ad Inc., damaged a one-hundred pair main telephone line operated by GTE South Incorporated located at or near 2900 Fox Lair Drive (Clubhouse), Woodbridge, Virginia, while excavating;

(3) On or about July 26, 1999, Mid-Atlantic Pipeliners, Inc., damaged a one-hundred pair main telephone line operated by GTE South Incorporated located at or near 17538 Wayside Drive, Woodbridge, Virginia, while excavating;

(4) On or about July 27, 1999, Battlefield Utility Contractors, Incorporated, damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 9816 Cockrell, Manassas, Virginia, while excavating;

(5) On or about August 8, 1999, Northern Virginia Electric Cooperative damaged a twenty-five pair telephone service line operated by GTE South Incorporated located at or near 3952 Clifton Manor Drive, Haymarket, Virginia, while excavating;

(6) On or about August 12, 1999, Battlefield Utility Contractors, Incorporated, damaged a twenty-five pair telephone service line operated by GTE South Incorporated located at or near 7604 Rosbury Court, Manassas, Virginia, while excavating;

(7) On or about August 16, 1999, Commonwealth Constructors, Inc., damaged a fifty pair telephone service line operated by GTE South Incorporated located at or near 14000 Worth Avenue, Woodbridge, Virginia, while excavating;

(8) On or about September 1, 1999, Powhatan Cablevision damaged a primary power line operated by Virginia Electric and Power Company located at or near 3551 Maidens Road, Powhatan, Virginia, while excavating;

(9) On or about September 8, 1999, Terry's Plumbing Repairs, Inc., damaged a two inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near 126 Tremont Street, Manassas, Virginia, while excavating;

(10) On or about September 18, 1999, S. W. Rodgers Company, Inc., damaged a one-hundred pair main telephone line and a fifty pair telephone main line operated by GTE South Incorporated located at or near 1739 Jefferson Davis Highway, Stafford, Virginia, while excavating;

(11) On or about September 24, 1999, R. L. Kelley Plumbing, Inc., damaged a fifty pair main telephone line operated by GTE South Incorporated located at or near 73 Newbury Drive, Stafford, Virginia, while excavating;

(12) On or about October 1, 1999, Mid-Atlantic Pipeliners, Inc., damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 8002 Hillcrest Drive, Manassas, Virginia, while excavating;

(13) On or about October 7, 1999, GTE South Incorporated damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 18518 Old Triangle Road, Triangle, Virginia, while excavating;

(14) On or about October 11, 1999, the City of Newport News damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 390 Poplar Avenue, Newport News, Virginia, while excavating;

(15) On or about October 11, 1999, The Strong Companies, Inc., damaged a twenty-five pair telephone service line operated by GTE South Incorporated located at or near Priesters Pond Drive, South Riding, Virginia, while excavating;

(16) On or about October 13, 1999, Battlefield Utility Contractors, Incorporated, damaged a two-thousand one-hundred pair telephone service line operated by GTE South Incorporated located at or near the intersection of Cloverhill Road and Jayeselle Drive, Manassas, Virginia, while excavating;

(17) On or about October 13, 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 10024 Green Brook Court, Manassas, Virginia, while excavating;

(18) On or about October 14, 1999, Basic Construction Company damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 119 Lambs Creek, York, Virginia, while excavating;

(19) On or about October 25, 1999, S. Stephens Cable Construction, Inc., damaged a one-hundred pair main telephone line operated by GTE South Incorporated located at or near Ballsford Road, Manassas, Virginia, while excavating;

(20) On or about October 27, 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 4325 Wishart Road, Virginia Beach, Virginia, while excavating;

(21) On or about October 27, 1999, Ronnie's Plumbing damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 1015 Brentwood Drive, Lynchburg, Virginia, while excavating;

(22) On or about November 4, 1999, the City of Waynesboro damaged a two inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near 101 Country Lodge Road, Waynesboro, Virginia, while excavating;

(23) On or about November 5, 1999, Betty's Plumbing & Heating, Inc., damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 3017 South Chase, James City, Virginia, while excavating;

(24) On or about November 5, 1999, Raco, Inc., damaged a two inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near Prospect Road, Hurt, Virginia, while excavating;

(25) On or about November 8, 1999, Capital Installation of Hampton, Inc., damaged a one-half inch plastic gas line operated by Virginia Natural Gas, Inc., located at or near 112 Creekstone Drive, Newport News, Virginia, while excavating;

(26) On or about November 9, 1999, Virginia Electric and Power Company damaged a five-eighths inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 1503 Powhatan Court, Norfolk, Virginia, while excavating;

(27) On or about November 10, 1999, the City of Waynesboro damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 129 Concord Place, Waynesboro, Virginia, while excavating;

(28) On or about November 15, 1999, Ben Lewis Plumbing, Inc., damaged a one-hundred pair main telephone line operated by GTE South Incorporated located at or near 8132 Landfill Court, Lot 59, Gainesville, Virginia, while excavating;

(29) On or about November 17, 1999, the City of Norfolk damaged a one and one-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 835 Southampton Avenue, Norfolk, Virginia, while excavating;

(30) On or about November 18, 1999, S and N Communications, Inc., damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 201 Bulldog Drive, Chesapeake, Virginia, while excavating;

(31) On or about December 2, 1999, Mid Atlantic Pipeliners, Inc., damaged a one-hundred pair main telephone line operated by GTE South Incorporated located at or near 9364 Hersh Farm Lane, Prince William, Virginia, while excavating;

(32) For the incidents described in paragraphs (1) through (31) 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;

(33) On or about October 22, 1999, Minors Fence Inc. notified the notification center of plans to excavate at or near 10802 Saint Anton Circle, Henrico, Virginia;

(34) On or about November 8, 1999, Hall Mechanical & Associates, Inc., notified the notification center of plans to excavate at or near 12324 Sherborne Street, Prince William, Virginia;

(35) On or about November 9, 1999, Hall Mechanical & Associates, Inc., notified the notification center of plans to excavate at or near 21181 Marsh Creek Drive, Loudoun, Virginia; and

(36) For the incidents described in paragraphs (33) through (35) 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 $33,550 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 $33,550 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. PUE000084
JUNE 7, 2000

APPLICATION OF
INDIAN RIVER WATER COMPANY

To cancel existing certificate and issue new certificate

ORDER CANCELING AND ISSUING NEW CERTIFICATE

On December 9, 1999, AquaSource Utility, Inc. ("AquaSource"), Indian River Water Company ("Indian River"), and The Simon Family Foundation ("The Foundation") (collectively, the "Petitioners") filed a petition under the Utility Transfers Act requesting approval for AquaSource to acquire from The Foundation all the stock of Indian River. In that petition Indian River also requested the Commission to approve the transfer of certain water utility assets to the City of Virginia Beach, Virginia (the "City"), and to make the necessary changes to its certificate of public convenience and necessity to reflect the exclusion of that service territory.

On February 4, 2000, the Commission in Case No. PUA990077 issued an Order Granting Approval of the above-referenced transfers. In that Order the Commission stated that, upon closing of the transaction between Indian River and the City, it would make the necessary changes to Indian River's certificate in the above-captioned proceeding.

By letter dated May 25, 2000, AquaSource advised the Commission that Indian River transferred certain water facility assets to the City on May 19, 2000.

NOW THE COMMISSION, having considered the matter, is of the opinion that Indian River's current certificate should be cancelled[1]. A new certificate should be issued to reflect Indian River's currently authorized service territory, which excludes that portion of Indian River's service territory in the City of Virginia Beach.

Accordingly, IT IS ORDERED THAT:

(1) Certificate No. W-86b issued to Indian River Water Company is hereby cancelled.

(2) Certificate No. W-86c is hereby issued to Indian River Water Company reflecting its currently authorized service territory in the City of Chesapeake, Virginia, and excluding its previously authorized territory in the City of Virginia Beach, Virginia.

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

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[1] By order dated September 2, 1966, in Case No. 13833, Indian River was authorized pursuant to Certificate No. W-86b to provide water service to certain areas in the Cities of Virginia Beach and Chesapeake. In the City of Virginia Beach, Indian River was authorized to serve those areas formerly known as Norfolk and Princess Anne Counties.

CASE NOS. PUE000086 and PUA000032
JUNE 29, 2000

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

For approval of a plan for functional separation of generation pursuant to the Virginia Electric Utility Restructuring Act

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY,
CONECTIV DELMARVA GENERATION, INC,
and
CONECTIV ENERGY SUPPLY, INC.

For approval of transactions under Chapters 4 and 5 of Title 56 of the Code of Virginia

FINAL ORDER

History of the Case

On February 4, 2000, Delmarva Power & Light Company ("Delmarva" or the "Company") filed an application, pursuant to Virginia Code § 56-590 B of the Virginia Electric Utility Restructuring Act ("Restructuring Act"), for approval of a plan for the functional separation of its generation activities from its transmission and distribution activities (the "Plan"). Delmarva's proposed Plan provides for, among other things, a three-phased divestiture of all its generating units. In a companion filing made on April 12, 2000, the Company requested approvals under Chapter 4 ("Affiliates Act") and Chapter 5 ("Utility Transfers Act") of Title 56 of the Code of Virginia for approval to transfer generating facilities and related assets to its affiliates Conectiv Delmarva Generation, Inc. ("CDG"), and Conectiv Energy Supply, Inc. ("CESI"), and approval of certain transactions with those affiliates.

Delmarva also seeks approval of the following generation transfers: (1) the sale to PECO Energy Company ("PECO") and PSEG Power, LLC ("PSEG"), of its ownership interests in the Peach Bottom Nuclear Generating Station located in York County, Pennsylvania, and the Salem Nuclear Power Generating Station located in Salem County, New Jersey ("Phase I"); (2) the sale to NRG Energy, Inc. ("NRG"), of its Indian River (Delaware) and Vienna (Maryland) plants, and its ownership interests in the Keystone and Conemaugh (Pennsylvania) plants ("Phase II"); and (3) the transfer of its remaining intermediate and peaking units to CDG ("Phase III").

As part of its filings, Delmarva also seeks Commission determinations on behalf of itself and its affiliate Atlantic City Electric ("ACE") pursuant to § 32 of the Public Utility Holding Company Act of 1935 ("PUHCA"), 15 U.S.C. § 79z-5a. Conectiv, Delmarva's parent, is a registered utility holding company subject to PUHCA oversight and regulation by the Securities and Exchange Commission ("SEC").

The determinations sought under PUHCA are that the Phase I and Phase II transfers of nuclear and fossil units, respectively, by Delmarva and ACE to exempt wholesale generators and the designation of these units as "eligible facilities:" (i) will benefit consumers, (ii) are in the public interest, and (iii) do not violate state law. Similar declarations are sought for Phase III transfers to Delmarva's affiliate CDG, and the transfers by ACE to Conectiv Atlantic Generation, LLC ("CAG"). CDG and CAG anticipate filing applications with the Federal Energy Regulatory Commission ("FERC") for exempt wholesale generator ("EWG") status for eligible Phase III units within the next twelve months or shortly thereafter.

As set forth in Delmarva's February 4, 2000, filing, the Plan also included a proposal for incremental reductions in Delmarva's base rates corresponding with the closing of the transfers in each of the phases described above, with a final cumulative rate reduction of 2.58 percent for each customer class which would remain in effect until January 1, 2004. The Company's Plan also provides for scheduled annual increases in the fuel rates. Fuel rates proposed as part of the Plan would have equaled the energy charges specified in a power purchase agreement that Delmarva recently executed with PECO Energy Company (the "PECO PPA"). Delmarva also proposed to collect over a twelve-month period any deferred fuel balance that exists approximately 30 days after the date of full divestiture of its generating units.

Delmarva's February 4, 2000, filing also requests that the Commission find that the Company's participation in the PJM Interconnection, LLC ("PJM") satisfies the requirements of §§ 56-577 and 56-579 of the Restructuring Act, or, alternatively, that the Company is not subject to these provisions of the Restructuring Act because of the geographic isolation of its Virginia service territory. These provisions of the Restructuring Act require that incumbent utilities with an ownership interest in, or entitlement to, transmission capacity join or establish regional transmission entities.

On June 12, 2000, Delmarva filed, by motion, a Memorandum of Agreement ("MOA") between the Company and the Staff. The MOA sets forth the agreements reached between Delmarva and the Staff for resolution of the issues raised by the Company's Plan. Delmarva's motion requests that the Commission adopt the Company's Plan, as modified by the June 12, 2000, MOA. The Staff filed a Report on June 15, 2000 ("Staff Report"), providing support for the MOA and furnishing additional information regarding the numerous issues raised by Delmarva's proposed Plan.

Summary of the Memorandum of Agreement

The Staff and Delmarva have proposed in the MOA that the Commission, in conjunction with its review of Delmarva's filings described above, adopt certain findings and recommendations. These proposed findings and recommendations are set forth in detail in Part III of the MOA, and are briefly summarized as follows:

- That Delmarva be authorized to divest its generation assets in three separate phases as described in its February 4, 2000, and April 12, 2000, filings in this matter, and as further modified by the MOA;

- That in conjunction with such divestitures, Delmarva's base rates for its Virginia customers be cumulatively reduced by $727,542, in intervals linked to the completion of each proposed phase of generation divestiture;

- That Delmarva not seek an increase in its production (non-fuel), transmission or distribution rates prior to January 1, 2001;
- That Delmarva waive its rights to collect any wires charge calculated by the Commission pursuant to § 56-583 during any period in which such collection would otherwise be authorized under the Restructuring Act;
- That Delmarva's current fuel factor of $0.01917 per kWh remain in effect until the earlier of the first day of the month preceded by an interval of at least 15 days following the closing date of whichever divestiture phase is last to close ("Total Divestiture") or January 1, 2001;
- That following the earlier of January 1, 2001, or the first day of the month preceded by an interval of at least 15 days following the date of Total Divestiture, Delmarva's fuel factor be reset at $0.021 per kWh, which factor shall remain in effect at least until January 1, 2004, and that the action to reset such fuel rate be accomplished by separate application to the Commission made pursuant to § 56-249.6;
- That effective January 1, 2004, and subject to the conditions for applicability set forth therein, Delmarva's fuel factor be modified pursuant to the Rate Case Protocol (appended as Attachment 1 to the MOA) established by the Staff and Delmarva, based upon (i) Delmarva's 1999 generation mix, and (ii) and the Fuel Index Procedure (Attachment 2 to the MOA);
- That, as of the earlier of the first day of the month preceded by an interval of at least 15 days following the date of Total Divestiture or January 1, 2001, an unrecovered fuel balance of $892,921 be recovered over a 24 month period, subject to Commission approval under a separate application by Delmarva pursuant to § 56-249.6;
- That Delmarva's capped rate established pursuant to § 56-582 and the provisions of the MOA be deemed its default rate pursuant to § 56-585 whenever Delmarva is a provider of default service during any period in which capped rates are also in effect;
- That, if capped rates under § 56-582 are terminated, by Commission action or operation of law, on or before July 1, 2007, or if such rates expire by operation of law on July 1, 2007 and Delmarva is then, in either event, a designated provider of default service within its certificated service territory pursuant to § 56-585 on or after any such termination, Delmarva's rates for such default service be determined or redetermined pursuant to the Rate Case Protocol. Such rates shall become effective with the termination of capped rates. The Rate Case Protocol shall remain operative thereafter for purposes of determining or redetermining default rates until such time as Delmarva is no longer designated as a provider of default service by the Commission pursuant to § 56-585;
- That pursuant to the provisions of § 32 of PUHCA, 15 U.S.C. § 79z-5a, the Commission find that the transfer of generation plants and facilities by Delmarva and its affiliate ACE to exempt wholesale generators, as more fully described in paragraphs 50-56 of Delmarva's February 4, 2000, filing (i) will benefit consumers, (ii) is in the public interest, and (iii) is not contrary to state law; and
- That Delmarva agree to operate and maintain the distribution system of its Virginia service territory at or above current levels of service quality and reliability.

These proposed recommendations and findings are discussed in detail in the June 15, 2000, Staff Report.

Other parties appearing in the case

On June 12, 2000, the Company filed a motion with the Commission seeking disposition of its Plan pursuant to the terms of the MOA. As noted in the motion, three parties filed Comments in Case No. PUE000086. They are Virginia Electric and Power Company ("Virginia Power"), Old Dominion Electric Cooperative ("Old Dominion"), and Commonwealth Chesapeake Company, LLC ("Commonwealth Chesapeake").

None of these parties opposed Delmarva's application or requested a hearing. Moreover, these three parties have reviewed the MOA and do not oppose it. Attached to the Company's June 12, 2000, motion were letters from each of these three parties stating that they have no opposition to the MOA or to expedited disposition of this matter by the Commission. The attached letters also acknowledge that no hearing has been scheduled in this matter, and none requests a hearing.

The Restructuring Act's provisions governing functional separation

As noted in the Staff Report, Delmarva's application to divest its generating assets as part of a functional separation plan represents the first such proposal received by the Commission.[1] As such, Delmarva's proposed Plan raises a number of issues where there is no precedent. These issues bear directly on the balancing of utility and ratepayer interests that is recognized in the Restructuring Act. The Restructuring Act sets forth a number of conditions and considerations for functional separation. Specific requirements for separation are set forth in § 56-590 of the Code of Virginia. In particular, § 56-590.B 3 states:

> Consistent with this chapter, the Commission may impose conditions, as the public interest requires, upon its approval of any incumbent electric utility's plan for functional separation, including requirements that (i) the incumbent electric utility's generation assets or their equivalent remain available for electric service during the capped rate period as provided in § 56-582 and, if applicable, during any period the incumbent electric utility serves as a default provider as provided for in § 56-585, and (ii) the incumbent electric utility receive

[1] Moreover, Delmarva's filings were received prior to the Commission's April 18, 2000, Order Prescribing Notice and Inviting Comments concerning proposed functional separation rules in Case No. PUA000029. Final rules have not been promulgated in that case.

> Commission approval for the sale, transfer or other disposition of generation assets during the capped rate period and, if applicable, during any period the incumbent electric utility serves as a default provider.

The Company's proposed Plan may also have implications with respect to the pricing of default services as provided for under the Restructuring Act. Section 56-585.C states that:

> The Commission shall, after notice and opportunity for hearing, determine the rates, terms and conditions for such services consistent with the provisions of subdivision B 3 and Chapter 10 (§ 56-232 et seq.) of this title and shall establish such requirements for providers and customers as it finds necessary to promote the reliable and economic provision of such services and to prevent the inefficient use of such services. The Commission may use any rate method that promotes the public interest and may establish different rates, terms and conditions for different classes of customers.

As noted in the Staff Report, subdivision B 3 of § 56-585 indicates that rates for default service should provide fair compensation for utilities and reflect any cost of energy prudently procured, including energy procured from the competitive market. Chapter 10 of Title 56 of the Code of Virginia provides for traditional cost of service ratemaking, which may, in appropriate circumstances, include the cost of energy prudently procured from the competitive market. Divestiture of the Company's generating units without provisions requiring the availability of alternative resources that are equivalent with respect to both price and reliability could ultimately produce higher rates for default services if the market cost of power is in excess of what costs would have been absent divestiture. Alternatively, similarly priced but less reliable service might result. The Company's original Plan sought to assure that equivalent resources would be made available from a reliability perspective but not from a price perspective.

Similarly, the Company's proposed divestiture has implications regarding capped rates as provided for in § 56-582 of the Restructuring Act. Section 56-582.B provides for the adjustment of capped rates in connection with fuel costs, which have traditionally included certain costs associated with purchased power. As emphasized in the Staff Report, the Company's Plan would effectively remove the embedded cost of its generating assets from base rates and recover purchased power costs through the fuel factor. As such, the Company's overall rates could potentially exceed what Delmarva's capped rates would have been if the Company had not divested its generating assets. Consequently, ratepayers would be deprived of rate cap protections if energy acquired from competitive markets reflects a higher cost than would have been incurred had Delmarva continued to own its generation and these higher purchased power costs were recovered through the fuel factor.

The proposed divestitures

Delmarva's Plan calls for the complete divestiture of its generation assets. The MOA proposes a timeline, different from the Company's original proposal, in which as soon after May 31, 2000, as regulatory approvals can be obtained, including those of this Commission, the following transactions would be completed: (i) the sale of Delmarva's Phase I minority interests in certain nuclear facilities; (ii) the Phase III transfers of certain fossil-fueled intermediate and peak-load facilities to an affiliate; and (iii) the intermediate transfer of Delmarva's minority interests in the Keystone and Conemaugh plants (part of the Phase II transfers) to CDG, a Delmarva affiliate. This interim transfer will provide federal income tax benefits to Conectiv, Delmarva's parent company. Phase II is scheduled for completion on or about August 31, 2000, when (i) CDG transfers the Keystone and Conemaugh plant interests to NRG, (ii) Delmarva transfers its Indian River and Vienna power plants to NRG, and (iii) Delmarva and ACE transfer certain land, facilities and interests to NRG.

In connection with these proposed transfers and sales, Delmarva has agreed to Staff's proposal of an overall base rate revenue decrease of $727,542. The reduced base rates would be calculated based on billing determinants consistent with a test year ending July 31, 1999, as reflected in the February 4, 2000, filing. These base rate reductions would be implemented in phases concurrent with the overall phasing of the generation asset divestitures proposed by Delmarva.

The MOA further provides that the Phase I transfers will trigger a base rate decrease of $197,566, which will be applied by reducing residential, general service-secondary, general service-primary, and lighting base rates by $96,835, $62,127, $35,499, and $3,105, respectively. The Phase III transfer will prompt a base rate decrease of $277,740, and the Phase II sales will initiate a further base rate reduction of $252,236. The Phase II decrease will be implemented by applying reductions of $123,631, $79,318, $45,322, and $3,965 to residential, general service-secondary, general service-primary, and lighting base rates, respectively. The Phase III reduction will be applied to residential, general service-secondary, general service-primary, and lighting base rates by $136,132, $87,338, $49,905, and $4,365, respectively. Delmarva and Staff propose to defer for later consideration by the Commission the issue of whether the base rate reductions set forth in the MOA should be assigned to the production component of rates or proportionately assigned among production, transmission, and distribution components of rates.

Findings concerning capped rate service

As discussed in the Staff Report, as originally proposed, Delmarva's Plan would have decreased overall rate revenues by 2.58 percent once all three phases of the Company's proposed divestiture had been completed. As set forth in the Company's February 4, 2000, filing, this rate change would have been accomplished through a 24.12 percent base rate reduction and a fuel factor increase of 64.01 percent. Interim base rate reductions would have been implemented with each phase of the proposed divestiture. The proposal also provided for scheduled increases in purchased power costs as provided for in the PECO PPA. The reduced base rates and fuel factor, with scheduled increases, would have remained in effect until January 1, 2004. From that point forward, Delmarva had proposed to reset its fuel factor at a level sufficient to recover the cost of power prudently procured from the competitive market. The Company also proposed to recover any deferred fuel balance existing at the time of full divestiture over a 12-month period.

Delmarva's original Plan could have resulted in higher rates. Capped rates would be higher in the future if the cost of power procured from the competitive market is higher than what the embedded costs of the Company's generating assets would have been. The proposed MOA sets forth a number of provisions that seek to resolve this potential problem and to assure that the Company's customers are not adversely impacted by the proposed divestiture. The estimated revenue impacts of these provisions were summarized as Attachment A to Delmarva's June 12, 2000, motion. Under the MOA, Delmarva has agreed to:

- reduce base rates in phases with an ultimate reduction of $727,542;
- forego any collection of wires charges as provided for under the Restructuring Act;

- not seek an increase in its production (non-fuel), transmission or distribution rates prior to January 1, 2001;
- maintain its currently operative fuel factor of 1.917 cents per kilowatt hour ("¢/kWh") until the earlier of the first day of the month preceded by an interval of at least 15 days following complete divestiture or January 1, 2001, without a continued deferral of fuel costs;
- reset its fuel factor to 2.1¢/kWh through a separate application upon the earlier of complete divestiture or January 1, 2001, and to freeze the fuel factor at that level without any further deferral of fuel costs until January 1, 2004;
- establish a fuel index mechanism for determining its fuel factor effective January 1, 2004, and until the end of the capped rate period and the elimination of Delmarva's default service obligations; and
- lock-in and collect a reduced deferred fuel balance of $892,921 over a 24-month period.

We find that the above provisions are in the public interest and that they will benefit Delmarva's customers. Clearly the base rate reductions and the Company's willingness to forego any collection of wires charges as provided for under the Restructuring Act provide benefits to ratepayers. Additionally, Delmarva's waiver of its statutory entitlement under § 56-582 of the Restructuring Act to seek a rate increase prior to January 1, 2001, also provides potential benefits to customers since the Company could have requested a one-time increase in its capped rates for the period ending January 1, 2004.

As pointed out in the Staff Report, however, the Company's filings in this matter did not provide public notice of the proposed fuel factor increase included in the MOA and described above. Accordingly, this increase must be formally requested in a separate filing by the Company.

Findings concerning default service

As noted earlier and as discussed in the Staff Report, Delmarva's original Plan detailed in its February 4, 2000, filing stated that in conjunction with the proposed divestitures, the Company would commit to purchase power from competitive markets for the purposes of meeting any on-going default service requirements imposed by the Commission pursuant to § 56-585 of the Restructuring Act. As discussed in the Staff Report, the Company's application indicated that the proposed Plan would satisfy any requirement that it be required to retain generating assets or their equivalent pursuant to § 56-590.B since Delmarva was committed to acquiring capacity and energy to serve its Virginia retail load through purchased power agreements and its membership in PJM. On page 19 of its February 4, 2000, application, the Company stated that reliability would not be affected under this approach since "a change in ownership of the power plants, by itself, will neither change the availability of power in the PJM region nor the amount of power delivered into Delmarva's Virginia service area." The Staff Report observes that the Company's filing apparently did not contemplate the possibility that an equivalency requirement could be construed to require pricing equivalency given the ratemaking provisions for default service as set forth in § 56-585 of the Restructuring Act.

The Staff was concerned that the Company's proposed divestiture could ultimately produce higher rates for default service provided by Delmarva since competitive power costs could exceed costs that would have been associated with continued ownership of the Company's existing generating assets. Given these uncertainties, the Staff stated that it felt it could not support Delmarva's original Plan.

The MOA, however, seeks to resolve this issue by establishing a Rate Case Protocol that would assure that the generation component of future rates is no higher than it would have been had Delmarva continued to own its existing generating assets. The Rate Case Protocol also recognizes that Delmarva's embedded cost of generation could change over time and establishes mechanisms for adjusting future rates accordingly. We agree with Staff that the Rate Case Protocol represents an effective means of meeting the requirements of the Restructuring Act, thus allowing Delmarva to move forward with its proposed divestiture relatively quickly.

Findings concerning separation of transmission function

Delmarva also seeks a Commission determination that the Company's participation in PJM satisfies elements of the Restructuring Act requiring incumbent utilities with an interest in transmission capacity to join or establish regional transmission entities. In the MOA and its report, Staff generally concurs that Delmarva's participation in PJM will likely be in compliance with the Restructuring Act.

As noted by the Staff, however, the Commission has initiated Case No. PUE990349 to promulgate rules regarding utility participation in regional transmission entities and such rules could potentially set forth requirements that are not satisfied by Delmarva's participation in PJM. Consequently, we will defer any ruling regarding the Company's RTE participation until such rules are adopted.

Findings concerning proposed transfers of generation and related assets

On April 12, 2000, Delmarva, CDG, and CESI, filed an application seeking approval to transfer to CDG and CESI certain Delmarva generation assets and related land, inventories, and other assets, which requires approval under the Affiliates Act. Delmarva is also requesting approval under the Utility Transfers Act to transfer two peak-load power plants that are physically located in the Commonwealth to CDG. Such filing was subsequently supplemented with certain forms of agreements and contracts filed on May 8 and May 26, 2000, respectively. Delmarva also seeks a Commission determination required by PUHCA for the transfer of Delmarva and ACE generation facilities and their subsequent treatment as "eligible facilities."[2]

In its April 12 application, Delmarva specifically requests (i) approval to transfer several power plants and related ancillary assets, inventories, permits, licenses, contracts, its interest in a natural gas pipeline, and its rights and obligations in the Merrill Creek Reservoir to CDG; (ii) approval to transfer fuel inventories, fuel, and associated fuel transportation contracts to CESI; (iii) approval of Interconnection Agreements with CDG to the extent the Commission does not believe it is preempted by the FERC; (iv) approval of a Service Agreement and any related transaction agreements of less than one-

[2] The facilities of Delmarva and ACE are set forth in Appendices A and B, respectively, of Delmarva's February 4, 2000, application.

year's duration with CESI; (v) approval to transfer wholesale and retail electric and gas contracts that have been executed in price-deregulated markets and the related portfolios of supply contracts used to support such sales to CESI; and (vi) approval to transfer the peaking units located at Bayview and Tasley, Virginia, to CDG.

We agree with Staff that approvals sought pursuant to the Affiliates Act and Utility Transfers Act described above should be granted in this proceeding consistent with the statutory requirements of § 56-77 of the Affiliates Act and § 56-90 of the Utility Transfers Act. Specifically, we find that the approvals sought pursuant to the Affiliates Act are in the public interest. Additionally, we find that the approval sought pursuant to the Utility Transfers Act will not impair or jeopardize adequate service at just and reasonable rates. Finally, we find that the transfer of the Bayview and Tasley peaking units to CDG is also in the public interest, as required under the Affiliates Act.

We note that the Staff has proposed conditions to be placed on these transactions under the Affiliates Act and the Utility Transfers Act. We find these conditions to be reasonable, and we understand that the Company has no objection to them. Accordingly, we will incorporate them into our Order in this matter, as set forth below.

Finally, because of the protections afforded Delmarva's customers embodied in the MOA, including the Rate Case Protocol, and upon consideration of the laws of Virginia, we find that the transfer of generation facilities by Delmarva and ACE, resulting in such plants becoming "eligible facilities" under PUHCA, (i) will benefit consumers, (ii) is in the public interest, and (iii) does not violate state law.

Accordingly, IT IS ORDERED THAT:

(1) Delmarva's Plan for the functional separation of its generation from transmission and distribution, through divestiture of its generation assets, as modified by the June 12, 2000, Memorandum of Agreement between Delmarva and the Commission Staff is hereby approved.

(2) Delmarva shall make a separate application pursuant to § 56-249.6 for authority to increase its fuel rates in accordance with the provisions of the June 12, 2000, Memorandum of Agreement.

(3) In accordance with the provisions of § 32 of PUHCA, 15 U.S.C. § 79z-5a, we find that the transfer of generation facilities by Delmarva and ACE to exempt wholesale generators and to affiliates that may seek to qualify as exempt wholesale generators, as more fully described in paragraphs 50-56 of Delmarva's February 4, 2000, filing: (i) will benefit consumers; (ii) is in the public interest; and (iii) is not contrary to Virginia law.

(4) Delmarva shall make such additional and further filings as may be required in conjunction with the Commission's promulgation of final rules governing functional separation pursuant to § 56-590 and regional transmission entities pursuant to §§ 56-577 and 56-579 of the Restructuring Act.

(5) The approvals sought by Delmarva, CDG, and CESI pursuant to the Affiliates Act and Utility Transfers Act, are granted in this proceeding consistent with (i) the terms of the Memorandum of Agreement and (ii) the requirements of § 56-77 of the Affiliates Act and § 56-90 of the Utility Transfers Act. In conjunction with Delmarva's filings under the Affiliates Act and Utility Transfers Act, the following conditions shall be placed on such transactions:

a) That there will be no change in the terms and conditions in the form of the Asset Transfer Agreements, Assignment and Assumption Agreements, Easement and License Agreement, and the Merrill Creek Sublease included in the application without prior Commission approval;

b) That neither Delmarva, CDG, nor CESI shall assert in any forum that the Commission's jurisdiction over rates, charges, terms, and conditions of utility service, or services, transfers of utility assets, the determination of appropriate capital and corporate structure, and establishment of retail rates is preempted;

c) That any approvals granted shall have no ratemaking implications except as provided for in the Memorandum of Agreement;

d) That in regard to the Service Agreement between Delmarva and CESI, the Commission shall not be precluded from exercising its authority under the provisions of §§ 56-78 through 56-80 of the Affiliates Act;

e) That the Commission reserves the right to examine the books and records of any affiliate in connection with the authority granted whether or not the Commission regulates such affiliate;

f) That neither Delmarva, CDG, nor CESI shall 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 Delmarva or from Delmarva to any affiliate;

g) That the transfer or assignment by Delmarva of any real or personal property not included in the application to any affiliate or non-affiliate shall require additional Commission approval in accordance with § 56-77;

h) That within 60 days following the completion of all transactions under all agreements in the application, Delmarva shall file a report with the Commission's Division of Public Utility Accounting. Such report shall include date of transfer, description of each asset, book value, and the accounting entries reflecting the transactions;

i) That Delmarva shall file with the Commission's Division of Public Utility Accounting a copy of the quarterly FERC reports summarizing each transaction with CESI;

j) That Delmarva shall include all transactions under the O&M Agreement with CDG, Interconnection Agreements with CDG, and Service Agreement and related Short-term Transaction Agreements with CESI in its Annual Report of Affiliated Transactions filed with the Commission's Director of Public Utility Accounting; and

k) That any approvals granted may be subject to modification or revoked in connection with the Commission's promulgation of rules in Case Nos. PUE990349 and PUA000029 under the Restructuring Act.

(6) This matter shall be continued generally, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUE000088
JULY 28, 2000

APPLICATION OF
RAPPAHANNOCK ELECTRIC COOPERATIVE

For Approval of an Electricity Retail Access Pilot Program

FINAL ORDER

On February 8, 2000, Rappahannock Electric Cooperative ("Rappahannock" or "the Company") filed public and nonpublic versions of an application with the State Corporation Commission ("Commission"), requesting expedited consideration and approval of an electricity retail access program ("Pilot Program") pursuant to §§ 56-234 and –577 C of the Code of Virginia. Rappahannock filed various rate schedules, terms and conditions, tariff revisions, and supporting information with its application. As proposed, Rappahannock's Pilot Program was designed to offer up to 875 of its residential customers, 15-20 of its small commercial customers, and 1-10 of its industrial customers the opportunity to select an energy service provider other than the Cooperative. Rappahannock estimated that Pilot Program participants would represent approximately five megawatts of load.

Rappahannock proposed to implement its Pilot Program approximately 150 days after it received its final regulatory approvals. It represented that it would seek to implement its plan for the Pilot Program in coordination with the implementation of the Virginia Electric and Power Company[1] and American Electric Power-Virginia[2] Pilot Programs in order to take advantage of mutually beneficial public education and publicity opportunities.

The Cooperative, by counsel, also filed a Motion for Protective Order, alleging that certain information presented by witnesses James M. Drzemiecki and Jack D. Gaines discussed proprietary, commercially sensitive market projections that Rappahannock sought to protect from public disclosure. On February 25, 2000, the Commission entered a Protective Order, governing the terms under which confidential information, testimony, and discovery responses could be accessed.

On February 29, 2000, the Commission entered an Order that assigned a Hearing Examiner to the proceeding, scheduled a hearing for May 18, 2000, established a schedule for filing testimony, notices of protests, and other documents in this case, and required Rappahannock to publish the notice prescribed by the Order in newspapers of general circulation throughout its service territory.

Notices of Protest were filed by Bear Island Paper Company, L.P. ("Bear Island"), Virginia Electric and Power Company ("Virginia Power"), and Michel A. King. On March 31, 2000, the Division of Consumer Counsel, Office of the Attorney General ("Attorney General") advised the Commission and the parties of the Attorney General's intent to participate in this proceeding.

On April 20, 2000, Rappahannock, by counsel, filed a Motion for Partial Suspension of Procedural Schedule. In its Motion, the Cooperative requested that the scheduled May 18, 2000, hearing date be convened solely for the purpose of receiving public comments and that all other dates in the procedural schedule be suspended to provide the parties an opportunity to resolve certain issues relating to Rappahannock's Pilot Program. By Rulings dated April 20, 2000, and May 16, 2000, the Hearing Examiner granted Rappahannock's Motion and rescheduled the evidentiary portion of the hearing for June 21, 2000.

The May 18, 2000, Hearing was convened to receive the testimony of public witnesses. No public witnesses appeared at that hearing.

At the June 21, 2000, hearing, Rappahannock, the Commission Staff, the Attorney General, and Michel King (hereafter collectively referred to as the "Stipulating Participants") submitted a proposed Stipulation for consideration by the Hearing Examiner and Commission, which purported to resolve all of the issues in the case. By agreement of counsel, all prefiled direct testimony of the Cooperative and the Staff was admitted into the record without cross-examination. Virginia Power and Bear Island signed statements attached to the Stipulation, indicating that they had reviewed the Stipulation, did not object to it, and they too waived cross-examination of the witnesses prefiling testimony. However, Virginia Power and Bear Island reserved the same right to cross-examine in any further litigation in the docket on the same basis as the Stipulating Participants in the event the Commission and Hearing Examiner determined not to approve the Stipulation. No public witnesses appeared to testify at the June 21, 2000, hearing.

On July 6, 2000, Alexander F. Skirpan, Jr., the Hearing Examiner, issued his Report in the proceeding. In his Report, the Hearing Examiner summarized the procedural history of the case, the testimony of the witnesses, and the salient provisions of the Stipulation. The Hearing Examiner found that the Stipulation offered a reasonable and just resolution to all of the issues in the proceeding. He observed that the case participants, believing the public to be best served by implementing a Pilot Program in a timely fashion, had chosen to build upon the Commission's recent decisions concerning Pilot Programs for Virginia Power[3] and American Electric Power – Virginia,[4] and the adoption of the Interim Rules Governing Electric and Natural Gas Retail

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[1] Commonwealth of Virginia, At the relation of the State Corporation Commission, Ex Parte: In the matter of considering an electricity retail access pilot program – Virginia Electric and Power Company, Case No. PUE980813.

[2] Commonwealth of Virginia, At the relation of the State Corporation Commission, Ex Parte: In the matter of considering an electricity retail access pilot program – American Electric Power - Virginia, Case No. PUE980814.

[3] Commonwealth of Virginia, At the relation of the State Corporation Commission, Ex Parte: In the matter of considering an electricity retail access pilot program – Virginia Electric and Power Company, Case No. PUE980813, Doc. Con. Ctr. No. 000440141 (April 28, 2000 Final Order) (hereafter "the Virginia Power pilot program").

Access Pilot Programs ("Interim Rules").[5] He recommended that the Commission enter an order that adopted the findings of his Report, approved Rappahannock's Pilot Program as modified by the Stipulation offered at the June 21 hearing, and dismissed the case from the Commission's docket of active cases. The Hearing Examiner invited parties to the proceeding to file comments in response to the Report within seven (7) days of its entry.

On July 13, 2000, Michel A. King filed comments in support of the Hearing Examiner's Report.

Rappahannock, by counsel, also filed comments in support of the Hearing Examiner's Report on July 13, 2000. In its comments, the Cooperative observed that one of the benefits of the Stipulation was that it allowed the Pilot Program to start many months sooner than if the case was fully litigated. The Cooperative noted that the Stipulating Participants agreed not to litigate questions regarding the specific methodology for determining projected market prices and regarding Old Dominion Electric Cooperative's Strategic Plan Initiative. The Cooperative indicated that it was authorized to state that the State Corporation Commission Staff and the Division of Consumer Counsel of the Office of the Attorney General supported the findings and recommendations made in the Hearing Examiner's Report. Rappahannock also represented that Mr. King supported the Report, and that the Cooperative was authorized to state that Virginia Power and Bear Island did not object to the Report and took no position on the issues discussed therein.

NOW UPON CONSIDERATION of the Cooperative's application, the record developed herein, the Hearing Examiner's Report, the comments filed in support of the same, and the applicable statutes, the Commission is of the opinion and finds that the findings and recommendations of the July 6 Hearing Examiner's Report should be adopted, and that Rappahannock's retail access Pilot Program, as modified by the terms of the Stipulation submitted on June 21, 2000, should be implemented. The terms of the Stipulation executed by the Stipulating Participants are reasonable and are hereby incorporated herein by attachment of the Stipulation to this Order (Attachment 1).

In this regard, we find that the market prices for generation and the wires charges derived therefrom stipulated to in Appendix A of Attachment 1 are reasonable and are hereby accepted. In accepting these market prices, we make no determination as to the appropriate market price methodology to be employed in this Pilot Program. We emphasize that this Final Order addresses issues related to Rappahannock's Pilot Program only. The decisions made and reports required herein on various issues are designed to make the Pilot Program effective and to provide the Commission with the data necessary to learn about the competitive energy marketplace before the start of full scale retail choice. The parameters established herein will terminate at the end of the Pilot Program period, i.e., when pilot participants are permitted to choose their competitive suppliers on a non-pilot basis. The Commission, of course, reserves the right to re-examine those parameters and any other issues that arise to determine their applicability to the start of full customer choice.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the July 6, 2000, Hearing Examiner's Report are hereby adopted.

(2) Rappahannock's Pilot Program, as modified by the Stipulation and as revised to comply with the Interim Rules adopted in Case No. PUE980812, shall begin as soon as possible after September 1, 2000, but no event later than January 1, 2001, and shall end when the participants are permitted to choose their competitive suppliers on a non-pilot basis.

(3) Rappahannock shall file reports every six months for the duration of the Pilot Program containing the information noted in paragraph (4) of the Stipulation (Attachment 1 hereto). The Commission reserves the right to require the Cooperative to provide additional information if necessary to evaluate the Pilot Program.

(4) Rappahannock shall file its revisions to its Pilot Program in accordance with the Stipulation (Attachment 1 hereto) and the Interim Rules, within the timeframes identified in Attachment 1 and the Interim Rules but in no event later than December 1, 2000. Where necessary to comply with the Interim Rules, the Cooperative shall conform its Pilot Program to the standards and practices as recommended by the Virginia Electronic Data Transfer Working Group.

(5) This matter shall remain open for the receipt of reports by Rappahannock and to address other matters concerning the Pilot Program, as they may arise.

NOTE: A copy of Attachment I 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.

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[4] Commonwealth of Virginia, At the relation of the State Corporation Commission, Ex Parte: In the matter of considering an electricity retail access pilot program – American Electric Power – Virginia, Case No. PUE980814, Doc. Con. Ctr. No. 000630193 (June 15, 2000 Final Order).

[5] Commonwealth of Virginia, At the relation of the State Corporation Commission, Ex Parte: In the matter of establishing interim rules for retail access pilot programs, Case No. PUE980812, Doc. Con. Ctr. No. 000530236 (May 26, 2000, Final Order).

CASE NO. PUE000091
FEBRUARY 24, 2000

APPLICATION OF
MONTA VISTA WATER COMPANY, INC.

For cancellation of certificate of public convenience and necessity

ORDER CANCELLING CERTIFICATE

On February 17, 2000, the Henry County Public Service Authority ("the PSA") notified the Staff of the State Corporation Commission that the PSA had purchased the stock of Monta Vista Water Company, Inc. ("Monta Vista"), on March 24, 1999, and that it is currently operating that water system.

NOW THE COMMISSION, having considered the matter, is of the opinion that the certificate authorizing Monta Vista to provide water service to the Reed Creek District of Henry County, Virginia, should be canceled. Accordingly,

IT IS ORDERED THAT Certificate No. W-134 (b) authorizing Monta Vista Water Company, Inc., to provide water service to the Reed District in Henry County, Virginia, is hereby canceled and the matter is dismissed from the Commission's docket of active cases.

CASE NO. PUE000092
APRIL 20, 2000

APPLICATION OF
DOSWELL LIMITED PARTNERSHIP

For a certificate of public convenience and necessity pursuant to Va. Code § 56-265.2, for an exemption from the provisions of Chapter 10 of Title 56 pursuant to Va. Code § 56-265.2 B, for a waiver of or exemption from Commission information requirements, for interim authority to make financial expenditures and to undertake certain activities, and for other and further relief

ORDER GRANTING EXEMPTION

On February 18, 2000, Doswell Limited Partnership ("Doswell" or "Partnership") filed its application requesting the State Corporation Commission grant it a certificate of public convenience and necessity to construct, maintain, own, and operate a simple-cycle, primarily gas-fired combustion turbine generation facility at its existing site in Hanover County, Virginia.

Doswell also sought an exemption from the application of § 56-234.3 of the Code of Virginia, which the Commission is authorized, by § 56-265.2 of the Code of Virginia, to grant. On March 22, 2000, the Commission entered its Order for Supplemental Notice, in which it found that the Partnership should publish notice to the public that specified its request for this exemption. If granted, the requested exemption would allow the Partnership to begin to make expenditures for the construction of the facility, at its risk, prior to the Commission's hearing of this matter.

The notice prescribed in the Order directed interested parties to file comments on Doswell's request for exemption on or before April 17, 2000. No comments were received.

NOW THE COMMISSION, having considered the record, is of the opinion that it should grant the Partnership an exemption from the application of § 56-234.3 of the Code of Virginia, pursuant to authority conveyed to the Commission by § 56-265.2 of the Code of Virginia. Doswell may, at its own risk, make financial expenditures for site preparation, permitting and other construction activities effective immediately. The exemption granted herein does not convey any authority to operate the facility and any and all financial undertakings made by the Partnership are done solely at its risk that we will act favorably on its application for a certificate of public convenience and necessity, now scheduled for hearing on June 13, 2000. Accordingly,

IT IS ORDERED THAT:

(1) An exemption from the application of § 56-234.3 of the Code of Virginia is GRANTED to Doswell Limited Partnership.

(2) This matter is continued for further orders of the Commission.

CASE NO. PUE000092
JUNE 15, 2000

APPLICATION OF
DOSWELL LIMITED PARTNERSHIP

For a certificate of public convenience and necessity pursuant to Va. Code § 56-265.2, for an exemption from the provisions of Chapter 10 of Title 56 pursuant to Va. Code § 56-265.2 B, for a waiver of or exemption from Commission information requirements, for interim authority to make financial expenditures and to undertake certain activities, and for other and further relief

FINAL ORDER

On February 18, 2000, Doswell Limited Partnership ("Doswell") filed an application with supporting testimony and exhibits requesting the issuance of a certificate of public convenience and necessity pursuant to § 56-265.2 of the Code of Virginia to build a single combustion turbine with a nominal rating of approximately 171 MW. In addition, Doswell requested (1) an exemption from the provisions of Chapter 10 of Title 56 of the Code of Virginia, (2) a waiver of or exemption from certain of the Commission's information requirements, and (3) interim authority to make financial expenditures for the project and to undertake certain permitting and site development work, all at Doswell's risk and expense.

By order dated March 7, 2000, the Commission docketed the application, assigned the case to a Hearing Examiner, established a hearing date and procedural schedule, and established public notice requirements. Also on March 7, 2000, the Commission issued a Protective Order limiting the use of documents, materials, or information Doswell designated as confidential. On March 22, 2000, the Commission entered an Order for Supplemental Notice, requiring Doswell to publish notice specifying its request for exemption from the provisions of § 56-234.3 of the Code of Virginia. On April 20, 2000, the Commission issued an Order Granting Exemption thereby exempting Doswell from provisions of § 56-234.3 of the Code of Virginia. In doing so, the

Commission authorized Doswell, at its own risk, to make financial expenditures for site preparation, permitting and other construction activities effective immediately.[1]

No Protests were filed in this case. On April 24, 2000, Virginia Power submitted comments supporting the application. Staff and Doswell reached agreement with regard to the issues raised by the application, as evidenced by their Stipulation filed on June 12, 2000, and made part of the record herein.

Under § 56-265.2 of the Code of Virginia, the Commission is not required to address need when granting a certificate for electric generating facilities that will not be included in the rate base of any regulated utility. However, it is noted that, in April of this year, Doswell and Virginia Power entered into a contract by which Doswell will sell the energy and capacity from the proposed project to Virginia Power from June 1, 2001, through December 31, 2005. Upon expiration of the power purchase agreement, Doswell intends to operate the proposed facility as a merchant facility. Virginia Power, in its comments filed in this case, states that the project will have no material adverse effect on the rates paid by its customers. Further, by helping meet the increased load projections for the Virginia Power service territory, this project will enhance the reliability of the electrical system.

Staff has reviewed the application and states that Doswell has a well-developed preliminary plan and is capable of completing the project. Hanover County supports the application. The Virginia Department of Environmental Quality ("DEQ") has issued a stationary source permit to construct and operate the facility. Doswell has also documented its conformance with the requirements of the Chesapeake Bay Preservation Area Designation and Management Regulations.

On June 13, 2000, this case was heard before Hearing Examiner Howard P. Anderson. No public witnesses or interveners appeared. The proofs of notice ordered earlier were introduced and made part of the record, as were the Application, the testimony of Company witnesses Scot C. Hathaway and William L. Sheehan, Jr., the testimony of Staff witnesses Lawrence T. Oliver, Mark K. Carsley, and John A. Stevens, and the Stipulation. At the conclusion of the proceeding, Examiner Anderson delivered his Report from the bench. In the Report, he found that:

1. The Stipulation agreed to between Staff and Doswell should be adopted;

2. The proposed facility is subject to the requirements of § 56-265.2 B of the Code of Virginia;

3. The project will not have a materially adverse impact on the rates paid by customers of any regulated public utility in the Commonwealth;

4. Doswell has the financial and technical ability to complete and operate the project;

5. The project will bring economic development benefits with it, primarily in the form of increased tax base for the Commonwealth and Hanover County;

6. The project will have no material adverse effect upon the reliability of electric service provided by any regulated public utility in the Commonwealth, and will, in fact, enhance the reliability of the electric system;

7. The proposed project is not otherwise contrary to the public interest;

8. The Commission should, pursuant to § 56-265.2 B, issue a certificate of public convenience and necessity for the Doswell project; and

9. The project should be exempt from the remainder of the provisions of Chapter 10 of Title 56 as well as § 56-234.3 of the Code of Virginia.

On the basis of these findings, Examiner Anderson recommended that we enter an order that:

1. Adopts the findings set forth above;

2. Grants Doswell a certificate of public convenience and necessity pursuant to § 56-265.2 B of the Code of Virginia for the proposed facility; and

3. Grants the Doswell proposed facility an exemption from the provisions of Chapter 10 of Title 56 and specifically § 56-234.3 of the Code of Virginia.

Both the Staff and the Company waived the period for comment upon the Report.

NOW THE COMMISSION, having considered the record developed herein, including the Application, the Staff Report, the Stipulation, the DEQ recommendations, the testimony and the Hearing Examiner's Report, along with the applicable statutes and rules, is of the opinion and concludes that the findings and recommendations of the Hearing Examiner are reasonable and should be adopted. We concur with the Examiner that the application meets the requirements for a certificate pursuant to § 56-265.2 B and that the proposed facility is not otherwise contrary to the public interest.

Accordingly, IT IS ORDERED THAT:

(1) The findings and recommendations of the Hearing Examiner's June 13, 2000, Report are adopted.

(2) Pursuant to § 56-265.2 B of the Code of Virginia, Doswell is authorized to construct at its site in Hanover County, Virginia, the generating unit with a nominal summer capacity rating of 171 megawatts.

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[1] Order Granting Exemption at 2.

(3) The facilities authorized herein shall be exempt from the provisions of Chapter 10 of Title 56 of the Code of Virginia.

(4) There being nothing further to come before the Commission, this case is dismissed and the papers transferred to the file for ended causes.

CASE NO. PUE000093
MARCH 8, 2000

APPLICATION OF
ROBERT A. WINNEY, d/b/a THE WATERWORKS COMPANY OF FRANKLIN COUNTY

To change rates and charges

ORDER SUSPENDING CHANGES AND AUTHORIZING RESPONSE

On February 23, 2000, Robert A. Winney, d/b/a The Waterworks Company of Franklin County ("The Waterworks Company" or "Company"), filed with the Clerk of the Commission a copy of a notice to customers of a change in rates and charges as required by § 56-265.13:5 B of the Code of Virginia and Rule 4 of the Commission's Rules Implementing the Small Water or Sewer Public Utility Act, 20 VAC 5-200-40. As set out in its notice, the Company proposes to increase its flat rate for service from $67.50 to $80.50 per quarter. This increase would take effect April 10, 2000. The Company also proposes to increase its availability fee from $60 per year to $100 per year effective in 2001. Finally, the Company proposes a connection fee of $1,000. On March 7, 2000, the Commission Staff moved to dismiss the application on the grounds that notice to customers was insufficient and confusing.

Upon consideration of the application and the Staff motion, the Commission finds that this matter should be docketed and that The Waterworks Company should have an opportunity to respond to the motion to dismiss. Given the significant proposed increase in rates for service, 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 should be suspended for sixty (60) days. The rates now in effect shall apply until the period of suspension runs. Thereafter, proposed rates and charges shall be interim and subject to refund with interest until the Commission has made a final determination in this proceeding. Accordingly,

IT IS ORDERED THAT:

(1) The Company's application be docketed, and be assigned Case No. PUE000093, and that all associated papers be filed therein.

(2) The proposed rates and charges with an effective date of April 10, 2000, be suspended for sixty (60) days, to and through June 9, 2000. Thereafter, proposed rates and charges shall be interim and subject to refund with interest.

(3) On or before March 20, 2000, the Company may file with the Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118 an original and four (4) copies of any reply to the Commission Staff's motion to dismiss.

(4) This matter be continued.

CASE NO. PUE000093
JUNE 29, 2000

APPLICATION OF
ROBERT A. WINNEY d/b/a THE WATERWORKS COMPANY OF FRANKLIN COUNTY

To change rates and charges

DISMISSAL ORDER

Before the Commission is the Report of Alexander F. Skirpan, Jr., Hearing Examiner, filed in this proceeding on June 13, 2000. In his Report, the hearing examiner recommended that the Commission dismiss this application to change rates and charges on the grounds that Robert A. Winney d/b/a The Waterworks Company of Franklin County ("The Waterworks Company" or "Company") had failed to comply with the notice requirements of our Order for Notice and Hearing of April 14, 2000 (Document Control Center No. 000420182, filed April 14, 2000). As provided by the Report, any comments were to be filed with the Clerk of the Commission on or before June 28, 2000. None were filed. Upon consideration of the record and the Report, the Commission will dismiss the application.

By our Order for Notice and Hearing of April 14, 2000, the Commission suspended through June 30, 2000, the proposed increase in the quarterly charge for service from $67.50 to $80.50. The Commission also suspended the proposed connection charge of $1,000 through June 30, 2000. The proposed quarterly rate for service of $80.50 and the proposed connection charge of $1,000 would have taken effect, on an interim basis subject to refund, on and after July 1, 2000. Our dismissal of the application bars putting the proposed rates into effect.

The Commission is concerned, however, that some customers may have paid for service billed at the higher, proposed quarterly rate. Likewise, the Commission is concerned that some customers may have paid the proposed connection charge. Accordingly, the Commission will direct refunds of any overpayment of the quarterly charge for service and of any payment of the connection charge. In lieu of cash refunds to customers who may have paid a bill for the third quarter of 2000 (July, August, September) based on the higher proposed rate, the Commission directs that the Company credit these customers' accounts for $13.00 to reflect the overpayment. We also direct the Company to refund promptly any connection fee it may have collected. Accordingly,

IT IS ORDERED THAT:

(1) The Company's application to change rates and charges be dismissed from the Commission's docket.

(2) On or before July 17, 2000, the Company shall enter a credit of $13.00 to the account of each customer who paid a bill for the third quarter of 2000 based on a rate of $80.50.

(3) On or before July 17, 2000, the Company shall make refund by check in the amount of $1,000 to each customer who paid a connection fee.

(4) On or before August 1, 2000, the Company shall file with the Clerk of the Commission, Document Control Center, State Corporation Commission, P.O. Box 2118, Richmond, Virginia 23218-2118, a report including the names and complete mailing addresses of all customers that received a credit as directed in (2) above and the name, mailing address, and Company check number of all persons receiving a refund as directed in (3) above.

CASE NO. PUE000095
MAY 24, 2000

APPLICATION OF
ROBERT A. WINNEY D/B/A THE WATERWORKS COMPANY OF FRANKLIN COUNTY

To cancel and reissue a certificate of convenience and necessity authorizing the furnishing water

ORDER CANCELING AND REISSUING CERTIFICATE

By Order Granting Application and Issuing Certificate of September 11, 1998, in Application of Robert A. Winney d/b/a The Waterworks Company of Franklin County, Case No. PUE970119, 1998 S.C.C. Ann. Rep. 360, the Commission issued certificate of public convenience and necessity number W-291 authorizing Robert A. Winney d/b/a The Waterworks Company of Franklin County ("The Waterworks Company") to furnish water service to Mallard Point and three other developments in Franklin County. By Order Granting Authority of March 9, 2000, in Petition of Robert A. Winney d/b/a The Waterworks Company of Franklin County, Transferor, and Mallard Point Property Owners Association, Inc., Transferee, Case No. PUA000005 (Document Control No. 000320104, filed March 9, 2000), the Commission granted The Waterworks Company authority to sell the water system serving Mallard Point to the Mallard Point Property Owners Association. On April 28, 2000, the Mallard Point Property Owners Association filed a report in Case No. PUA000005 informing the Commission's Division of Public Utility Accounting that the authorized sale had closed on March 21, 2000.

The Commission finds that, as provided by § 56-265.6 of the Code of Virginia, certificate number W-291 should be cancelled and a certificate reissued to reflect the sale of the Mallard Point system. The canceling and reissuing of the certificate does not alter The Waterworks Company's obligation to serve customers in the remainder of its territory pursuant to the rates, charges, terms and conditions approved or prescribed by the Commission.

ACCORDINGLY, IT IS ORDERED THAT:

(1) This matter be docketed as Case No. PUE000095 and that all related papers be filed therein.

(2) As provided by § 56-265.6 of the Code of Virginia, certificate of public convenience and necessity number W-291, with map attached, issued September 11, 1998, to The Waterworks Company be cancelled.

(3) As provided by § 56-265.6 of the Code of Virginia, certificate of public convenience and necessity number W-291-A, with map attached, be reissued to The Waterworks Company and that the reissued certificate reflect the deletion of the Mallard Point development from the service territory and otherwise reflect the service territory shown on certificate number W-291.

(4) The Waterworks Company shall provide service and apply the rates, charges, terms, and conditions previously approved or prescribed by the Commission to customers in its remaining service territory.

(5) This case be dismissed from the Commission's docket.

CASE NO. PUE000162
SEPTEMBER 18, 2000

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 April 12, 1999, T C S Communications damaged a primary power line operated by Virginia Electric and Power Company located at or near 2420 and 2422 Bramblebush Court, Reston, Virginia, while excavating;

(2) On or about May 25, 1999, Grade Solutions, Inc., damaged a telephone service line operated by Bell Atlantic - Virginia, Inc., located at or near 1003 Broad Branch Court, McLean, Virginia, while excavating;

(3) On or about October 14, 1999, Kan-Do Enterprises, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near Lot 97, 13270 Otto Road, Dale City, Virginia, while excavating;

(4) On or about November 2, 1999, Thrasher Construction Company, Inc., damaged a three-eighths inch plastic gas service line operated by Washington Gas Light Company located at or near 6807 Columbia Pike, Annandale, Virginia, while excavating;

(5) On or about November 10, 1999, Cook Bros. Contracting damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 822 South Buchanan Street, Arlington, Virginia, while excavating;

(6) On or about December 17, 1999, M.W. Dunbar Construction damaged a two inch plastic gas main line operated by Roanoke Gas Company located at or near 5252 Dresden Circle, N.E., Roanoke, Virginia, while excavating;

(7) On or about December 21, 1999, The Strong Companies, Inc., damaged a primary power line operated by Virginia Electric and Power Company located at or near 2744 Hill Road, Vienna, Virginia, while excavating;

(8) On or about January 4, 2000, Aaron J. Conner General Contracting, Inc., damaged a one-half inch plastic gas service line operated by Roanoke Gas Company located at or near 120 Maple Street, Salem, Virginia, while excavating;

(9) On or about January 11, 2000, Steve Martin's Trenching, Inc., damaged a one-half inch plastic gas service line operated by Roanoke Gas Company located at or near 3402 Manassas Drive, S.W., Roanoke, Virginia, while excavating;

(10) On or about January 17, 2000, Alan L. Amos, Inc., damaged a four inch steel gas main line operated by Roanoke Gas Company located at or near 2013, 2022 and 2023 Bunche Drive, N.E., Roanoke, Virginia, while excavating;

(11) For the incidents described in paragraphs (1) through (10) 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 the Code of Virginia;

(12) On or about November 10, 1999, The Anderson Company, L.L.C. notified the notification center of plans to excavate at or near 12010 Sunrise Valley Drive, Fairfax, Virginia; and

(13) For the incident described in paragraph (12) herein, 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 no later than 48 hours after receiving notification 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 $10,050 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 $10,050 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. PUE000163
MAY 5, 2000

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 July 19, 1999, B. P. Short & Son Paving Co., Inc., damaged a five-eighths inch plastic gas service line operated by Columbia Gas of Virginia, Inc. ("the Company"), located at or near 3358 Normandy Drive, Petersburg, Virginia, while excavating;

(2) On or about July 28, 1999, Saunders Construction Company damaged a one-half inch plastic gas service line operated by the Company located at or near 1031 Rivermont Terrace, Lynchburg, Virginia, while excavating;

(3) On or about August 3, 1999, Saunders Construction Company damaged a one-half inch plastic gas service line operated by the Company located at or near 1054 Rivermont Terrace, Lynchburg, Virginia, while excavating;

(4) On or about August 9, 1999, Philbrick, Inc., damaged a one-half inch plastic gas service line operated by the Company located at or near 3333 Bridge Road, Portsmouth, Virginia, while excavating;

(5) On or about August 24, 1999, the City of Fredericksburg damaged a one-half inch plastic gas service line operated by the Company located at or near 819 Caroline Street, Fredericksburg, Virginia, while excavating;

(6) On or about October 29, 1999, Triple K Fence Company damaged a two inch plastic gas main line operated by the Company located at or near 11217 Griffith Way, Fredericksburg, Virginia, while excavating;

(7) On or about December 3, 1999, the County of Stafford damaged a one-half inch plastic gas service line operated by the Company located at or near 230 North Randolph Road, Fredericksburg, Virginia, while excavating;

(8) On or about December 13, 1999, Down Under Construction Company, Inc., damaged a one-half inch plastic gas service line operated by the Company located at or near 1415 Turner Road, Richmond, Virginia, while excavating; and

(9) 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 $6,150 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 $6,150 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. PUE000164
JUNE 21, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UNDERGROUND TECHNOLOGY INCORPORATED,
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 16, 1999, Ram Development Corporation damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near Lot 4, Drewlaine Drive, Fairfax, Virginia, while excavating;

(2) On or about November 16, 1999, Down Under Construction Company, Inc., damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 14664 Basingstoke Loop, Centreville, Virginia, while excavating;

(3) On or about November 19, 1999, Virginia Electric and Power Company damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 2536 Sylvan Moor Lane, Woodbridge, Virginia, while excavating;

(4) On or about November 30, 1999, Fred A. Frank Construction damaged a three-eighths inch plastic gas service line operated by Washington Gas Light Company located at or near 9711 Sudley Manor Drive, Manassas, Virginia, while excavating;

(5) On or about December 1, 1999, Utilx Corporation damaged a one-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 1914 Prelude Drive, Fairfax, Virginia, while excavating;

(6) On or about December 2, 1999, Golden Plumbing & Heating, Inc., damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 1433 Aldenham Lane, Fairfax, Virginia, while excavating;

(7) On or about December 3, 1999, Shirley Contracting Corporation damaged a three-quarter inch steel gas service line operated by Washington Gas Light Company located at or near 6405 Frontier Drive, Springfield, Virginia, while excavating;

(8) On or about December 3, 1999, Virginia Electric and Power Company damaged a twelve inch steel gas main line operated by Washington Gas Light Company located at or near the intersection of Old Bridge Road and Colby Drive, Lake Ridge, Virginia, while excavating;

(9) On or about December 7, 1999, Coalson Backhoe Service damaged a three-quarter inch steel gas service line operated by Washington Gas Light Company located at or near 6120 Sherborn Lane, Sterling, Virginia, while excavating;

(10) On or about December 7, 1999, Mazz Electric, Inc., damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 7411 Lockport Lane, Lorton, Virginia, while excavating;

(11) On or about December 7, 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 1205 Windrock Drive, Fairfax, Virginia, while excavating;

(12) On or about December 8, 1999, Fairfax County Public Works damaged an eight inch steel gas main line operated by Washington Gas Light Company located at or near 7610 Shreve Road, Falls Church, Virginia, while excavating;

(13) On or about December 16, 1999, Rockingham Construction Co., Inc., damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 8855 Benchmark Lane, Bristow, Virginia, while excavating;

(14) On or about December 17, 1999, Nationwide Trenching Inc., damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 8827 Lewinsville Road, Fairfax, Virginia, while excavating;

(15) On or about December 17, 1999, Dittmar Company damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 515 North Pollard Street, North Arlington, Virginia, while excavating;

(16) On or about December 21, 1999, Action Tank & Drain Service, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 11300 Chinn House Drive, Fairfax, Virginia, while excavating;

(17) On or about December 28, 1999, WCC Cable, Inc., damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 12001 Berry Farm Drive, Fairfax, Virginia, while excavating;

(18) On or about December 27, 1999, D & E Construction, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 2719 North Washington Boulevard, Arlington, Virginia, while excavating;

(19) On or about December 30, 1999, John Fredericks, homeowner, damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 7140 Oak Ridge Road, Fairfax, Virginia, while excavating;

(20) On or about January 3, 2000, Utilx Corporation damaged a one inch plastic gas service line operated by Washington Gas Light Company located at or near 2180 Pond View Court, Fairfax, Virginia, while excavating;

(21) On or about January 3, 2000, Utilx Corporation damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 3210 and 3211 Grassmere Court, Centreville, Virginia, while excavating;

(22) On or about January 5, 2000, Capco Construction Corporation damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 12543 Lieutenant Nichols Road, Fairfax, Virginia, while excavating;

(23) On or about January 5, 2000, D. A. Foster Company damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 7845 Dogue Indian Circle, Lorton, Virginia, while excavating;

(24) On or about January 7, 2000, Martin and Gass, Incorporated, damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 8537 Gambel Oak Drive, Springfield, Virginia, while excavating;

(25) On or about January 7, 2000, Rockingham Construction Co., Inc., damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 15120 Concord Drive, Dale City, Virginia, while excavating;

(26) On or about January 10, 2000, Summit USA Land Development Corporation damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 43232 Lindsay Marie Court, Ashburn, Virginia, while excavating;

(27) On or about January 11, 2000, Apple Mountain Engineers, Ltd., damaged a three-quarter inch steel gas service line operated by Washington Gas Light Company located at or near 5518 Kempton Drive, Springfield, Virginia, while excavating;

(28) On or about January 12, 2000, Utilx Corporation damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 11800 Sunrise Valley Drive, Fairfax, Virginia, while excavating;

(29) On or about January 17, 2000, Nitz Simpkins Associates damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 13909 Smoketown Road, Woodbridge, Virginia, while excavating;

(30) On or about January 19, 2000, Chancelors Plumbing and Heating damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 12145 Cheshire Court, Bristow, Virginia, while excavating; and

(31) Underground Technology, Incorporated ("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 $9,250 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.

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 $9,250 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. PUE000165
APRIL 27, 2000

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 August 6, 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 302 Lancing Way, Chesapeake, Virginia, while excavating;

(2) On or about August 9, 1999, Contour Construction LLC damaged a one and one-quarter inch plastic gas line operated by Virginia Natural Gas, Inc., located at or near 8805 Studley Road, Hanover, Virginia, while excavating;

(3) On or about August 17, 1999, the City of Waynesboro damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 613 Florence Avenue, Waynesboro, Virginia, while excavating;

(4) On or about August 19, 1999, Garney Company, Inc., damaged a two inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near the intersection of Route 17 and Crittenden Road, Suffolk, Virginia, while excavating;

(5) On or about August 24, 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 1495 Magruder Road, Smithfield, Virginia, while excavating;

(6) On or about August 26, 1999, Virginia Electric and Power Company damaged a one-hundred pair telephone service line operated by GTE South Incorporated located at or near 11600 Tolson Place, Woodbridge, Virginia, while excavating;

(7) On or about September 23, 1999, Hammond – Mitchell, Inc., damaged a one inch steel gas service line operated by Columbia Gas of Virginia, Inc., located at or near 436 East 18th Street, Buena Vista, Virginia, while excavating;

(8) On or about October 18, 1999, Roto Rooter damaged a two inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 1749 Westover Avenue, Petersburg, Virginia, while excavating;

(9) On or about October 19, 1999, the City of Manassas damaged a one and one-quarter inch steel gas service line operated by Columbia Gas of Virginia, Inc., located at or near 9025 Weir Street, Manassas, Virginia, while excavating;

(10) On or about October 26, 1999, Portugal Construction, Inc., damaged a two inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near 10507 Manor View Court, Manassas, Virginia, while excavating;

(11) On or about October 26, 1999, Triple H Contracting Co. damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 9145 Chamberlayne Road, Hanover, Virginia, while excavating;

(12) On or about November 1, 1999, William A. Hazel, Inc., damaged a one-hundred pair main telephone line operated by GTE South Incorporated located at or near 1206 Jefferson Davis Highway, Fredericksburg, Virginia, while excavating;

(13) On or about November 3, 1999, GTE South Incorporated damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 17410 Van Buren Road, Dumfries, Virginia, while excavating;

(14) On or about November 8, 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 9505 Hull Street Road, Richmond, Virginia, while excavating;

(15) On or about November 9, 1999, the City of Chesapeake damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 2824 Cedar Cove Lane, Chesapeake, Virginia, while excavating;

(16) On or about November 11, 1999, Atlantic Concrete Contractors, Inc., damaged a two inch steel gas main line operated by Virginia Natural Gas, Inc., located at or near the intersection of Norview Avenue and Military Highway, Norfolk, Virginia, while excavating;

(17) On or about November 13, 1999, 3D Enterprises, Inc., damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near the intersection of Kerr Drive and Lewis Drive, Virginia Beach, Virginia, while excavating;

(18) On or about November 15, 1999, Electric Contracting Corporation damaged a two inch plastic gas main line operated by Columbia Gas of Virginia, Inc. located at or near 3415 High Street, Portsmouth, Virginia, while excavating;

(19) On or about November 17, 1999, William A. Hazel, Inc., damaged a one-thousand five-hundred pair telephone service line operated by GTE South Incorporated located at or near the end of Fincastle Road, Woodbridge, Virginia, while excavating;

(20) On or about November 17, 1999, Southern Construction Company, Inc. damaged a two inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near the intersection of Battery Place and Marvin Avenue, Colonial Heights, Virginia, while excavating;

(21) On or about November 18, 1999, Marumsco Equipment Corporation damaged a three-hundred pair telephone service line operated by GTE South Incorporated located at or near the intersection of Dale Boulevard and Trentdale Drive, Dale City, Virginia, while excavating;

(22) On or about November 18, 1999, CATV Subscriber Services, Inc., damaged a two inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near Lot 19, Lake Court, Carrollton, Virginia, while excavating;

(23) On or about November 19, 1999, American Eagle Enterprises damaged a one-hundred pair telephone service line operated by GTE South Incorporated located at or near 14201 Jefferson Davis Highway, Woodbridge, Virginia, while excavating;

(24) On or about November 19, 1999, Prince William County School Board damaged a fifty pair telephone service line operated by GTE South Incorporated located at or near 3401 Four Year Trail, Dumfries, Virginia, while excavating;

(25) On or about November 19, 1999, Myers Cable, Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 5905 Barton Lane, Spotsylvania, Virginia, while excavating;

(26) On or about November 19, 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 3619 Point Elizabeth Drive, Chesapeake, Virginia, while excavating;

(27) On or about November 24, 1999, E. T. Lawson and Son, Incorporated, damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 106 Beechwood Drive, York County, Virginia, while excavating;

(28) On or about November 29, 1999, C. J. Hughes Construction Company, Inc., damaged a one and one-quarter inch steel gas service line operated by Columbia Gas of Virginia, Inc., located at or near 67 Sandy Ridge Road, Waynesboro, Virginia, while excavating;

(29) On or about November 29, 1999, Capital Installation of Hampton, Inc., damaged a five-eighths inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 421 Normandy Lane, Newport News, Virginia, while excavating;

(30) On or about December 1, 1999, R. E. W. Corporation damaged a thirty four and one-half kilovolt primary power line operated by Virginia Electric and Power Company located at or near Greenbrier, Bayberry Forrest, Ventures Way, Volvo Parkway, Ashley Woods, The Birches, and Mitsubishi Chemical, Chesapeake, Virginia, while excavating;

(31) On or about December 7, 1999, Directional Boring, L.L.C., damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near 1225 Exeter Landing, Virginia Beach, Virginia, while excavating;

(32) On or about December 8, 1999, Maughan Construction Co., Inc., damaged a two inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 4601 Commonwealth Center Parkway, Midlothian, Virginia, while excavating;

(33) On or about December 8, 1999, Virginia Electric and Power Company damaged a one and one-quarter inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 3011 West Hundred Road, Chester, Virginia, while excavating;

(34) On or about December 9, 1999, Jamie Wheeler Heating damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 629 Orchard Avenue, Buena Vista, Virginia, while excavating;

(35) On or about December 13, 1999, Tidewater Utility Construction, Inc., damaged a three-quarter inch steel gas service line operated by Virginia Natural Gas, Inc., located at or near the intersection of Broad and Opal Streets, Virginia Beach, Virginia, while excavating;

(36) On or about December 16, 1999, Suburban Cable Company damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 236 Nina Lane, Williamsburg, Virginia, while excavating;

(37) On or about December 18, 1999, Natural Enhancement damaged a fifty pair telephone service line operated by GTE South Incorporated located at or near 1334 Bluewater Road, Harrisonburg, Virginia, while excavating;

(38) On or about December 27, 1999, Cable Associates, Inc., damaged a one and one-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 11250 Jefferson Avenue, Newport News, Virginia, while excavating;

(39) On or about January 5, 2000, Suburban Grading & Utilities, Inc., damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 203 43-1/2 Street, Virginia Beach, Virginia, while excavating;

(40) On or about January 11, 2000, S. W. Rodgers Company, Inc., damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc. located at or near 11361 South Washington Highway, Ashland, Virginia, while excavating;

(41) On or about January 13, 2000, Northern Neck Electric Cooperative damaged a fifty pair telephone line operated by GTE South Incorporated located at or near 142 Chatham Village Road, Westmoreland, Virginia, while excavating;

(42) On or about January 19, 2000, the City of Newport News damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near 43 Shirley Road, Newport News, Virginia, while excavating; and

(43) NOCUTS, Inc. ("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 $37,950 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 $37,950 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. PUE000167
MARCH 28, 2000

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY
and
SHENANDOAH GAS COMPANY

For certificates of public convenience and necessity effective upon the merger of Shenandoah Gas Company with and into Washington Gas Light Company

ORDER CANCELLING AND ISSUING NEW CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY

By Order entered on December 22, 1999, in Case No. PUA990071, the State Corporation Commission authorized Shenandoah Gas Company ("Shenandoah") to merge with and into Washington Gas Light Company ("WGL" or "Company"), with WGL being the surviving entity, subject to certain specified conditions. Among the conditions attached to approval of the merger, was that WGL and Shenandoah request amended certificates showing the merged company name, and provide necessary copies of the amended maps for the service territory and transmission facilities.

On March 23, 2000, WGL and Shenandoah ("the Companies") filed a joint application which, among other things, requested that various certificates of public convenience and necessity currently held by Shenandoah be cancelled and new certificates of public convenience and necessity for the service territory and transmission facilities belonging to Shenandoah before the merger be issued in the name of Washington Gas Light Company, effective with the merger of the two companies on April 1, 2000. Specifically, the Companies noted that Certificate Nos. GT-26a and GT-27a, issued to Shenandoah, which authorized Shenandoah to operate a gas transmission pipeline and serve customers adjacent thereto in Warren and Frederick Counties, were now wholly subsumed within Certificates Nos. G-54a and G-44b, subsequently issued to Shenandoah by the Commission. The application maintained that these certificates were duplicative and requested that these certificates be canceled. WGL and Shenandoah further requested that the Commission cancel Certificate Nos. G-44b, G-54a, and G-55b issued in the name of Shenandoah, and issue new certificates for these territories in the name of Washington Gas Light Company, effective upon the merger of Shenandoah with and into WGL on April 1, 2000. The application represented that following the merger, WGL would provide service throughout Shenandoah's current service area in Virginia through its Shenandoah Gas Division, at the same rates, and under the same terms and conditions of service, as are currently in effect for Shenandoah.

NOW THE COMMISSION, upon consideration of our finding in our Order Granting Authority, entered on December 22, 1999, in Case No. PUA990071, is of the opinion and finds that certain of the certificates of public convenience and necessity issued in the name of Shenandoah Gas Company should be cancelled and new certificates of public convenience and necessity should be issued in the name of Washington Gas Light Company, for the service territory and transmission facilities held by Shenandoah, upon the issuance of a certificate of merger to WGL and Shenandoah, and upon the filing of new maps by WGL. Consistent with the directives in our December 22, 1999 Order Granting Authority entered in Case No. PUA990071, and the representations made in the captioned application, we expect WGL to file an appropriate application in a proceeding which includes the opportunity for customer review, comment, and request for hearing, when WGL seeks to consolidate or otherwise change the rate schedules, tariffs, purchased gas adjustment clause ("PGA clause"), and terms and conditions of service for Shenandoah Gas Company, or when WGL seeks to merge Shenandoah's schedules, tariffs, PGA clause, and terms and conditions of service with those of its own. Accordingly,

IT IS ORDERED THAT:

(1) Upon the issuance by the State Corporation Commission of a certificate of merger to Washington Gas Light Company and Shenandoah and the filing by WGL of the maps specified below, the following certificates of public convenience and necessity now in effect and issued in the name of Shenandoah shall be cancelled, namely:

Certificate No. G-44b issued to Shenandoah Gas Company, authorizing Shenandoah to furnish gas service in the City of Winchester, the Towns of Middletown and Stephens City, and in the territory shown in Frederick County;

Certificate No. G-54a issued to Shenandoah Gas Company, authorizing Shenandoah to provide gas service in the territory identified on the certificate map shown in Clarke and Warren Counties, with the exception that Columbia Gas of Virginia, Inc., may continue providing service to its customers being served as of February 17, 1984, as listed on Columbia Certificate No. G-151, and their successors, who are receiving service directly from Columbia Gas Transmission Corporation's pipeline, VB, VB-5, and VB-Loop under a commitment in their right-of-way deeds to tap the pipelines;

Certificate No. G-55b issued to Shenandoah Gas Company, authorizing Shenandoah to furnish gas service in the territory identified on maps stamped received December 3, 1982, of Shenandoah County, except within the territory identified on the certificate map which is certificated to Washington Gas Light Company and further excluding those customers of Columbia Gas of Virginia, Inc. being served in the County on February 17, 1984, and as listed on Columbia Certificate No. G-39b, and their successors, being served from mainline taps on the transmission pipelines owned by Columbia Gas Transmission Corporation; also including Chemstone

Corporation served by Columbia Gas of Virginia Line WB-2VA, which extends from Columbia Transmission Line VB, as shown on the certificate maps;

Certificate No. GT-26a, authorizing Shenandoah Gas Company to operate a gas transmission line and facilities in Warren County, and also recognizing Shenandoah's right to serve customers adjacent to said gas transmission line; and

Certificate No. GT-27a, issued to Shenandoah Gas Company, authorizing Shenandoah to operate a gas transmission line and facilities in Frederick County, and also the right to serve customers adjacent to said gas transmission line.

(2) Upon the issuance by the Commission of a certificate of merger to WGL and Shenandoah, and upon the filing of the maps specified below, new certificates of public convenience and necessity shall be issued to Washington Gas Light Company, replacing the certificates of public convenience and necessity canceled in Ordering Paragraph (1) above, and authorizing the furnishing of gas service by Washington Gas Light Company, as follows:

Certificate No. G-44c, consolidating and replacing Certificate Nos. G-44b and GT-27a, which authorizes WGL to furnish gas service to the City of Winchester, the Towns of Middletown and Stephens City, and in Frederick County, to operate a gas transmission line and facilities in Frederick County and to serve customers adjacent to said gas transmission line;

Certificate No. G-54b, consolidating and replacing Certificate Nos. G-54a and GT-26a, which authorizes WGL to furnish gas service in Clarke and Warren Counties, excluding those customers of Columbia Gas of Virginia, Inc. being served as of February 17, 1984, as listed on Columbia Certificate No. G-151, and their successors, who are receiving service directly from Columbia Gas Transmission Corporation's pipeline VB, VB-5, and VB-Loop under a commitment in their right-of-way deeds to tap the pipelines, to operate a gas transmission line and facilities in Warren County, and to serve customers adjacent to said gas transmission line; and

Certificate No. G-55c, authorizing WGL to furnish gas service in the territory outlined on the certificate map, excluding those customers of Columbia Gas of Virginia, Inc., being served in the County on February 17, 1984, and as listed on Columbia Certificate No. G-39b, and their successors, being served from mainline taps on the transmission pipelines and by Columbia Gas Transmission Corporation. Chemstone Corporation served by Columbia Gas of Virginia Line WB-2VA, which extends from Columbia Transmission Line VB shall be excluded from WGL's service area.

(3) WGL shall forthwith file appropriate maps with the Division of Energy Regulation, delineating WGL's distribution service area in the foregoing service territories.

(4) There being nothing further to be done herein, this matter shall be dismissed.

CASE NO. PUE000169
AUGUST 28, 2000

APPLICATION OF
NORTHERN NECK WATER, INC.

For a certificate of public convenience and necessity and for authority to acquire certain water utility assets

FINAL ORDER

On March 23, 2000, Northern Neck Water, Inc. ("Northern Neck" or "the Company"), filed an application for a certificate of public convenience and necessity to provide water service to the subdivisions of Townfield in Caroline County, Virginia, Horners Beach in Westmoreland County, Virginia, and Lewisetta and White Sand Harbour in Northumberland County, Virginia.

On May 17, 2000, the Company amended its application to request authority pursuant to §§ 56-88 et seq. and 56-265.2 of the Code of Virginia for the transfer of certain water utility facilities. Specifically, the Company proposed to acquire from Potomac Supply Corporation the water utility assets in the subdivisions of General Parker Shores, Sandy Point, and Springfield Beach in Westmoreland County, Virginia, and to acquire from Everett L. Goddard, Inc., the water utility assets in the Bells Cove subdivision in Northumberland County, Virginia. The Company also requested authority to provide water service to those subdivisions.

Northern Neck also requested approval of its tariff. The Company proposed the following connection fees for all subdivisions except White Sand Harbour: a $2,000 fee for a 3/4-inch service connection; and a fee equal to the actual cost to the Company, plus gross-up for taxes and applicable charges, for a service connection over 3/4 inches.

Northern Neck also proposed a minimum service charge of $20.00 per month for Horners Beach, $25.00 per month for Lewisetta, $25.00 per month for Bells Cove, White Sand Harbour, and Townfield, and $35.00 per month for General Parker Shores, Sandy Point, and Springfield Beach. The Company renders its bills quarterly in advance.

The Company proposed a customer deposit not to exceed a customer's estimated liability for two months' usage. In addition, the Company proposed a turn-on charge of $60.00 during regular business hours, or $120.00 at any other time when service has been disconnected for violation of the

Company's rules and regulations of service or for non-payment of any bill. Northern Neck also proposed a late payment charge of 1½% per month, a bad check charge of $6.00, and $120.00 charge for meter removal.

On June 12, 2000, the Commission issued an Order directing Northern Neck to give its customers and public officials within its service area notice of its application and to provide interested persons with an opportunity to comment and/or request a hearing on or before July 24, 2000. The Commission also directed its Staff to review and analyze the Company's application and to file a report detailing its findings and recommendations. In addition, the Commission directed the Company to submit certain accounting data to the Commission's Division of Public Utility Accounting on or before April 2, 2001.

On August 7, 2000, Staff filed its Report. Staff noted that there were no comments or requests for hearing. Staff recommended approval of the proposed acquisition of water facility assets by Northern Neck. Staff recommended that the Commission grant Northern Neck a certificate of public convenience to provide water service and approve its proposed rates, charges, fees, and rules and regulations of service with the exception of the meter removal charge. Since the Company does not meter customer usage, Staff suggested that the Rule No. 14(b) pertaining to such charge be deleted from its tariff. Additionally, Staff recommended further review of Northern Neck's water rates after the required financial information is submitted to the Division of Public Utility Accounting on or before April 2, 2001.

Staff also recommended approval of the proposed asset transfer with a Report of Action submitted to the Director of Public Utility Accounting within sixty (60) days of closing of such acquisition. In its Report, Staff found that the proposed transfer would have no adverse impact on the provision of adequate service to the public at just and reasonable rates. Staff noted that the Company plans to invest approximately $45,000.00 to improve service quality and to comply with Virginia State Health Department Permit regulations.

The improvements made to the Sandy Point, Springfield, and General Parker Shores water systems will not increase the current $35.00 water rates for customers of those subdivisions. The additional investment into the Bells Cove water system will, however, increase such customers' rates from $19.94 per month to $25.00 per month. Staff also noted that Northern Neck represents that, because it has extensive knowledge and experience in the water business, it will be able to operate the water system without relying on costly operation by outside contractors.

By letter dated August 14, 2000, the Company accepted the Staff recommendations as detailed in its Report.

NOW THE COMMISSION, having considered the application, Staff's Report, and applicable law, is of the opinion that the above-captioned application should be approved. We find that the public convenience and necessity requires that Northern Neck acquire Sandy Point, Springfield Beach, General Parker Shores, and Bells Cove water systems. We also believe that such transfers will not impair or jeopardize the provision of adequate service to the public at just and reasonable rates.

Moreover, we find that it is in the public interest for Northern Neck to provide water service to the subdivisions referenced herein and that its proposed rates do not appear unjust and unreasonable. We will, therefore, approve those rates and will approve the Company's proposed charges, fees, and rules and regulations of service, subject to the modification recommended by Staff. Following the submission of financial data detailed in our Order of June 12, 2000, we will require our Staff to conduct an audit of Northern Neck's books and records and to file a report detailing its findings and recommendations.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to §§ 56-89 and 56-90 of the Code of Virginia, Potomac Supply Corporation is hereby granted authority to sell and to convey to Northern Neck the assets of the Sandy Point, Springfield Beach, and General Parker Shores water systems, and Everett L. Goddard, Inc., is hereby granted authority to sell and to convey to Northern Neck the assets of the Bells Cove water system, as described in the application.

(2) Northern Neck is hereby authorized to acquire from Potomac Supply Corporation the existing assets of the Sandy Point, Springfield Beach, and General Parker water systems, and to acquire from Everett L. Goddard, Inc., the existing assets of the Bells Cove water system.

(3) The granting of the above-referenced authority shall have no ratemaking implications.

(4) The Company shall submit a Report of Action to the Commission's Director of Public Utility Accounting no later than October 31, 2000; such Report shall detail the date of transfer, sales price, and accounting entries reflecting the transfer.

(5) Northern Neck Water, Inc., shall be granted a certificate of public convenience and necessity, Certificate No. W-302, authorizing it to provide water service to the above-referenced subdivisions in the counties of Caroline, Westmoreland, and Northumberland in Virginia.

(6) The Company's proposed rates, charges, fees, and rules and regulations of service are hereby approved, subject to the modification recommended by Staff.

(7) Staff shall conduct an audit of Northern Neck's books and records and shall file a Report detailing the results of its investigation on or before June 29, 2001.

(8) This case shall be continued generally.

CASE NO. PUE000172
APRIL 6, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
PEGGY BUSKILL, et al.
v.
PELHAM MANOR WATER SUPPLY COMPANY, INC.

PRELIMINARY ORDER

By letter dated February 15, 2000, Pelham Manor Water Supply Company, Inc. ("the Company"), notified its customers and the Commission's Division of Energy Regulation, respectively, pursuant to the Small Water or Sewer Public Utility Act (Virginia Code § 56-265.13:1, et seq.) of its intent to increase its water rates effective for service rendered on and after April 1, 2000. On March 14, 2000, the Commission's Division of Energy Regulation received a petition from approximately 65 percent of the Company's affected customers objecting to the proposed rate increase and requesting a hearing.

NOW THE COMMISSION, having considered the matter, is of the opinion that a hearing should be scheduled pursuant to Virginia Code § 56-265.13:6. A procedural order establishing, among other things, the date and location of the hearing will be by separate order of the Commission.

The Commission is also of the opinion that the Company's proposed rates should be suspended for a period of 60 days and that such rates should be declared interim and subject to refund, with interest, following the period of suspension. In addition, the Company should file certain financial information based on the proposed test year on or before May 1, 2000. Accordingly,

IT IS ORDERED THAT:

(1) This matter shall be docketed and assigned Case No. PUE00172;

(2) The increase in the Company's rates is hereby suspended for a period of 60 days or through May 30, 2000;

(3) The increase in the Company's rates shall be interim and subject to refund, with interest, following the period of suspension, or effective for service rendered on or after May 31, 2000;

(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 May 1, 2000, 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 case flows, the Company's most recent tax return, and a rate of return statement, with workpapers supporting all proposed adjustments to book amounts, which support the Company's proposed rate increase as required by § 8 of the Commission's Rules Implementing the Small Water or Sewer Public Utility Act; and

(5) This matter shall be continued subject to further order of the Commission.

CASE NO. PUE000172
JUNE 23, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
PEGGY BUSKILL, et al.
v.
PELHAM MANOR WATER SUPPLY COMPANY, INC.,
Defendant

ORDER FOR NOTICE AND HEARING

By letter dated February 15, 2000, Pelham Manor Water Supply Company, Inc. ("the Company"), notified its customers, 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 charges for water service effective April 1, 2000. The Company's proposed flat rates for water service are as follows:

	Current	Proposed
Occupied residences	$21.00	$26.00
Vacant residences	$15.00	$20.00

On March 14, 2000, the Commission's Division of Energy Regulation received a petition signed by approximately 65% of the Company's customers objecting to the proposed rate increase and requesting a hearing. On April 6, 2000, the Commission, pursuant to § 56-265.13:6, issued a Preliminary Order suspending the Company's proposed rates for 60 days, and declaring the proposed rates interim and subject to refund, with interest, following the period of suspension.[1] In that Order, the Commission also directed the Company to file certain financial information on or before May 1, 2000. On May 2, 2000, the Company filed a request for an extension to May 17, 2000, to file its financial data. The Commission granted the Company's request by Order of May 12, 2000.

[1] Subsequent to our April 6, 2000, Preliminary Order, the Commission learned that the Company had already rendered bills for service effective April 1, 2000, at the proposed rates. We will permit the proposed rates to take effect without a period of suspension, however, the proposed rates remain interim and subject to refund.

NOW THE COMMISSION, having considered the matter, is of the opinion that a hearing should be scheduled pursuant to § 56.265.13:6 to receive evidence relevant to the Company's proposed tariffs.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to Rule 7:1 of the Commission Rules of Practice and Procedure ("Rules"), a Hearing Examiner is appointed to conduct all further proceedings in this matter.

(2) A public hearing before a Hearing Examiner shall be held on October 3, 2000, commencing at 10:00 a.m. in the Commission's Second Floor Courtroom for the purpose of receiving evidence relevant to the Company's proposed tariff revision.

(3) The proposed increase in the Company's rates shall be permitted to become effective as of April 1, 2000, on an interim basis and subject to refund, with interest.

(4) The appropriate members of the Commission's Staff shall investigate the reasonableness of the Company's proposed tariff and present their findings and recommendations in testimony at the October 3, 2000, public hearing.

(5) The Company shall immediately make a copy of its proposed tariff and accompanying materials available for public inspection during regular business hours at its business office, 8284 James Madison Highway, Rapidan, Virginia 22733.

(6) On or before August 10, 2000, the Company shall file with the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, an original and fifteen (15) copies of the prepared testimony and exhibits the Company intends to present at the public hearing, and make a copy of the same available for public inspection as provided in paragraph (5) herein.

(7) Any person desiring to comment in writing on the Company's proposed rates may do so by directing such comments on or before August 17, 2000, to the Clerk of the Commission at the address set forth above. Comments must refer to Case No. PUE000172. Any person desiring to make a statement at the public hearing concerning the application need only appear in the Commission's second floor courtroom at 9:45 a.m. on the day of the hearing and identify himself or herself to the Bailiff as a public witness.

(8) On or before August 17, 2000, any person who expects to submit evidence, cross-examine witnesses, or otherwise participate in the proceeding as a Protestant, as defined in Rule 4:6, shall file with the Clerk of the Commission at the address set forth above an original and fifteen (15) copies of a Notice of Protest as provided in Rule 5:16(a) and shall serve a copy on the Company. Service upon the Company shall be made on David K. Travers, President, Pelham Manor Water Supply Company, Inc., 8284 James Madison Highway, Rapidan, Virginia 22733.

(9) Within five (5) days of receipt of any Notice of Protest, the Company shall serve on each Protestant a copy of all material now or hereinafter filed with the Commission.

(10) Any person desiring to participate in the proceeding as a Protestant, pursuant to Rule 4:6, shall file, on or before August 29, 2000, an original and fifteen (15) copies of a Protest with the Clerk of the Commission, at the address set forth in paragraph (6) above, referring to Case No. PUE000172 and shall simultaneously send a copy thereof to the Company as provided in paragraph (8) above.

(11) The Protest shall set forth (i) a precise statement of the interest of the Protestant in the proceeding; (ii) a full and clear statement of the facts which the Protestant is prepared to prove by competent evidence; and (iii) a statement of the specific relief sought and the legal basis thereof. Any corporate entity or governmental unit that wishes to submit evidence, cross-examine witnesses, or otherwise participate as a Protestant must be represented by legal counsel in accordance with the requirements of Rule 4:8.

(12) On or before August 29, 2000, each Protestant shall file with the Clerk of the Commission an original and fifteen (15) copies of the prepared testimony and exhibits the Protestant intends to present at the public hearing, and shall simultaneously mail a copy to the Company at the address set out above.

(13) On or before September 7, 2000, the Commission Staff shall file an original and fifteen (15) copies of the prepared testimony and exhibits Staff intends to present at the public hearing and shall serve a copy of each upon the Company and each Protestant.

(14) On or before September 22, 2000, the Company shall file an original and fifteen (15) copies of all testimony it expects to introduce in rebuttal to all direct prefiled testimony and exhibits. Additional rebuttal evidence may be presented without prefiling, provided it is in response to evidence which was not prefiled but elicited at the time of the hearing, and provided further, the need for additional rebuttal evidence is timely addressed by motion during the hearing and leave to present said evidence is granted by the Hearing Examiner. A copy of the prefiled rebuttal evidence shall be sent to the Company and to all other parties to the proceeding.

(15) The Company shall respond to written interrogatories within ten (10) days after receipt of same. Protestants shall respond to the written interrogatories of the Company, other Protestants and Staff within five (5) business days after receipt of 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 Rules.

(16) On or before August 2, 2000, the Company shall cause a copy of the following notice to be sent to each of its customers by first-class mail, postage prepaid (bill inserts are acceptable):

NOTICE TO THE PUBLIC OF A HEARING ON
THE PROPOSED CHANGE IN WATER RATES OF
PELHAM MANOR WATER SUPPLY CO., INC.
CASE NO. PUE000172

TAKE NOTICE that by letter dated February 15, 2000, Pelham Manor Water Supply Company, Inc. ("the Company"), notified its customers, pursuant to the Small Water or Sewer Public Utility Act, of its intent to increase its charges for water service effective April 1, 2000. Changes in the Company's proposed rates are as follows:

	Current	Proposed
Occupied residences	$21.00	$26.00
Vacant residences	$15.00	$22.00

The State Corporation Commission has declared the Company's proposed rates interim and subject to refund, with interest, as of April 1, 2000; and has scheduled a hearing to begin at 10:00 a.m. on October 3, 2000, in the Commission's Second Floor Courtroom in the Tyler Building, 1300 East Main Street, Richmond, Virginia, to receive evidence relevant to the Company's proposed rates.

PLEASE TAKE NOTICE that while the total revenue that may be approved by the Commission is limited to the amount produced by the Company's proposed rates, the rates and charges approved for each class of services (occupied residences and vacant residences) may be either higher than or lower than those proposed by the Company.

A copy of the Company's proposed tariffs and accompanying materials are available for public inspection during regular business hours at the Company's office, 8284 James Madison Highway, Rapidan, Virginia 22733. A copy of the proposed tariffs is also available Monday through Friday, 8:15 a.m. to 5:00 p.m. at the Commission's Clerk's Office, Document Control Center, First Floor, 1300 East Main Street, Richmond, Virginia. On an after August 10, 2000, a copy of the Company's prefiled testimony and exhibits will be available for public inspection at the same locations.

Any person desiring to comment in writing on the proposed rates may do so by directing such comments on or before August 17, 2000, to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, referring to Case No. PUE000172. Any person desiring to make a statement at the public hearing, either for or against the application, need only appear in the Commission's courtroom at 9:45 a.m. on the day of the hearing and identify himself as a public witness to the Commission's bailiff.

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.

On or before August 17, 2000, any person who expects to submit evidence, cross-examine witnesses, or otherwise participate in the proceeding as a Protestant, as defined in Rule 4:6 of the Commission's Rules of Practice and Procedure ("Rules") shall file an original and fifteen (15) copies of a Notice of Protest, as provided in Rule 5:16(a), with the Clerk of the Commission and serve a copy upon the Company. Service upon the Company shall be made on David K. Travers, President, Pelham Manor Water Supply Co., Inc., 8284 James Madison Highway, Rapidan, Virginia 22733.

Any person desiring to participate as a Protestant, pursuant to Rule 4:6, shall file on or before August 29, 2000, an original and fifteen (15) copies of a Protest with the Clerk of the State Corporation Commission referring to Case No. PUE00017, at the address set forth above, and shall simultaneously send a copy to the Company at the address provided in the foregoing paragraph.

The Protest shall set forth (i) a precise statement of the interest of the Protestant in the proceeding; (ii) a full and clear statement of the facts which the Protestant is prepared to prove by competent evidence; and (iii) a statement of the specific relief sought and the legal basis therefor. Any corporate entity or governmental unit that wishes to submit evidence, cross-examine witnesses, or otherwise participate as a Protestant must be represented by legal counsel in accordance with the requirements of Rule 4:8.

On or before August 29, 2000, each Protestant shall file an original and fifteen (15) copies of the prepared testimony and exhibits Protestant intends to present at the public hearing, and shall simultaneously mail a copy to the Company at the address provided above, and to other Protestants.

All written communications to the Commission regarding this case should be directed to Clerk of the State Corporation Commission, P.O. Box 2118, Richmond, Virginia 23218, and should refer to Case No. PUE000172.

PELHAM MANOR WATER SUPPLY COMPANY, INC.

(17) The Company shall immediately serve a copy of this Order on the Chair of the Board of Supervisors of each county in which the Company offers service and/or the Mayor or Manager of every city and town (or equivalent officials in counties, cities, and towns having alternate forms of government) in which the Company offers service. Service shall be made by first-class mail or delivery to the customary place of business or to the resident of the person served.

(18) On or before August 10, 2000, the Company shall provide the Commission with proof of notice as required by paragraphs (16) and (17).

CASE NO. PUE000175
APRIL 3, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, in re: CHARLES M. BLYTHE WATER COMPANY, INC.

ORDER CANCELING CERTIFICATE

On February 9, 1971, the Commission issued Certificate No. W-166 to the Charles M. Blythe Water Company, Inc., authorizing that company to provide water service in the Deerfield subdivision in what was then Nansemond County, Virginia.[1]

On April 7, 1997, the Commission entered its Final Order in Case No. PUE960026,[2] granting to C & P Suffolk Water Company authorization to provide water service to the Deerfield subdivision. However, that order did not cancel the certificate issued 26 years previously to the Charles M. Blythe Water Company, Inc. An examination of the corporate records of the Commission reveals that the Charles M. Blythe Water Company, Inc., ceased corporate activities on or about August 18, 1992. The Commission is of the opinion and finds that Certificate No. W-166 should be cancelled. Accordingly,

IT IS ORDERED THAT:

(1) This matter be docketed and assigned Case No. PUE000175.

(2) Certificate No. W-166, issued to the Charles M. Blythe Water Company, Inc., be and hereby is CANCELLED.

(3) This matter is dismissed and the paper placed in the file for ended causes.

[1] See, 1971 S.C.C. Ann. Rep. 346. That area is now the City of Suffolk, Virginia.

[2] Application of C&P Suffolk Water Company, 1997 S.C.C. Ann. Rep. 356.

CASE NO. PUE000179
SEPTEMBER 22, 2000

APPLICATION OF
SOUTHSIDE ELECTRIC COOPERATIVE, INC.

For clarification of certificated area, or, in the alternative, a reclassification and certification of a previous service area pursuant to § 56-265.1 et seq. of the Code of Virginia

FINAL ORDER

On April 3, 2000, Southside Electric Cooperative ("Southside" or "the Cooperative") filed an application with the State Corporation Commission ("Commission"), pursuant to § 56-265.1 et seq. of the Code of Virginia, seeking "clarification of its certificated service areas or in the alternative, the reclassification and certification of its previous service areas" so as to include the territory comprising Fort Pickett within the Cooperative's service area. According to Southside's application, Fort Pickett is a 45,000 acre United States military installation located in Nottoway, Dinwiddie, and Brunswick Counties, Virginia. Southside represents in its application that since the Cooperative's inception as an electrical utility cooperative in 1937, it served all of the area surrounding and including Fort Pickett's 45,000 acres until that territory was condemned by, and title was transferred to, the federal government.

According to Southside's application, Fort Pickett was established by the federal government in April 1942. Subsequent to taking possession of the territory for Fort Pickett, the federal government constructed, managed, and maintained its own electrical utility delivery system within the bounds of Fort Pickett to the exclusion of all other electric utility companies. In July 1995, the Federal Government Base Realignment and Closure Commission recommended that Fort Pickett be closed, except for the essential training areas and facilities used for reserve components. Fort Pickett was scheduled for closure on September 30, 1997.

On April 18, 2000, the Town of Blackstone ("the Town" or "Blackstone"), by counsel, filed a notice of protest wherein it advised the Commission of its interest in the proceeding and of its intent to participate fully as a Protestant in the proceeding by, among other things, submitting evidence at any hearing to be held on Southside's application.

On April 26, 2000, the Commission issued a procedural order in the captioned matter, setting the matter for hearing for July 25, 2000.

In response to a joint request of the Cooperative and the Town, the Commission issued an Amended Procedural Order on May 18, 2000, establishing a revised procedural schedule for the Cooperative, the Town, other Protestants, Staff and public witnesses. The May 18 Order retained the July 25, 2000, hearing date to receive the testimony of public witnesses, and continued the matter for hearing before the Commission to September 6, 2000.

The matter was called for hearing on July 25, 2000. No public witnesses appeared at that hearing.

At page 12 of Exhibit No. JLP-7, received at the September 6 hearing, Blackstone indicated that it did not object to Southside being certificated to serve the Fort Pickett territory so long as the Town could continue to serve its own water and sewer facilities located in the Fort Pickett territory and so long as the area certificated to the Cooperative excluded the National Guard Armory ("Armory"), located at the juncture of Routes 40 and 668 within Fort Pickett. The Town asserted in its testimony that it had been providing electric service to the Armory since January 27, 1988.

By letter dated August 31, 2000, subsequently identified as Exhibit No. 9, the Town and Southside advised the Commission that they proposed to submit the prefiled testimonies of the Cooperative, the Staff, and the Town into the record without cross-examination and without calling any witnesses to testify, and had reached an agreement in principle relating to the water and sewer plants located within the boundaries of Fort Pickett. As part of this agreement, Southside represented that while it did not agree that Blackstone had the legal right to provide electric service to the water and sewer plants over Southside's objection, it did not object to Blackstone constructing an electric distribution line to these plants and providing electric service to the facilities for an indefinite period of time. Under the terms of the Town and Southside's agreement, Blackstone would not be permitted to serve any other customers from the distribution line to the plants within any portion of Fort Pickett that the Commission allotted to the Cooperative.

Further, in Exhibit No. 9, Southside agreed that it had no objection to the Town continuing to provide electric service to the National Guard Armory for an indefinite period of time as long as the Armory desired to receive electric service from Blackstone. Southside requested that the Armory property be certificated as part of its service territory. Blackstone opposed this request for certification. The Town and Southside requested that the Commission hear argument on whether the Armory property should be certificated as part of Southside's service territory.

At the September 6, 2000, hearing, the prefiled direct testimonies of Southside, Staff, and the Town were received into the record without cross-examination. Through the testimony received at the hearing and argument of counsel, Southside advised that it had been selected by the federal government on June 30, 2000, to provide electric service to the Fort Pickett territory. This territory includes a 1,098 acre area (the "excessed area") being converted to private use as part of the Base Closure and Realignment action authorized by Congress and areas being retained by the government, (the "retained area") i.e., the main cantonment area, most of the administrative building, barracks, ammunition storage, and range areas, as well as the balance of the 45,000 acres being retained for military use. A local reuse authority has been appointed to oversee the conversion of the excessed area from military to private use. The Cooperative advised that it did not challenge the Commission's jurisdiction to certificate the entire territory comprising Fort Pickett pursuant to the Commission's authority under the Utility Facilities Act, Chapter 10.1 (§ 56-265.1 et seq.) of Title 56 of the Code of Virginia.

Counsel for Southside and Blackstone offered oral argument at the September 6 hearing on the issue of whether the Armory should be allotted to the Cooperative as part of Southside's certificated service territory.

On September 11, 2000, the Town and Southside filed a Joint Motion to reopen the record to receive a supplemental exhibit. This supplemental exhibit set forth the Cooperative's and Town's agreement regarding the operation of a distribution line to provide electric power to the Town's water and sewer treatment plants depicted on a survey plat, appended as Attachment 1 to Exhibit JLP-7, and bearing street addresses of Building 3430, Garnett Avenue, Fort Pickett, Virginia 23824, and Building 2010, Garnett Avenue, Fort Pickett, Virginia 23824 respectively. A map attached to the supplemental exhibit set forth a proposed route agreed to by Southside and the Town for the Town's distribution line to the water and sewer treatment plants. The agreement indicated that if the route identified on the map could not be followed as result of the Town's inability to obtain the necessary easements or due to engineering or other problems, the parties agreed that the Town and Southside would select an alternative route for the distribution line that would be mutually agreeable to those parties. The parties reserved the right to ask the Commission to resolve the matter if they could not agree on the location for an alternative route for the line.

NOW THE COMMISSION, upon consideration of the record herein, the Joint Motion to Reopen the Record filed by the Town and Southside, and the applicable statutes, is of the opinion and finds that the Joint Motion of the Town and Southside should be granted; that the September 11, 2000, letter, together with the accompanying map attached to the Joint Motion, should be received as Supplemental Exhibit No. 10 in this proceeding; and that based on the record developed in this proceeding, it is in the public interest for the retained area in the territory comprising Fort Pickett, as well as the territory designated by the U.S. Government as the excessed area, to be certificated to Southside pursuant to § 56-265.3 of the Code of Virginia. We further find that it is not in the public interest for Southside to serve the National Guard Armory, and we exclude from the territorial allotment made herein the National Guard Armory property identified on Attachment 2 to Exhibit No. JLP-7. Additionally, we find that pursuant to § 56-265.2 of the Code of Virginia, Southside may construct, enlarge or acquire, by lease or otherwise, facilities for use in public utility service within the retained and the excessed areas allotted herein; that Staff witness Henderson's recommendation set out in Exhibit RMH-6 at page 15 that the Cooperative file with the Clerk of the Commission an appropriate application for consideration of Incremental Load Growth, Schedule ILG-e, a special rate the Cooperative proposes to offer to serve Arbortech, Inc., a new consumer constructing a wood products facility in the excessed area of Fort Pickett, is reasonable and is accepted; that the Cooperative should apply its currently effective tariffs on file with the Commission to any customers served under tariffs that are subject to the Commission's jurisdiction and who are located within the retained and excessed areas of the territory allotted herein; that consistent with Staff witness Henderson's recommendation in Exhibit No. RMH-6 at 17, the Cooperative should file an application, if appropriate, pursuant to Chapter 5 (§ 56-88 et seq.) of Title 56 of the Code of Virginia for any electric facilities it acquires within the territory allotted herein; and that upon filing the appropriate revised maps with the Division of Energy Regulation, certificates of public convenience and necessity should be issued to Southside, authorizing it to construct, own, and operate electric facilities and to provide electric service within the territory known as Fort Pickett, including the excessed area, but excluding the property upon which the National Guard Armory is located within Fort Pickett. The territory allotted to Southside within Fort Pickett shall be subject to the agreement between the Town and Southside that the Town may build and operate a distribution line and may provide electric power for an indefinite period of time as shall be determined by the Town to the Town's water and sewer plants located at the following street addresses: Building 3430, Garnett Avenue, Fort Pickett, Virginia 23824 and Building 2010, Garnett Avenue, Fort Pickett, Virginia 23824. We further find the parties' agreement that the Town shall not serve any other customers who are located within any portion of Southside's certificated service territory from the distribution line to the Town's water and sewer plants to be reasonable.

Accordingly, IT IS ORDERED THAT:

(1) The Town's and Southside's September 11, 2000, Joint Motion is hereby granted, and the supplemental exhibit filed as an Attachment to that Motion is hereby made a part of the record in this matter as Supplemental Exhibit No. 10.

(2) Consistent with the findings made herein, Southside is authorized to provide electric service within and to construct, enlarge or acquire, by lease or otherwise, facilities in the territory known as Fort Pickett, located in Dinwiddie, Nottoway, and Brunswick Counties, Virginia, as well as the territory designated as the excessed area located in Nottoway County. Excluded from the service territory allotted herein is the National Guard Armory, located at the juncture of Routes 40 and 668 within Fort Pickett, as shown on the map, appearing as Attachment 2 to Exhibit No. JLP-7. The territorial allotment made herein is further subject to the agreement between the Town and Southside identified as Supplemental Exhibit No. 10, that the Town may build and operate a distribution line and may provide electric power for an indefinite period of time as shall be determined by the Town of Blackstone to the Town's water and sewer plants located at the following street addresses: Building 3430, Garnett Avenue, Fort Pickett, Virginia 23824 and Building 2010, Garnett Avenue, Fort Pickett, Virginia 23824. In accordance with this agreement, the Town shall not serve any other customers who are located within any portion of Southside's certificated service territory from the distribution line to the Town's water and sewer plants located at the addresses set forth above.

(3) Upon Southside's filing of an appropriate revised map with the Division of Energy Regulation, Southside's Certificate of Public Convenience and Necessity No. E-T47, granted on December 9, 1977, shall be canceled and new Certificate of Public Convenience No. E-T47 shall be issued to Southside Electric Cooperative, authorizing it to furnish electric service as shown on Map No. T47, as revised in accordance with this Order.

(4) Upon Southside's filing of an appropriate revised map with the Division of Energy Regulation, Southside's Certificate of Public Convenience and Necessity No. E-T48, granted on December 9, 1977, shall be canceled, and new Certificate of Public Convenience and Necessity No. E-T48 shall be issued to Southside Electric Cooperative, authorizing it furnish electric service as shown on Map No. T48, as revised in accordance with this Order.

(5) Upon Southside's filing of an appropriate revised map with the Division of Energy Regulation, Southside's Certificate of Public Convenience and Necessity No. E-U47, granted on December 9, 1977, shall be canceled, and new Certificate of Public Convenience and Necessity No. E-U47 shall be issued to Southside Electric Cooperative, authorizing it to furnish electric service as shown on Map No. U47, as revised in accordance with this Order.

(6) Upon Southside's filing of an appropriate revised map with the Division of Energy Regulation, Southside's Certificate of Public Convenience and Necessity No. E-U48, granted on December 9, 1977, shall be canceled, and new Certificate of Public Convenience and Necessity No. E-U48 shall be issued to Southside Electric Cooperative, authorizing it to furnish electric service as shown on Map No. U48, as revised in accordance with this Order.

(7) Southside shall file an application under Chapter 5 of the Utility Transfers Act, (§ 56-88 et seq.) of Title 56, if appropriate, relating to its acquisition of utility facilities within the territory allotted herein.

(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 made a part of the Commission's file for ended causes.

CASE NO. PUE000228
JUNE 21, 2000

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 26, 1998, Judy Construction damaged a primary power line operated by Allegheny Power located at or near Dell Court, Winchester, Virginia, while excavating;

(2) On or about July 19, 1999, J. Sanders Construction Co. damaged a secondary power line operated by Virginia Electric and Power Company located at or near 608 Railway Road, Grafton, Virginia, while excavating;

(3) On or about September 14, 1999, Tidewater Underground Communications, Inc., damaged a primary power line operated by Virginia Electric and Power Company located at or near 319 Greenfield Crescent, Suffolk, Virginia, while excavating;

(4) On or about November 8, 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 9632 Park Street, Manassas, Virginia, while excavating;

(5) On or about November 19, 1999, Rockingham Construction Co., Inc., damaged a twenty-five pair telephone service line operated by GTE South Incorporated located at or near between 3669-3671 Prather Place, Dale City, Virginia, while excavating;

(6) On or about November 23, 1999, Saunders Construction Company damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 1406 Wakefield Drive, Lynchburg, Virginia, while excavating;

(7) On or about November 26, 1999, Superior Excavating, Inc., damaged a two inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 10301 Courthouse Road, Chesterfield, Virginia, while excavating;

(8) On or about December 8, 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 5804 Barberry Lane, Portsmouth, Virginia, while excavating;

(9) On or about December 11, 1999, Down Under Construction Company, Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 1319 Turner Road, Chesterfield, Virginia, while excavating;

(10) On or about December 28, 1999, Site Improvement Associates, Inc., damaged a one and one-quarter inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 1 Ace Parker Drive, Portsmouth, Virginia, while excavating;

(11) On or about December 29, 1999, Beamon Enterprises damaged a three-quarter inch steel gas service line operated by Virginia Natural Gas, Inc., located at or near 1066 West 44th Street, Norfolk, Virginia, while excavating;

(12) On or about January 12, 2000, the City of Lynchburg damaged a two inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near 1602 Lillian Lane, Lynchburg, Virginia, while excavating;

(13) On or about January 13, 2000, S. Stephens Cable Construction, Inc., damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 11110 Ravine Drive, Manassas, Virginia, while excavating;

(14) On or about January 17, 2000, Ford's Colony Homeowners Association damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 133 Links of Leith, Williamsburg, Virginia, while excavating;

(15) On or about January 17, 2000, 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 2204 Ships Crossing, Chesapeake, Virginia, while excavating;

(16) On or about January 18, 2000, T. A. Sheets Mechanical General Contractor, Inc., damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 6348 Sedgefield Drive, Norfolk, Virginia, while excavating;

(17) On or about January 21, 2000, Allmark Custom Remodeling damaged a one inch steel gas service line operated by Virginia Natural Gas, Inc., located at or near 603 Palmer Turn, Norfolk, Virginia, while excavating;

(18) On or about January 31, 2000, Mid Coast, Inc., damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near 4002 Granby Street, Norfolk, Virginia, while excavating;

(19) On or about February 1, 2000, Allan A. Myers Inc., damaged a three-quarter inch steel gas service line operated by Shenandoah Gas Company located at or near 5135 Barley Drive, Stephens City, Virginia, while excavating;

(20) On or about February 1, 2000, Precon Construction Company damaged a three-quarter inch steel gas service line operated by Virginia Natural Gas, Inc., located at or near 3701 Amherst Street, Norfolk, Virginia, while excavating;

(21) On or about February 2, 2000, Precon Construction Company damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 3709 Amherst, Norfolk, Virginia, while excavating;

(22) On or about February 2, 2000, Atlantic Cable & Trench, Inc., damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near 212 Cheltenham Drive, Virginia Beach, Virginia, while excavating;

(23) On or about February 10, 2000, Spotsylvania County damaged a twenty-five pair telephone service line operated by GTE South Incorporated located at or near 3 Erin Court, Spotsylvania, Virginia, while excavating;

(24) On or about February 10, 2000, the City of Virginia Beach damaged a two inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near 5116 Bellamy Manor Drive, Virginia Beach, Virginia, while excavating;

(25) On or about February 14, 2000, Owens & Dove, Inc., damaged a twenty-five pair telephone service line operated by GTE South Incorporated located at or near 9302 Manassas Drive, Manassas Park, Virginia, while excavating;

(26) On or about February 21, 2000, the City of Virginia Beach damaged a four pair telephone service line operated by GTE South Incorporated located at or near 2260 Salem Road, Virginia Beach, Virginia, while excavating;

(27) On or about February 26, 2000, Precon Construction Company damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 3614 Nottaway Street, Norfolk, Virginia, while excavating;

(28) On or about February 28, 2000, Precon Construction Company damaged a three-quarter inch steel gas service line operated by Virginia Natural Gas, Inc., located at or near 3633 Nottaway Avenue, Norfolk, Virginia, while excavating;

(29) On or about March 1, 2000, Precon Construction Company damaged a three-quarter inch steel gas service line operated by Virginia Natural Gas, Inc., located at or near 3709 Nottaway Street, Norfolk, Virginia, while excavating;

(30) For the incidents described in paragraphs (1) through (29) 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;

(31) On or about February 8, 2000, Rogers Enterprises, Inc., notified the notification center of plans to excavate at or near 840 Warrenton Road, Fredericksburg, Virginia;

(32) On or about November 15, 1999, Leo Construction Company notified the notification center of plans to excavate at or near Lots 48-56 Capstone Circle, Herndon, Virginia;

(33) For the incidents described in paragraphs (31) and (32) 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; and

(34) For the incident described in paragraph (32) herein, the Company failed to mark the line within forty-eight hours after receiving a re-mark notice, in violation of § 56-265.17 C 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 $32,050 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 $32,050 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. PUE000275
JUNE 21, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UNDERGROUND TECHNOLOGY INCORPORATED,
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 13, 1999, Loudoun Tunneling Company, Inc., damaged an eight inch plastic gas main line operated by Washington Gas Light Company located at or near the intersection of Burke Lake Road and Fairfax County Parkway, Fairfax, Virginia, while excavating;

(2) On or about December 28, 1999, Impact Augering, Inc., damaged a four inch plastic gas main line operated by Washington Gas Light Company located at or near the intersection of Meadowlark Road and Abbey Oak Drive, Vienna, Virginia, while excavating;

(3) On or about January 3, 2000, Utilx Corporation damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 11401 Gate Hill Place, Reston, Virginia, while excavating;

(4) On or about January 13, 2000, Atlas Plumbing & Mechanical, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near Lot 87, Meade Drive, Leesburg, Virginia, while excavating;

(5) On or about January 14, 2000, Harry B. King Sewer & Water Service damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 1637 Lasalle Avenue, McLean, Virginia, while excavating;

(6) On or about January 17, 2000, Cherry Hill Construction, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 7608 Southdown Road, Alexandria, Virginia, while excavating;

(7) On or about January 24, 2000, Atlas Plumbing & Mechanical, Inc., damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 1318 Moore Place, Leesburg, Virginia, while excavating;

(8) On or about February 8, 2000, Fairfax County Water Authority damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 6121 Saddlehorn Drive, Clifton, Virginia, while excavating;

(9) On or about February 9, 2000, Northern Pipeline Construction Co. damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 5416 Vine Street, Alexandria, Virginia, while excavating;

(10) On or about February 9, 2000, Arlington County damaged a one-half inch copper gas service line operated by Washington Gas Light Company located at or near 5400 North 22nd Street, Arlington, Virginia, while excavating;

(11) On or about February 15, 2000, D. A. Foster Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 2356 Dunbar Street, Falls Church, Virginia, while excavating;

(12) On or about February 15, 2000, Northern Virginia Electric Cooperative damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near Lot 25, Holbrook Court, Woodbridge, Virginia, while excavating;

(13) On or about February 17, 2000, Atlas Plumbing & Mechanical, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 18976 Longhouse Place, Leesburg, Virginia, while excavating;

(14) On or about February 17, 2000, Richard Crouch damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 14117 Wellman Court, Manassas, Virginia, while excavating;

(15) On or about February 23, 2000, Peed Plumbing, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 9623 Tackroom Lane, Great Falls, Virginia, while excavating;

(16) On or about February 23, 2000, Impact Augering, Inc., damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 6247 Covered Bridge Road, Burke, Virginia, while excavating;

(17) On or about February 29, 2000, Armor Fence damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 716 North Vernon Street, Sterling, Virginia, while excavating;

(18) On or about March 3, 2000, Virginia Electric and Power Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 3702 LaHarve Place, Woodbridge, Virginia, while excavating;

(19) On or about March 13, 2000, Marumsco Equipment Corporation damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 13328 Packard Drive, Dale City, Virginia, while excavating;

(20) For the incidents described in paragraphs (1) through (19) herein, Underground Technology Incorporated ("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;

(21) On or about December 7, 1999, Impact Augering, Inc., notified the notification center of plans to excavate at or near 7204 Lake Tree Drive, Fairfax, Virginia;

(22) On or about December 16, 1999, Impact Augering, Inc., notified the notification center of plans to excavate at or near Walker Mill Road, Great Falls, Virginia; and

(23) For the incidents described in paragraphs (21) and (22) 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 forty-eight 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 $19,650 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 $19,650 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. PUE000276
JULY 11, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ALL CLEAR LOCATING SERVICES, d/b/a 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 August 24, 1999, Fowler Construction Co., Inc., damaged a fifty pair main telephone line operated by GTE South, Inc., located at or near the intersection of Cabin Court and Eustace Road, Stafford, Virginia, while excavating;

(2) On or about August 25, 1999, Fowler Construction Co., Inc., damaged a two-hundred pair main telephone line operated by GTE South, Inc., located at or near the intersection of Whitson Road and Eustace Road, Stafford, Virginia, while excavating;

(3) On or about December 31, 1999, Virginia Electric and Power Company damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 5930 Centralia Road, Chester, Virginia, while excavating;

(4) On or about January 5, 2000, Harrisonburg Electric Commission damaged a fifty pair telephone line operated by GTE South, Inc., located at or near 521 Myers Avenue, Harrisonburg, Virginia, while excavating;

(5) On or about January 14, 2000, 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 2405 Deerneck Arch, Chesapeake, Virginia, while excavating;

(6) On or about January 19, 2000, CableCom damaged a four inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near the intersection of Charles Road and Yorkville Road, Yorktown, Virginia, while excavating;

(7) On or about January 19, 2000, the City of Petersburg damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 501 South Jefferson Street, Petersburg, Virginia, while excavating;

(8) On or about February 3, 2000, Mik-Rob Cable Company damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 615 Lake Kilby Road, Suffolk, Virginia, while excavating;

(9) On or about February 4, 2000, Saunders Construction Company damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 3611 Sherwood Place, Lynchburg, Virginia, while excavating;

(10) On or about February 8, 2000, Brian Contracting damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 2009 Ramsey Court, Virginia Beach, Virginia, while excavating;

(11) On or about February 10, 2000, F. L. Showalter, Inc. damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 227 Westmoreland Street, Lynchburg, Virginia, while excavating;

(12) On or about February 12, 2000, Chesapeake Bay Contractors, Inc., damaged a one-hundred pair telephone service line operated by GTE South, Inc., located at or near 3227 Holland Road, Virginia Beach, Virginia, while excavating;

(13) On or about February 14, 2000, J. Fletcher Creamer & Son, Inc., damaged a fifty pair telephone service line operated by GTE South, Inc., located at or near Observation Road, Manassas, Virginia, while excavating;

(14) On or about February 14, 2000, Sydnor Hydro, Inc. damaged a twelve pair telephone service line and an eighteen pair telephone service line, both operated by GTE South, Inc., located at or near 525 Moran Creek Road, Irvington, Virginia, while excavating;

(15) On or about February 23, 2000, Leo Construction Company damaged a twenty-five pair telephone service line operated by GTE South, Inc., located at or near 3506 Catharpin Road, Haymarket, Virginia, while excavating;

(16) On or about February 23, 2000, R. F. Nuckols, Inc., damaged a primary power line operated by Virginia Electric and Power Company located at or near the intersection of Kings Charter Drive and Spring Ivy Lane, Hanover, Virginia, while excavating;

(17) On or about February 23, 2000, Mastec North America, Inc., damaged a three-quarter inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 3786 Sherwood Place, Newport News, Virginia, while excavating;

(18) On or about February 24, 2000, the Town of Altavista damaged a two inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near the intersection of Charlotte Avenue and 7th Street, Altavista, Virginia, while excavating;

(19) On or about February 25, 2000, E & J Property damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 344 Broad Street, Harrisonburg, Virginia, while excavating;

(20) On or about February 28, 2000, Henry S. Branscome, Inc. damaged a four inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near the intersection of 26th Street and Roanoke Avenue, Newport News, Virginia, while excavating;

(21) On or about March 1, 2000, C & P Plumbing, Inc. damaged a twenty-five pair telephone service line operated by GTE South, Inc., located at or near Lot 22, Robin Marie Place, Gainesville, Virginia, while excavating;

(22) On or about March 4, 2000, Atlantic Cable & Trench, Inc., damaged a four inch plastic gas main line operated by Virginia Natural Gas, Inc., located at or near the intersection of Buckner Boulevard and Purebred, Virginia Beach, Virginia, while excavating;

(23) On or about March 14, 2000, Bob Gurkin, homeowner, damaged a three-hundred pair telephone service line operated by GTE South, Inc., located at or near 733 Corapeake Drive, Chesapeake, Virginia, while excavating;

(24) 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;

(25) On or about January 20, 2000, Columbia Gas of Virginia, Inc., notified the notification center of plans to excavate at or near 92 West Square Lane, Goochland, Virginia;

(26) On or about February 11, 2000, Dennis W. Smith, Inc., notified the notification center of plans to excavate in the counties of Hanover, Henrico, Chesterfield and the City of Richmond, Virginia;

(27) On or about March 2, 2000, Terry Mitchell, excavator, notified the notification center of plans to excavate at or near 10106 Dawndeer Lane, Raintree, Virginia;

(28) On or about March 8, 2000, Terry Mitchell, excavator, notified the notification center of plans to excavate at or near 13628 Sovereign Court, Henrico, Virginia;

(29) On or about March 8, 2000, Earthworm, Inc., notified the notification of plans to excavate at or near various addresses in Henrico, Virginia; and

(30) 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 forty-eight 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 $84,350 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 $84,350 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. PUE000278
MAY 26, 2000

PETITION OF
SHENANDOAH GAS, A DIVISION OF WASHINGTON GAS LIGHT COMPANY

For authority to file its Annual Informational Filing, using the test year ending June 30, 2000

ORDER GRANTING PETITION

On May 12, 2000, the Shenandoah Gas Division of Washington Gas Light Company ("Shenandoah" or "the Company"), by counsel, filed a petition with the State Corporation Commission ("Commission") seeking authority to file Shenandoah's Annual Informational Filing ("AIF") based on financial and operating data for the twelve months ending June 30, 2000, rather than for the twelve months ending March 31, 2000. In support of its request, Shenandoah states that it has experienced significant operational changes subsequent to March 31, 1999. For example, effective July 1, 1999, Shenandoah sold all of its assets in West Virginia to Mountaineer Gas Company. Also effective July 1, 1999, Shenandoah maintains that it commenced a firm interstate transportation service for gas deliveries to West Virginia at rates, and under terms and conditions subject to regulation by the Federal Energy Regulatory Commission ("FERC").

The Company explains in its petition that due to these operational changes, Shenandoah's operations for the test year ending March 31, 2000, will contain three months of retail operations in Virginia and West Virginia (April-June 1999) and nine months of retail operations only in Virginia and firm interstate transportation service subject to regulation by FERC for the period July 1999-March 2000. As a result, preparation of Shenandoah's AIF based on a test year ending March 31, 2000, will require the use of allocation factors different from those that have been used in the past or will be used in the future. The Company contends that preparation of the AIF based on a test year ending June 30, 2000, would provide more meaningful financial and operational results that more accurately reflect going-level operations and which would be prepared in a manner not only more understandable, but consistent with future filings.

NOW, UPON consideration of the Company's petition, and having been advised by its Staff, the Commission is of the opinion and finds that this matter should be docketed; and that Shenandoah should be permitted to use the twelve months ending June 30, 2000, as the test period for Shenandoah's AIF. By using the twelve months ended June 30, 2000, test period, Shenandoah would have to file its AIF later, i.e., on or around September 29, 2000, to incorporate its financial and operating results for this later test period. We further find that this docket should remain open to receive Shenandoah's AIF when it is filed.

Accordingly, IT IS ORDERED THAT:

(1) This matter shall be docketed and assigned Case No. PUE000278.

(2) Shenandoah's Petition is hereby granted.

(3) Shenandoah shall file its AIF, using the twelve months ending June 30, 2000, as its test period on or before September 29, 2000.

(4) This docket shall remain open to receive the Company's AIF and accompanying documents.

CASE NO. PUE000279
OCTOBER 16, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ROBERT A. WINNEY, d/b/a THE WATERWORKS COMPANY OF FRANKLIN COUNTY,
Defendant

DISMISSAL ORDER

Before the Commission is the Report of Alexander F. Skirpan, Jr., Hearing Examiner of September 28, 2000, and the record made in this proceeding. In his Report, Examiner Skirpan reviewed the record and recommended that the Commission dismiss this matter. No comments on the report were filed.

Upon review of the record, as transmitted by the examiner, the Commission finds that the matters identified for consideration in this proceeding have become moot.

Accordingly, IT IS ORDERED THAT:

(1) The temporary injunction entered against Robert A. Winney d/b/a The Waterworks Company of Franklin County in the Rule to Show Cause and Temporary Injunction of July 28, 2000, entered in this Case No. PUE000279 be dissolved.

(2) This Case be dismissed from the Commission's docket.

CASE NO. PUE000280
JULY 11, 2000

APPLICATION OF
THE POTOMAC EDISON COMPANY, d/b/a ALLEGHENY POWER

ORDER APPROVING PHASE I TRANSFERS

On May 25, 2000, The Potomac Edison Company, d/b/a Allegheny Power ("AP" or "Company") filed an application, pursuant to §§ 56-77, 56-90, 56-88.1 (to the extent this provision is applicable), and 56-590 B of the Code of Virginia, for approval of a plan (the "Plan") for the functional separation of its generating assets from its transmission and distribution assets, as required by the Virginia Electric Utility Restructuring Act (the "Act").

In the application, AP proposed to separate its generation facilities from its transmission and distribution facilities by transferring its generating assets, certain utility securities, and certain contractual entitlements to generation to an affiliate called "GENCO," which would operate the generation facilities. AP would continue to own its transmission and distribution plant in Virginia and proposed to continue to read meters and bill customers as an energy delivery company.

In Phase I of the Plan, AP requested Commission approval, effective July 1, 2000, of the transfer to GENCO of all of its undivided interests in its generating facilities, with the exception of certain hydroelectric facilities in Virginia having an aggregate of less than 5 MW of capacity. As an additional part of Phase I, AP requested approval of its transfer to GENCO of all its shares of the stock of Allegheny Generating Company, which holds 40% interest in the Bath County Pump Storage Project, located in Bath County, Virginia. The requested transfers are to be made at book value.

AP also requests approval to transfer to GENCO as part of Phase I of the Plan, rights and responsibilities it has in an inter-company power agreement, dated July 10, 1953, with the Ohio Valley Electric Cooperative ("OVEC"). Under this agreement, AP can sell power to and, at times, purchase power from OVEC. Final transfer of its interests in the OVEC contract will require further action of the Federal Energy Regulatory Commission ("FERC"), but AP has requested approval of the Phase I transfer of its rights and responsibilities in this proceeding.

Finally, AP seeks approval to transfer to GENCO its rights and responsibilities under the agreements to which it is now party for the operation of the generating plants it seeks to transfer, and interim approval to transfer to GENCO certain "incidental interconnection, access and easement" agreements between it and other affiliates necessary to enable GENCO to operate the generating plants. If there are any such agreements, AP will further identify them and seek final approval of any transfer in a Phase II proceeding to be filed at a later date.

In its application, AP filed a Memorandum of Understanding ("MOU") it reached with the Commission's Staff ("Staff"). The MOU contains certain representations and undertakings that AP has made in order to comply with the requirements of the Act. The Company agreed to make a base rate reduction to its Virginia customers of $1 million annually, effective July 1, 2000, with the reduction applied ratably to each rate classification. Further, AP agreed not to file an application for a base rate increase prior to January 1, 2001. AP agreed to operate and maintain its distribution system in Virginia at or above historic levels of service quality and reliability, and to implement timely distribution system improvements needed to maintain the quality of its service. During periods when AP will provide default service as provided by the Act, it will contract for generation services for default service customers at the same cost that it would incur to serve customers from the units it now owns, but now seeks to divest to GENCO under the Plan.

The final aspect of the MOU involved modification to the manner in which the Company recovers its fuel costs. AP proposed to terminate its fuel factor cost recovery mechanism beginning July 1, 2000, and instead recover fuel costs in base rates. The Company and Staff agreed in the MOU that costs now recovered through the Company's current fuel factor would be rolled into the base rates at an effective rate of 1.181 cents/kWh which reflects an increase to the current fuel factor. After July 1, 2000, the Company agreed to forego any fuel cost adjustments that would otherwise be permitted under the Act.

On June 9, 2000, we issued our Order for Notice and Comment, establishing a procedural schedule in which we separated our consideration of the proposed Phase I transfers from our consideration of the cost issues associated with the proposed elimination of the fuel factor. Section 56-249.6 of the Code of Virginia ("Code") provides that the Commission may dispense with the fuel cost recovery mechanism only "after notice and hearing" and finding that the electric utility's fuel costs "can be reasonably recovered through the rates and charges" established in accordance with other provisions of law. Accordingly, we have established a public hearing to receive evidence and argument on this aspect of the Plan, which will be convened on July 20, 2000.

With respect to the proposed asset transfers, our June 9 Order directed interested parties to file comments or request hearing on or before June 30, 2000. Persons interested in participating in the proceedings as Protestant were obligated to file their notices of protest on or before June 27, 2000. Only Virginia Electric and Power Company ("Virginia Power") filed a notice, and it clearly stated that it did not object to the Commission giving expedited consideration to the proposed Phase I transfers. Virginia Power did not request a hearing, but advised of its desire to participate if any hearing was ordered.

Virginia Power's notice of protest registers that company's opinion that certain aspects of the MOU "are not required by, and in certain respects are contrary to the intent of, the Restructuring Act." Thus, Virginia Power seeks to ensure that our consideration of AP's application and particularly the MOU does not establish any precedent by which Virginia Power's eventual filing will be adjudged.

The Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel"), in a letter dated June 27, 2000, advised the Commission that it intended to participate in the proceeding. Consumer Counsel did not request hearing. On June 30, 2000, Consumer Counsel filed comments stating that it did not oppose expedited consideration of the proposed transfers and that "Consumer Counsel supports the Staff's effort to reach a memorandum of understanding with AP in this matter." The comments also contained a Stipulation negotiated between AP and Consumer Counsel in which the Company advised the Commission that it "will recover stranded generation costs as referenced in Section 56-584 of the Virginia Electric Utility Restructuring Act ("the Act") solely through capped rates as referenced in Section 56-582 of the Act, and will not assess a wires charge as referenced in Section 56-583 of the Act." Consumer Counsel's comments urged the Commission to condition the proposed transfers upon adoption of the stipulated agreement. The Comments also requested the Commission clarify Paragraph No. 4 of the MOU, which states that following the capped rate period prices for generation services to default customers "will be based on the then current generation costs of the existing system dedicated to serve retail Virginia load." Consumer Counsel urges that we interpret "existing system" to mean the now-existing generating system, rather than the system that will exist at the end of the capped rate period. Consumer Counsel believes the Company should be required to state at the July 20 hearing why any increase in its fuel factor is needed.

On June 29, 2000, the Staff filed a Report that addressed both the Phase I transfers and the rate implications of the elimination of the fuel factor. The Staff concluded that we should approve the requested transfers, stating that "AP has met the legal requirements of § 56-590 through its commitment to contract for sufficient capacity and energy for its Virginia retail customers throughout the default service period[.]" Staff referenced "extensive negotiations" between it and the Company that culminated in the MOU and asserted that the MOU "incorporates many concessions and safeguards to ensure that adequate and reliable service at just and reasonable rates will continue to be provided to Virginia retail customers." The report advises that AP's commitment to contract for generation sufficient to meet its default service obligation at the frozen unbundled generation rate is the core pledge of the MOU. In Staff's view, this commitment satisfies the requirement of § 56-590 B 3(i) of the Code of Virginia that an incumbent utility's generation assets or their equivalent remain available for service during the default service period. Staff further noted the benefits of the proposed $1 million base rate reduction and the elimination of the fuel factor, finding that these "will serve to stabilize Virginia retail rates, and will protect Virginia customers from increases in fuel prices throughout the capped rate period."

On July 7, 2000, the Staff and Company filed a Motion to Supplement the Memorandum of Understanding in order to add a term to address the consequences of any subsequent decision by GENCO to transfer the units AP proposes here to transfer to GENCO, at a time when AP is obligated to provide default service in Virginia. The additional language comprises AP's pledge to, within 3 months of any announcement by GENCO to divest ownership of the

units, submit sufficient information to allow us to determine the then-current production costs of any such unit, together with its pledge to work with the Staff to develop a mechanism to escalate those costs appropriately over time.

NOW THE COMMISSION, having considered the application and supporting material, including the MOU, the Staff report and the comments filed herein, as well as the applicable statutes and rules, is of the opinion and finds that the Phase I transfers requested herein are in the public interest and should be approved. We 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, as required by § 56-90 of the Code of Virginia.

The Commission is further of the opinion and finds that the representations and undertakings set forth in the MOU, as supplemented, provide satisfactory assurance that the public interest will be protected and that the "incumbent electric utility's generation assets or their equivalent" will remain available for electric service during the default service period. The Company has agreed during the capped rate period to price generation at its frozen unbundled generation rate. For the period in which it is obligated to provide default service following the expiration of the capped rate period, generation service rates will be based on the Company's then-current generation cost of the portion of that generating system that it makes use of to meet its default service load. Should GENCO divest itself of any of the units, the Company agrees that on-going generation rates will reflect costs from those units at the time of their divestiture, escalated if necessary to reflect current costs. We find that the MOU, as supplemented, satisfies Consumer Counsel's request for a clarification from us regarding Paragraph No. 4 of that agreement.

Therefore, we find that the Phase I transfers conform to the requirements of § 56-590. We find that we should retain jurisdiction over these matters for the purpose of consideration of further aspects of the Company's functional unbundling plan, and will issue a final order on that plan following additional proceedings to be scheduled by separate order. Additionally, we will consider the provisions of the MOU that relate to the proposed elimination of the fuel factor and the proposed base rate reduction concurrently during the hearing scheduled for July 20, 2000. The remaining provisions of the MOU are adopted and incorporated as part of the approvals herein granted, as is the Stipulation concluded between AP and Consumer Counsel.

Accordingly, IT IS ORDERED THAT:

(1) The Motion to Supplement the Memorandum Of Understanding is granted.

(2) The approvals sought by AP pursuant to the Affiliates Act, Chapter 4 of Title 56 of the Code of Virginia, and the Transfers Act, Chapter 5 of Title 56 of the Code of Virginia, are granted as requested in the application and as modified by the terms of the Memorandum of Understanding, as supplemented on July 7, 2000, and subject to the Stipulation entered into between AP and Consumer Counsel.

(3) This matter is continued for further proceedings and further orders of the Commission.

CASE NO. PUE000280
JULY 26, 2000

APPLICATION OF
THE POTOMAC EDISON COMPANY, d/b/a ALLEGHENY POWER

ORDER APPROVING ELIMINATION OF FUEL FACTOR AND ESTABLISHING CAPPED RATES

On May 25, 2000, The Potomac Edison Company, d/b/a Allegheny Power ("AP" or "Company") filed an application, pursuant to §§ 56-77, 56-90, 56-88.1 (to the extent this provision is applicable), and 56-590 B of the Code of Virginia, for approval of a plan (the "Plan") for the functional separation of its generating assets from its transmission and distribution assets, as required by the Virginia Electric Utility Restructuring Act (the "Act").

In the application, AP proposed to separate its generation facilities from its transmission and distribution facilities by transferring its generating assets, certain utility securities, and certain contractual entitlements to generation to an affiliate called "GENCO," which would own and operate the generation facilities.

On July 11, 2000, we entered our Order Approving Phase I Transfers, granting AP the authority to make the requested asset transfers, subject to the terms of the Memorandum of Understanding ("MOU"), as supplemented, negotiated between itself and the Commission Staff. The Order continued the matters for further proceedings, including the hearing established in our June 9, 2000, Order for Notice and Comment, in which consideration of the elimination of the Company's fuel factor recovery mechanism, proposed in the MOU, was to be given.

The MOU contained certain representations and undertakings that AP has made in order to comply with the requirements of the Act. The Company agreed to make a base rate reduction to its Virginia customers of $1 million annually, effective July 1, 2000, with the reduction applied ratably to each rate classification. Further, AP agreed not to file an application for a base rate increase prior to January 1, 2001.

AP also agreed to operate and maintain its distribution system in Virginia at or above historic levels of service quality and reliability, and to implement timely distribution system improvements needed to maintain the quality of its service. During periods when AP will provide default service as provided by the Act, it will contract for generation services for default service customers at the same cost that it would incur to serve customers from the units it now owns, but seeks to divest to GENCO under the Plan.

The final aspect of the MOU involved modification to the manner in which the Company recovers its fuel costs. AP proposed to terminate its fuel factor cost recovery mechanism beginning July 1, 2000, and instead recover fuel costs in base rates. The Company and Staff agreed in the MOU that costs now recovered through the Company's current fuel factor should be rolled into the base rates at an effective rate of 1.181cents/kWh.

Section 56-249.6 of the Code of Virginia ("Code") provides that the Commission may dispense with the fuel cost recovery mechanism only "after notice and hearing" and finding that the electric utility's fuel costs "can be reasonably recovered through the rates and charges" established in accordance

with other provisions of law. Accordingly, we established a public hearing to receive evidence and argument on this aspect of the Plan, separating our consideration of the proposed Phase I transfers from our consideration of the cost issues associated with the proposed elimination of the fuel factor.

On June 30, 2000, the Commission Staff filed its Report explaining the basis for re-setting base rates to include fuel cost recovery at the effective rate of 1.181 cents/kWh as contained in the MOU. Comments in this docket were filed on June 30 by the Office of Attorney General, Division of Consumer Counsel ("Consumer Counsel") and Virginia Electric and Power Company ("Virginia Power"). The Company filed the rebuttal testimony of its witness Steve L. Klick on July 17, 2000. Virginia Power filed comments on the Staff Report on July 17, 2000, and clarified its comments by a filing on July 20, 2000.

The fuel factor mechanism established by § 56-249.6 of the Code of Virginia operates to permit utilities to recover prudent fuel expenses on a dollar-for-dollar basis. Fuel expense is the largest single cost for electric utilities. In 1999, the General Assembly enacted the Virginia Electric Utility Restructuring Act, Code §§ 56-576 et seq. (the "Act"). Section 56-582 acts to "cap" the rates utilities can charge during a period that may extend to July 1, 2007. The Act permits these rates, however, to continue to be modified by the application of the fuel factor during this period.

By asking that we eliminate its fuel factor mechanism, AP abandons the protection otherwise available to it under the Code and instead assumes the risk that it can recover its fuel expenses under the capped rate alone during this period of transition to a competitive market. Rates established to include the costs otherwise recovered through the fuel factor will be capped until perhaps 2007.

The Staff Report advises that the proposed fuel recovery level, the equivalent of a 1.181 cents/kWh fuel factor, "exceeds the latest twelve-month actual fuel cost by only about one-half mill and the projected fuel cost by one mill."[1] A "mill" is one one-tenth of a penny. We find that rates established to recover this level of fuel expenses will be just and reasonable for application during the capped rate period.

During the course of these proceedings, the Company has concluded two separate agreements with the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel"). In the first, appended as a Stipulation to comments filed by the Consumer Counsel on June 30, 2000, the Company agreed that it would not apply wires charges, also permitted under the Act, to the bills of any of its customers that obtain power from another supplier during the rate cap period.

The second agreement between AP and Consumer Counsel, in which the Commission Staff concurred, operates to mitigate the effect of the slightly higher fuel cost recovery that would accrue from the elimination of the fuel factor and recovery of the expense in base rates. In the first year following adoption of the new rates, the Company would credit customer bills in the aggregate amount of $750,000. In the second year, the credit would drop to $250,000. In the third year and after, there would be no credit. This agreement was filed in the form of a Motion to Expand Settlement on July 19, 2000.

NOW THE COMMISSION, having considered the Application, the MOU, the supplements thereto, the Comments of the parties, the Staff Report and the evidence of record, is of the opinion and finds that the proposed elimination of the fuel factor is in the public interest and should be adopted. We find, as required by § 56-249.6 of the Code of Virginia, that the Company's fuel expenses can reasonably be recovered without resort to the fuel factor mechanism permitted therein and that the mechanism can, and should, be dispensed with. We further find that the rates established as proposed in the MOU are just and reasonable and constitute the Company's capped rates. Further, we find that the Motion to Expand Settlement is reasonable and should be granted. We find that the Stipulation is reasonable and should be adopted.

Accordingly, IT IS ORDERED THAT:

(1) The Motion to Expand Settlement is granted.

(2) The Stipulation is adopted and the Company will not impose any wires charges during the capped rate period.

(3) The fuel factor for Allegheny Power is dispensed with and the Company shall file forthwith tariffs containing rates designed to recover its fuel expenses, at the equivalent rate of 1.181 cents/kWh, effective for bills rendered on and after August 7, 2000. The tariffs shall also reflect the $1,000,000 annual base rate reduction contained in the MOU and approved hereby. Rates thus tariffed shall be capped as provided by the Act.

(4) The Company shall file forthwith tariffs setting out the credit to be applied to customer bills in the aggregate amounts set out herein during the first two years following the effective date of the rates established herein.

(5) This matter is continued for further orders of the Commission.

[1] Staff Report at 7.

CASE NO. PUE000281
AUGUST 23, 2000

NOTIFICATION OF
STONE MOUNTAIN ENERGY, LC

To furnish gas service pursuant to Virginia Code § 56-265.4:5

ORDER DISMISSING PROCEEDING

On May 25, 2000, Stone Mountain Energy, LC ("SME"), notified the State Corporation Commission (the "Commission"), pursuant to § 56-265.4:5 of the Code of Virginia ("Code"), of its plans to furnish gas service to the Federal Bureau of Prisons' United States Penitentiary ("FBOP") facility to be located in Lee County, Virginia.

On June 14, 2000, the Commission entered an Order docketing the proceeding and notifying all public utilities providing natural gas service in the Commonwealth of SME's plans to furnish gas service to the planned FBOP facility. The utilities were advised they could file an application with the Commission to provide natural gas service within the area identified in the Company's notification documents within sixty (60) days of the entry of the June 14, 2000, Order. The Commission also found that the planned FBOP facility was not located within a territory for which a certificate of public convenience and necessity has been granted; in addition the facility was not found to be located within any area, territory, or jurisdiction served by a municipal corporation that provided gas distribution service as of January 1, 1992.

Sixty days now have elapsed since the entry of the June 14, 2000, Order, and no jurisdictional public utility has filed an application to provide natural gas service within the area identified in the captioned notification.

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that the Company has satisfied the requirements of §§ 56-265.1(b)(4) and 56-265.4:5 of the Code, 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. PUE000284
SEPTEMBER 18, 2000

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.

Application to Extend Customer CHOICE^{SM} Pilot Program

ORDER GRANTING APPLICATION

On May 31, 2000, Columbia Gas of Virginia ("CGV" or "Company") applied for an extension of its Customer Choice^{SM} Pilot Program ("Customer Choice^{SM}") from October 1, 2000, to the earlier of, the date the State Corporation Commission ("Commission") approves a permanent program, or October 1, 2001.

The Commission first authorized Customer Choice^{SM} to commence on October 1, 1997, and to terminate on October 1, 1999.[1] On August 24, 1999, the Commission granted an extension of the termination date for Customer Choice^{SM} to October 1, 2000, provided the Company met certain conditions contained in the Order granting the extension.[2]

On June 20, 2000, the Commission issued an Order for Notice on the requested extension docketing this matter, providing an opportunity for interested persons to comment on the application, and directing Staff to file a report addressing any comments received and making recommendations concerning CGV's application. The Commission further provided an opportunity for interested persons to file comments in response to the Staff Report. In its June 20, 2000, Order, the Commission noted that CGV stated in its application it would continue the Customer Choice^{SM} program under the same terms and conditions previously approved, and therefore that the only issue before the Commission is whether an extension is in the public interest.

In response to the notice of the application, comments were filed with the Clerk of the Commission by the Town of Herndon, Virginia, and Washington Gas Energy Services. The Town of Herndon, Virginia stated its support for the program and asked that the Commission authorize the program to continue. Washington Gas Energy Services also provided support for Customer Choice^{SM} and asked that the extension be granted by the Commission.

On August 28, 2000, Staff filed its Report in this matter. In its Report, the Staff notes that Customer Choice^{SM} is a voluntary experiment using special rates pursuant § 56-234 of the Code of Virginia. Customer Choice^{SM} offers residential and small general service customers in the Gainesville area the opportunity to purchase gas from independent marketers. CGV then delivers the gas under terms and conditions approved by the Commission.[3] The Report

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[1] The Commission approved the Commonwealth Choice Program in Application of Columbia Gas of Virginia, 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, in Case No. PUE970455, Doc. Cont. Ctr. No. 970940273 (September 30, 1997). Effective January 16, 1998, Commonwealth Gas Services, Inc. changed its name to Columbia Gas of Virginia, Inc. The Commonwealth Choice Program name has been changed to Customer Choice^{SM} to accommodate the name change of the company.

[2] Application of Columbia Gas of Virginia, Inc., Application to extend Customer Choice^{SM}, Case No. PUE990245, 1999 S.C.C. Ann. Rept. 476.

[3] Application of Columbia Gas of Virginia, Inc., For general increase in gas rates, supra note 1.

states that an extension was requested in order to give CGV time to address the requirements of recent actions including legislative changes amending gas retail choice programs, legislative changes in the Virginia tax code affecting state and local tax collection, and Commission adoption of Interim Pilot Rules for electric and natural gas retail access ("Interim Pilot Rules"). The Report also observes that the Company believes an extension of Customer Choice[SM] would ensure retail choice is not disrupted, and would permit a "seamless" transition to full access.

The Staff reports that CGV met one condition in its August 24, 1999, Order by filing an Interim Balancing Study. Pursuant to that Order, the Company also must file a Final Balancing Study at the termination of the program. In the first extension, the Commission also directed CGV to implement the terms of the generic code of conduct adopted in the Interim Pilot Rules once such rules were adopted.[4]

The Staff recommends that Customer Choice[SM] should be continued as requested by the Company. However, since CGV has not filed for a waiver from the deadlines for compliance with the Interim Pilot Rules issued May 26, 2000, the Staff reports that CGV should immediately file tariff revisions reflecting changes necessary to comply with the rules' requirements. The Staff further recommends that CGV should continue to collect daily load samples and profiles as required by the Order originally approving the program. It is recommended that the Final Balancing Study due to be filed upon transition to a permanent program should be continued to be required. In addition, the Staff proposes that the Company log the use of the capacity assignment option by suppliers, and log supplier requests for information. The Staff recommends that accompanying CGV's Final Balancing Study, the Company should include a summary of the use of the capacity assignment option, supplier requests for information, and evaluation of stranded costs incurred during the program.

On September 6, 2000, CGV filed comments on the Staff Report. The Company requests the expeditious approval of the extension of the Customer Choice[SM] program. The Company states that CGV is in the process of finalizing tariff modifications and anticipates filing the modifications, or requesting a waiver, if necessary "within the next week." The Company further represents that it is prepared to submit the requested information, along with the Final Balancing Study, in its final status report.

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that CGV's request to continue its Customer Choice[SM] program, subject to its commitment to incorporate Staff's recommendations, is reasonable and should be granted. We therefore will grant CGV's application subject to the following conditions: (i) the Company files tariff modifications, or requests a waiver if necessary, by September 25, 2000; (ii) the Company continues to collect daily load samples and profiles, and log the use of the capacity assignment option by suppliers and supplier requests for information; (iii) the Company evaluates stranded costs incurred during the program; and (iv) the Company provides a summary of such information with the Final Balancing Study to be filed upon transition to a permanent program.

Accordingly, IT IS ORDERED THAT:

(1) The Company's application to extend its Customer Choice[SM] program from October 1, 2000, until the earlier of, the date the Commission approves a permanent program, or October 1, 2001, is approved, conditioned upon the requirements set forth above.

(2) There being nothing further to be done herein, this matter shall be dismissed from the Commission's docket of active proceedings.

[4] The Commission approved Interim Pilot Rules, effective May 26, 2000, in Commonwealth of Virginia, At the relation of the State Corporation Commission, Ex parte: In the matter of establishing interim rules for retail access pilot programs, Case No. PUE980812, Doc. Cont. Ctr. No. 000530236 (May 26, 2000). The Interim Pilot Rules require companies with natural gas retail access pilot programs and participating competitive suppliers to comply with the rules' requirements within 120 days of the effective date, or from the date of a denial of a waiver. Compliance or request for a waiver is required by September 25, 2000. CGV has not filed for a waiver at this time.

CASE NO. PUE000285
JUNE 7, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION

Ex Parte, in re: COLONIAL WATERWORKS, INC.

ORDER CANCELLING CERTIFICATE

On May 15, 1992, the Commission issued Certificate No. W-269 to Colonial Waterworks, Inc. ("Colonial"), authorizing that company to provide water service to subdivisions in Southampton County, Virginia, and the City of Suffolk.

On April 7, 1997, the Commission entered its Final Order in Case No. PUE960026,[1] granting to C&P Suffolk Water Company authorization to provide water service to the subdivisions previously served Colonial. However, that order did not cancel the certificate issued 5 years previously to Colonial. The Commission is of the opinion and finds that Certificate No. W-269 should be cancelled.

Accordingly, IT IS ORDERED THAT:

(1) This matter be docketed and assigned Case No. PUE000285.

[1] Application of C&P Suffolk Water Company, 1997 S.C.C. Ann. Rep. 356.

(2) Certificate No. W-269, issued to Colonial Waterworks, Inc., be and hereby is CANCELLED.

(3) This matter is dismissed and the paper placed in the file for ended causes.

CASE NO. PUE000286
OCTOBER 18, 2000

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For a certificate of public convenience and necessity authorizing construction and operation of a transmission line and facilities in Prince William County: Possum Point 500/230 kV Stations Connection Transmission Line

FINAL ORDER GRANTING APPLICATION

Before the Commission is the application of Virginia Electric and Power Company ("Virginia Power" or "Company") for a certificate of public convenience and necessity for construction and operation of a single-circuit 230 kV transmission line and related facilities in Prince William County. The proposed transmission line would be located on property already owned by Virginia Power at its Possum Point Power Station. The proposed transmission line would run for approximately 0.75 mile between the existing Possum Point 500 kV Substation and the existing Possum Point 230 kV Substation.

According to the application, the transmission line and related facilities will allow replacement of a transformer bank at Ox Substation in Fairfax County with a new transformer bank at Possum Point Power Station. The proposed facility will promote reliability and better utilize 230 kV transmission lines in the area.

In our Order for Notice of July 17, 2000, as modified by the Commission's Correcting Order of July 26, 2000, we directed Virginia Power to publish notice of this application in newspapers circulating in the area affected by the proposed facility and to serve notice on interested state and local officials. Virginia Power filed on August 4, 2000, an affidavit of service of notice on the officials, and the Company filed on August 28, 2000, proof of publication of the notice in newspapers. The Commission finds that, as required by § 56-46.1 B of the Code of Virginia, proper notice has been given and the Commission may proceed to consider the application. The Commission received no comments or requests for hearing on the application.

In our Order for Notice, we directed the Commission Staff to investigate the application and to file a report by September 18, 2000. In its report, the Staff recommended that the Commission grant the application and issue the appropriate certificate. The Staff concluded that the proposed 230 kV line and the new 500/230 kV transformer bank at Possum Point increases system reliability and allows for better utilization of existing transmission lines.

In conjunction with the Staff's investigation, the Department of Environmental Quality coordinated a review of the application by state environmental agencies. A copy of the report, with comments from individual agencies, was attached to the Staff Report. According to the Department of Environmental Quality, if the proposed Virginia Power project were constructed in accordance with the recommendations from the various agencies, the proposed project is "unlikely to have significant effects on transportation, forestry sources, health issues, water quality, wetlands, and geology features."

Upon consideration of the application and the Staff Report, with the Department of Environmental Quality's review attached, the Commission will grant the application and issue a certificate of public convenience and necessity. As Virginia Power set out in its application, and the Commission Staff concurred, the proposed transmission facility is required to provide adequate and reliable service in Northern Virginia. In the view of the expert environmental agencies, the project will not impose adverse impact if Virginia Power complies with existing regulatory requirements and observes the agencies' recommendations. The Commission expects that Virginia Power will secure all necessary environmental approvals and comply with all environmental requirements applicable to this project. We also encourage the Company to cooperate with state and local officials as it plans and constructs this project.

Accordingly, IT IS ORDERED THAT:

(1) As provided by § 56-46.1, § 56-265.2, and related provisions of Title 56 of the Code of Virginia, Virginia Power's application for a certificate of public convenience and necessity authorizing construction and operation of a 230 kV transmission line in Prince William County is granted.

(2) Virginia Power is authorized to construct and operate in Prince William County a single-circuit 230 kV transmission line extending for approximately 0.75 mile between the Possum Point 500 kV Substation and the Possum Point 230 kV Substation, and related facilities.

(3) Virginia Power is issued a certificate of public convenience and necessity as follows:

> Certificate No. ET-105v, for Prince William County, authorizing Virginia Power to operate the presently certificated transmission lines and facilities in Prince William County and to construct and operate the proposed transmission line and facilities in Prince William County, all as shown on map attached hereto and as authorized in Commission Case No. PUE000286; Certificate No. ET-105v will supersede Certificate No. ET-105u issued on November 9, 1994.

(4) The Division of Energy Regulation shall send an attested copy of this Order and a copy of the certificate with map attached shall be mailed to J. T. Earwood, Jr., Senior Vice-President, Virginia Power, P.O. Box 26666, Richmond, Virginia 23261.

(5) This matter be dismissed from the Commission's docket.

CASE NO. PUE000330
SEPTEMBER 5, 2000

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 July 16, 1999, S & N Directional Boring damaged a secondary power line operated by Virginia Electric and Power Company located at or near 12313 Mulberry Court, Woodbridge, Virginia, while excavating;

(2) On or about November 4, 1999, Air Power, Incorporated, damaged a twelve inch steel main water line operated by Fairfax County Water Authority located at or near Stonecroft Boulevard, off of Route 50, Chantilly, Virginia, while excavating;

(3) On or about March 1, 2000, Mastec North America, Inc., damaged a one-half inch plastic gas service line operated by Roanoke Gas Company located at or near 4210 Brookfield Lane, N.E., Roanoke, Virginia, while excavating;

(4) On or about April 6, 2000, Capital Drilling, Inc., damaged a nineteen thousand nine hundred twenty volt power line operated by Virginia Electric and Power Company located at or near 1400 Lake Fairfax Drive, Reston, Virginia, while excavating;

(5) On or about April 8, 2000, Russell Short, Inc., damaged a one-half inch plastic gas service line operated by Roanoke Gas Company located at or near 912 Gates Lane, Vinton, Virginia, while excavating;

(6) On or about April 13, 2000, the City of Roanoke damaged a two inch plastic gas main line operated by Roanoke Gas Company located at or near 220 Cassell Lane, S.W., Roanoke, Virginia, while excavating;

(7) On or about April 19, 2000, the City of Roanoke damaged a three-quarter inch plastic gas service line operated by Roanoke Gas Company located at or near 3460 Princeton Circle, N.E., Roanoke, Virginia, while excavating;

(8) For the incidents described in paragraphs (1) through (7) 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 the Code of Virginia;

(9) On or about April 24, 2000, Engineering Consulting Services, Ltd., notified the notification center of plans to excavate at or near the intersection of Crestview Drive and Herndon Parkway, Herndon, Virginia;

(10) On or about May 3, 2000, Engineering Consulting Services, Ltd., notified the notification center of plans to excavate at or near the intersection of Ridgetop Circle and Haleybird Drive, Sterling, Virginia;

(11) For the incidents described in paragraphs (9) and (10) 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;

(12) On or about August 20, 1999, Herman-Stewart Construction and Development, Inc., damaged a primary power line operated by Virginia Electric and Power Company located at or near 3650 Concorde Parkway, Chantilly, Virginia, while excavating;

(13) For the incident described in paragraph (12) herein, the Company failed to directly notify the excavator of an inability to mark lines, in violation of § 56-265.19 A of the Code of Virginia;

(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; and

(15) The Company failed to report that the line was not in conflict, in violation of § 56-265.19 B 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 $26,150 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 $26,500 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. PUE000333
JULY 18, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UNDERGROUND TECHNOLOGY, INCORPORATED,
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 16, 1999, Potomac Construction Co., Inc., damaged a two inch steel gas main line operated by Washington Gas Light Company located at or near the intersection of 19th Street and North Moore Street, Arlington, Virginia, while excavating;

(2) On or about January 17, 2000, WCS Enterprises, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 1706 Russell Road, Alexandria, Virginia, while excavating;

(3) On or about January 18, 2000, W. H. Cullen, Electrical Contractor damaged a three inch plastic gas service line operated by Washington Gas Light Company located at or near 8100 Wolftrap Road, Vienna, Virginia, while excavating;

(4) On or about February 21, 2000, Leo Construction Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 9202 Stephanie Street, Manassas, Virginia, while excavating;

(5) On or about March 7, 2000, S and N Communications, Inc., damaged a two inch plastic gas service line operated by Washington Gas Light Company located at or near the intersection of Opal Lane and Oakland Drive, Woodbridge, Virginia, while excavating;

(6) On or about March 14, 2000, Benitez Cable damaged one-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 9814 Greenview Lane, Manassas, Virginia, while excavating;

(7) On or about March 15, 2000, R. B. Hinkle Construction, Inc., damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near Lot 125, Alamont Square, Cascades, Virginia, while excavating;

(8) On or about March 20, 2000, Cable Construction, Inc., damaged a six inch plastic gas main line operated by Washington Gas Light Company located at or near Random Hills Road, Fairfax, Virginia, while excavating;

(9) On or about March 22, 2000, Posey's Masonry Repair damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 15115 Kamputa Drive, Fairfax, Virginia, while excavating;

(10) On or about March 27, 2000, Virginia Electric and Power Company damaged a one-half inch copper gas service line operated by Washington Gas Light Company located at or near 2114 North Pollard Street, Arlington, Virginia, while excavating;

(11) On or about March 30, 2000, Utilx Corporation damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 4617 Wakefield Chapel Road, Annandale, Virginia, while excavating;

(12) On or about April 6, 2000, D & F Construction, Inc., damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 6021 North 26th Road, Arlington, Virginia, while excavating;

(13) On or about April 7, 2000, Tavares Concrete Company, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 9130 Statesman Road, Fort Belvoir, Virginia, while excavating;

(14) On or about April 11, 2000, Battlefield Utility Contractors, Incorporated, damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 9519 Dublin Drive, Manassas, Virginia, while excavating;

(15) For the incident described in paragraphs (1) through (14) herein, Underground Technology, Incorporated ("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;

(16) On or about March 1, 2000, Keeney & Associates, Inc., notified the notification center of plans to excavate at or near Columbia Pike, Arlington, Virginia;

(17) On or about April 3, 2000, Capco Construction Corporation notified the notification center of plans to excavate at or near Cleveland Street and Clarendon Boulevard, Arlington, Virginia; and

(18) 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 $18,000 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 $18,000 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. PUE000341
DECEMBER 12, 2000

PETITION OF
AQUASOURCE UTILITY, INC.,
AQUASOURCE UTILITY/SL, INC.,
and
SHAWNEE LAND UTILITIES COMPANY, INC.,

For approval of the purchase of assets pursuant to the Utility Transfers Act and for certificates of public convenience and necessity pursuant to §§ 56-265.3 and 56-265.2 of the Code of Virginia

FINAL ORDER

On June 1, 2000, AquaSource Utility, Inc. ("AquaSource Utility"), and AquaSource Utility/SL, Inc. ("AU/SL") (together referenced as "AquaSource"),[1] and Shawnee Land Utilities Company, Inc. ("Shawnee Land") (collectively referenced as "Petitioners"), filed a petition requesting Commission approval pursuant to Chapter 5 of Title 56 of the Code of Virginia for AquaSource to acquire, and for Shawnee Land to dispose of, all of the water utility assets of the Shawnee Land Water System.[2] Petitioners also request, pursuant to §§ 56-265.3 D and 56-265.2, authority to transfer and to issue to AU/SL any necessary certificates of public convenience and necessity to serve the territory currently served by Shawnee Land, to acquire the existing Shawnee Land facilities, and to construct new facilities necessary to return the Shawnee Land system to adequate service.[3] In addition, AquaSource requests approval of a surcharge mechanism designed to recover the costs of financing the facilities improvements (estimated to be approximately $150,000).

By letter dated June 9, 2000, Petitioners note that AU/SL proposes to continue billing customers on the existing tariff rates and terms and conditions of service of Shawnee Land. None of these rates or terms will change in the short term (during the repair phase), except that customers previously connected to the system who wish to be reconnected may do so without the payment of any connection fee through the end of 2002. After completion of the improvements as contemplated in the petition, AU/SL will begin billing the surcharge for a maximum period of five years. Nothing in the regular bill will change, but the surcharge will be added to it.

On June 29, 2000, the Commission issued an Order directing Petitioners to give customers and public officials within Shawnee Land's service area notice of their petition and to provide interested persons with an opportunity to comment and request a hearing. The Commission also directed its Staff to review and analyze the petition and to file a report detailing its findings and recommendations.

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[1] AU/SL is a wholly owned subsidiary of Sydnor Hydrodynamics, Inc., which is, in turn, a wholly owned subsidiary of AquaSource Utility. DQE, Inc., is the ultimate parent of AquaSource Utility/SL, Inc., and AquaSource Utility, Inc.

[2] Shawnee Land is a certificated public utility providing water service in Frederick County, Virginia.

[3] Petitioners submit that the new facilities, whose construction is necessary to return the Shawnee Land Water System to adequate service, are ordinary extensions or improvements in the usual course of business not requiring issuance of a certificate of public convenience and necessity pursuant to § 56-265.2.

AquaSource filed proofs of notice and service on August 15, 2000.

Pursuant to an August 25, 2000, Order, Staff filed its Report on September 25, 2000. In its Report, Staff noted that it received several comments on the petition. The comments focused on the following issues: the amount of the capital improvements that will be recovered through the surcharge; the class of customers subject to the surcharge; and the responsibility for restoration of roads and rights-of-way after completion of construction.

There was a question regarding the estimated amount for improvements necessary to provide reasonably adequate service. To address that concern, Staff included in its recommendations a proposed limitation on the amount of the improvements that would be subject to the surcharge.

There was also a concern regarding the applicability of the surcharge mechanism to availability customers. Staff reported that, based on conversations with AquaSource, the surcharge would not apply to those customers. Staff noted, however, that the current tariff is unclear with regard to such applicability and that it recommends that AU/SL adopt the tariff attached to its Report. That tariff not only clarifies the applicability of the surcharge but updates and incorporates the rates, terms, and conditions of the existing tariff.

There were also concerns regarding the restoration of roads and rights-of-way that might be disturbed due to improvement and maintenance of the Shawnee Land Water System. In a letter dated September 11, 2000, counsel for AquaSource confirmed that AquaSource will restore those roadways to their prior condition. Staff added that AquaSource should also try to reach a reasonable understanding with the Shawneeland Sanitary District regarding the restoration of the roads and rights-of-way.

Staff found that the proposed transaction would not impair or jeopardize the provision of adequate service at just and reasonable rates. Staff stated that the transfer was essential to meet the needs of Shawnee Land's customers for adequate, safe, and reliable water service. In its Report, Staff recommended:

1. that the proposed transfer of assets from Shawnee Land to AquaSource be approved;

2. that AU/SL be granted pursuant to § 56-265.3 authority for the transfer of Shawnee Land's certificate of public convenience and necessity that would authorize it to serve customers in the Shawneeland development in Frederick County, Virginia;

3. that AU/SL be granted a certificate pursuant to § 56-265.2 to acquire the existing Shawnee Land facilities and to construct new facilities to the Shawnee Land system;

4. that the monthly surcharge per water service customer be approved to allow AquaSource to recover the cost of the capital improvements and to allow the customers of the Shawnee Land system to receive reasonably adequate service;

5. that AU/SL be required to follow each of the seven steps of its marketing plan before the proposed surcharge can be levied;

6. that AU/SL be required to file quarterly reports with the Commission's Division of Energy Regulation on the progress of the capital improvements and the marketing plan;

7. that the surcharge mechanism be limited to the net present value of the revenue requirement requested by AquaSource for the $150,000 in capital improvements, plus a maximum of $25,000 in non-payroll related surcharge implementation costs such as legal fees, travel, and filing related fees; and

8. that, if the capital improvements exceed the $150,000 outlined in the petition, AU/SL must inform Staff in writing of such expenditures and state the reasons for such improvements.

On October 2, 2000, AquaSource filed a Response to the Staff's Report. In its Response, AquaSource objected to the adoption of recommendation No. 7 referenced above. AquaSource stated that it should not "be prohibited from recovering amounts above $150,000 in the surcharge if such additional amounts were necessary to achieve the ultimate goal of adequate service." In addition, AquaSource stated that recommendation No. 8 would require it to give Staff notice if it was necessary to spend more than the estimated amount. Such notice would enable other persons to contact Staff if they believed that adequate service would not be achieved by the proposed improvements or that the additional expenditures were not necessary to achieve such service.

Subsequently, by letter dated November 13, 2000, counsel for AquaSource requested the Commission to defer any action in this proceeding until after November 30, 2000. This would enable AquaSource to provide additional notice and allow customers to comment or request a hearing with respect to the information included in the attached notice.[4]

The notice advised customers that $150,000 was an "estimate" of the amount necessary to restore adequate service, not a "capped" amount. AquaSource added that, if higher expenditures were necessary to restore adequate service, the surcharge would be based on the higher figure and, if expenditures were lower than the estimated amount, the surcharge figure would be calculated on the lower figure.

The Commission received seven comments in response to the additional notice. In their comments, persons with their own wells or with an undeveloped lot objected to paying any surcharge. There were no requests for hearing.

NOW THE COMMISSION, having considered the joint petition, comments, Staff's Report, the response thereto, and applicable law, is of the opinion that the above-captioned petition should be approved, subject to Staff's recommendations, as modified herein, and subject to certain conditions. We find that the public convenience and necessity requires that AquaSource acquire the assets of the Shawnee Land Water System. We also believe that such transfer requires our approval pursuant to Chapter 5 of Title 56 of the Code of Virginia. We find that the transfer of the assets of the Shawnee Land Water

[4] The information included in the notice was designed to clarify any misunderstanding resulting from a newspaper article stating that the surcharge would be capped at the $150,000 figure.

System will not impair or jeopardize adequate service at just and reasonable rates. Moreover, we find that it is in the public interest for AU/SL to provide water service to the Shawneeland development in Frederick County, Virginia, and that Shawnee Land's current rates and the proposed surcharge do not appear to be unjust and unreasonable. We will, therefore, approve those current rates and approve the proposed surcharge, subject to certain recommendations and conditions referenced herein. We agree with Petitioners that the proposed construction of new facilities constitutes ordinary extensions or improvements in the usual course of business and, as such, does not require a certificate pursuant to § 56-265.2.

We note the comments in response to the latest notice from AquaSource. Those comments, however, are from persons who have water service available to them but are not customers of Shawnee Land. Such persons are not, therefore, subject to the proposed surcharge applicable only to water users.

We agree with the Staff that the joint petition should be approved. We will, among other things, accept Staff's recommendations with the exception of recommendation No. 7 referenced above. While we will not accept Staff's recommendation to limit the expenditures subject to the surcharge, we expect AquaSource to spend no more than is necessary to restore the system to a condition that will enable it to provide its customers with "reasonably adequate service". In the event that it appears that such expenditures will exceed the estimated amount, AU/SL shall notify Staff. This is consistent with above-referenced recommendation No. 8.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to § 56-89 and 56-90 of the Code of Virginia, Shawnee Land Utilities Company is hereby granted authority to dispose of the assets of the Shawnee Land Water System, as described in the petition.

(2) AquaSource is hereby authorized to acquire from Shawnee Land the existing assets of the Shawnee Land Water System. The certificate issued to Shawnee Land Utilities Company to provide water service in the Shawneeland development of Frederick County is hereby transferred to AquaSource Utility/SL, Inc.

(3) AU/SL shall submit a Report of Action to the Commission's Director of Public Utility Accounting no later than sixty (60) days after the closing of the transaction; such report shall detail the date of transfer, sales price, and accounting entries reflecting the transfer.

(4) Shawnee Land Utilities Company's certificate of public convenience and necessity, Certificate No. W-175, is hereby cancelled.

(5) AquaSource Utility/SL, Inc., shall be granted a certificate of public convenience and necessity, Certificate No. W-304, authorizing it to provide water service to the Shawneeland development in Frederick County, Virginia.

(6) AU/SL's proposed rates, rules, and regulations of service are hereby approved.

(7) AquaSource's proposed surcharge is hereby approved as detailed on Attachment 3 of the petition, subject to the conditions detailed herein.

(8) AU/SL shall follow each of the seven steps of its marketing plan before implementing the proposed surcharge.

(9) AU/SL shall submit a rate of return statement for the Shawnee Land Water System to the Commission's Division of Public Utility Accounting for each year the surcharge is in effect. Surcharge revenues shall be adjusted from an annualized (booked) basis to a billed basis. Such submission shall be no later than forty-five (45) days prior to the implementation of any surcharge adjustment.

(10) If AU/SL overearns (excess of 10% return on equity for each period), the net excess shall be used to reduce any net under-recovery of the surcharge.

(11) If AU/SL under collects on both a total return on equity and a surcharge basis, it shall recover the lesser amount in future annual surcharge adjustments.

(12) AU/SL shall submit quarterly reports to the Commission's Division of Energy Regulation on the progress of the capital improvements and the marketing plan.

(13) On or before March 1, 2001, AU/SL shall file a revised tariff incorporating the modifications referenced the attachment to Staff's Report.

(14) There being nothing further to be done, this matter is hereby dismissed from the Commission's docket of active cases.

CASE NO. PUE000344
AUGUST 3, 2000

APPLICATION OF
PEPCO ENERGY SERVICES, INC.

For a license to provide electricity and natural gas services in interim retail access pilot programs

ORDER GRANTING LICENSE TO PROVIDE NATURAL GAS SERVICES

On June 19, 2000, Pepco Energy Services, Inc. ("Pepco" or "Company"), filed an application for a license to provide competitive electricity and natural gas services and to act as an aggregator. In its application and supplemental documents, Pepco states that it seeks a license to participate as a competitive service provider and aggregator in the interim retail access pilot programs of Virginia Electric and Power Company, American Electric Power – Virginia, Washington Gas Light Company, Columbia Gas of Virginia, Inc., and Rappahannock Electric Cooperative.

By Order dated June 23, 2000, the Commission directed the Company to serve a copy of its Order for Notice and Comment on the Chairman of the Board of Supervisors of any county and upon the Mayor or Manager of any county, city, or town (or on equivalent officials in counties, towns, and cities having alternate forms of government) lying within the geographic areas approved by the Commission for each pilot program in which Pepco seeks to participate. The Order also established a period during which any interested person could submit comments and directed the Commission Staff to analyze the reasonableness of Pepco's application and present its findings in a Staff Memorandum. By subsequent Order dated July 5, 2000, the Commission revised the notice requirements to allow Pepco to publish notice of its application in various newspapers strategically located to provide notice in all geographic areas where the pilot programs will be taking place.

On July 19, 2000, public comments relating to Pepco's application were filed by Michel A. King. Mr. King did not object to Pepco's application.

By Order dated July 20, 2000, the Commission granted Pepco's request for an extension of time to publish notice of its application because, due to a miscommunication, notice of Pepco's application was not published in the Roanoke Times. The July 20, 2000, Order also established an additional period for comments on Pepco's application to provide electricity services in the pilot programs. Thus, that portion of Pepco's application is not yet ripe for decision. However, since the areas in which the natural gas pilot programs are being conducted are outside of the general circulation area of the Roanoke Times newspaper and have been the subject of public notice, the portion of the application requesting a license to become a competitive service provider of natural gas services may be acted upon at this time.

On July 21, 2000, a Staff Memorandum was filed concerning Pepco's fitness to act as a competitive service provider in the natural gas pilot programs. The Staff found that Pepco has the requisite financial and technical fitness to act as a competitive service provider, and recommended that a license be granted to Pepco for the provision of natural gas service in the Columbia Gas of Virginia, Inc., and Washington Gas Light Company pilot programs.

NOW UPON CONSIDERATION of the application, the Staff Memorandum, and the applicable law, we find that Pepco's application to provide natural gas services should be granted.

Accordingly, IT IS ORDERED THAT:

(1) Pepco Energy Services, Inc. hereby is granted license No. PG-1, to provide natural gas supply products and services, in conjunction with the natural gas pilot programs of Columbia Gas of Virginia, Inc., and Washington Gas Light Company, to the residential, commercial, and industrial customer classes. This license to act as a competitive service provider is granted subject to the provisions of the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs ("Interim Rules"), 20 VAC 5-311-10 et seq., this Order, and other applicable statutes.

(2) This license shall expire upon termination of the natural gas pilot programs unless otherwise ordered by the Commission. The license is not valid authority for the provision of any product or service not identified within the license itself.

(3) Failure of Pepco to comply with the Interim Rules, the provisions of this Order, other applicable Federal Energy Regulatory Commission or State Corporation Commission Orders and Rules, or other state or federal laws may result in an enforcement action by the Commission including, without limitation, the revocation, suspension, or modification of the license granted herein, the refusal to renew such license, appropriate fines and/or penalties, or such other additional actions as may be necessary to protect the public interest.

(4) This matter is continued for the consideration of the portion of Pepco's application requesting a license to provide electricity and aggregator services.

CASE NO. PUE000344
AUGUST 21, 2000

APPLICATION OF
PEPCO ENERGY SERVICES, INC.

For a license to provide electricity and natural gas services in interim retail access pilot programs

ORDER GRANTING LICENSES TO PROVIDE ELECTRIC AND AGGREGATOR SERVICES

On June 19, 2000, Pepco Energy Services, Inc. ("Pepco" or "Company"), filed an application for licenses to provide competitive electricity and natural gas services and to act as an aggregator. In its application and supplemental documents, Pepco states that it seeks licenses to participate as a competitive service provider and aggregator in the interim retail access pilot programs of Virginia Electric and Power Company, American Electric Power – Virginia, Washington Gas Light Company, Columbia Gas of Virginia, Inc., and Rappahannock Electric Cooperative.

By Order dated June 23, 2000, the Commission directed the Company to serve a copy of the Commission's Order for Notice and Comment on specified local government officials in localities lying within the geographic areas approved by the Commission for each pilot program in which Pepco seeks to participate. The Order also established a period during which any interested person could submit comments, and directed the Commission Staff to analyze the reasonableness of Pepco's application and present its findings in a Staff Memorandum. By subsequent Order dated July 5, 2000, the Commission revised the notice requirements to allow Pepco to publish notice of its application in various newspapers strategically located to provide notice in all geographic areas where the pilot programs will be taking place.

On July 19, 2000, public comments relating to Pepco's application were filed by Michel A. King. Mr. King did not object to Pepco's application.

By Order dated July 20, 2000, the Commission granted Pepco's request for an extension of time to publish notice of its application in the Roanoke Times. The July 20, 2000, Order also provided for comments on Pepco's application to provide electricity services to be filed on or before August 4, 2000, and a Staff Memorandum to be filed by August 9, 2000. No additional comments were received.

On August 9, 2000, a Staff Memorandum was filed concerning Pepco's fitness to act as an aggregator and as a competitive service provider in the electric retail access pilot programs. The Staff recommended that a license be granted to Pepco for the provision of electricity in the pilot programs of Virginia Electric and Power Company, American Electric Power – Virginia, and Rappahannock Electric Cooperative. The Staff further recommended that Pepco be granted a license to provide electric and natural gas aggregation services to residential, commercial, and industrial customers.

NOW UPON CONSIDERATION of the application, the Staff Memorandum, and the applicable law, we find that Pepco's application to provide electric and aggregation services should be granted.

Accordingly, IT IS ORDERED THAT:

(1) Pepco Energy Services, Inc., hereby is granted license No. PE-1 to provide competitive electricity supply services in conjunction with the electric retail access pilot programs of Virginia Electric and Power Company, American Electric Power – Virginia, and Rappahannock Electric Cooperative, to the residential, commercial, and industrial customer classes. This license to act as a competitive service provider is granted subject to the provisions of the *Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs* ("*Interim Rules*"), 20 VAC 5-311-10 et seq., this Order, and other applicable statutes.

(2) Pepco Energy Services, Inc., hereby is granted license No. PA-1 to provide aggregation services in conjunction with the natural gas and electric retail access pilot programs of Columbia Gas of Virginia, Inc., Washington Gas Light Company, Virginia Electric and Power Company, American Electric Power – Virginia, and Rappahannock Electric Cooperative, to the residential, commercial, and industrial customer classes. This license to act as an aggregator is granted subject to the provisions of the Interim Rules, this Order, and other applicable statutes.

(3) These licenses shall expire upon termination of the applicable pilot programs unless otherwise ordered by the Commission. These licenses are not valid authority for the provision of any product or service not identified within the license itself.

(4) Failure of Pepco to comply with the Interim Rules, the provisions of this Order, other applicable Federal Energy Regulatory Commission or State Corporation Commission orders and rules, or other state or federal laws may result in an enforcement action by the Commission including, without limitation, the revocation, suspension, or modification of the licenses granted herein, the refusal to renew such licenses, the imposition of appropriate fines and penalties, or such other additional actions as may be necessary to protect the public interest.

(5) Since there is nothing further to come before the Commission, this matter hereby is dismissed and the papers herein placed in the Commission's file for ended causes.

CASE NO. PUE000345
OCTOBER 27, 2000

APPLICATION OF
OLD DOMINION ELECTRIC COOPERATIVE d/b/a COOPERATIVE ENERGY

For license to conduct business as a competitive service provider in electric and natural gas retail access pilot programs

ORDER GRANTING LICENSE TO PROVIDE NATURAL GAS SERVICE

On July 10, 2000, Old Dominion Electric Cooperative d/b/a Cooperative Energy ("ODEC") completed an application for licensure to conduct business as a competitive service provider to all classes of customers throughout the Commonwealth in conjunction with any electric retail access pilot program approved by the Commission. ODEC subsequently amended its application on August 4, 2000, to also seek licensure as a competitive service provider in natural gas retail access pilot programs. The Commission has approved such pilot programs for Columbia Gas of Virginia, Inc., and Washington Gas Light Company. ODEC's amended application to provide gas service was completed by a supplemental filing on September 13, 2000.

On September 25, 2000, the Commission issued an Order for Notice and Comment on ODEC's amended application for a license to provide natural gas service, requiring that notice of the amended application be published, providing for receipt of comments from the public, and requiring the Commission's Staff to analyze the reasonableness of ODEC's application and present its findings in a Staff report to be filed on or before October 13, 2000.

On October 6, 2000, ODEC filed proof of the public notice of its amended application as required by the September 25, 2000, Order. No comments from the public were received.

The Staff filed its Report on ODEC's amended application to provide competitive natural gas service on October 13, 2000. The Staff concluded that ODEC satisfies the financial and technical fitness requirements for licensure as a competitive service provider for retail natural gas service in the pilot programs of Columbia Gas of Virginia, Inc., and Washington Gas Light Company.[1]

[1] This Staff Report addressed only ODEC's amended application regarding provision of natural gas service. The Staff had previously filed a Memorandum on August 14, 2000, relative to ODEC's application for licensure as a competitive service provider in electric retail access pilot programs. By motion also filed on August 14, the Staff requested that we rule on whether ODEC must form an affiliate or subsidiary to obtain a license to conduct business as a competitive service provider in electric retail access pilots. Based upon the pleadings and oral argument from the Staff and ODEC, we ruled on September 20, 2000, that § 56-587 D of the Code of Virginia does require ODEC to form an affiliate or subsidiary if it desires to participate as a competitive service provider in electric retail access pilot programs.

ODEC did not file a response to the Staff Report.

NOW THE COMMISSION, upon consideration of the ODEC's application as amended, the Staff report, and the applicable law, is of the opinion and finds that ODEC's amended application to provide natural gas service should be granted. Accordingly,

IT IS ORDERED:

(1) Old Dominion Electric Cooperative d/b/a Cooperative Energy is hereby granted License No. PG-9 to provide competitive natural gas supply service in conjunction with the retail access pilot programs of Columbia Gas of Virginia, Inc., and Washington Gas Light Company.

(2) This license to act as a competitive service provider is granted subject to the provisions of the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10, et seq. ("Interim Rules"), this Order, and applicable orders, rules, and statutes.

(3) This license shall expire upon termination of the respective pilot programs unless otherwise ordered by the Commission. This license is not valid authority for the provision of any product or service not identified within the license itself and for which a license is required.

(4) The failure of Old Dominion Electric Cooperative d/b/a Cooperative Energy to comply with the Interim Rules, the provisions of this Order, other State Corporation Commission orders and rules, or other applicable state or federal laws may result in an enforcement action by the Commission including, without limitation, the revocation, suspension, or modification of the license granted herein, the refusal to renew such license, the imposition of appropriate fines and penalties, or such other additional actions as may be necessary to protect the public interest.

(5) This case shall remain open for consideration of any subsequent amendments or modifications to the license granted herein.

CASE NO. PUE000347
JULY 5, 2000

APPLICATION OF
READ MOUNTAIN WATER COMPANY, INC.

For cancellation of certificates of public convenience and necessity

ORDER CANCELLING CERTIFICATES

By letter dated November 19, 1999, Read Mountain Water Company, Inc. ("Read Mountain" or the "Company"), notified the Commission that it transferred its water utility assets to the County of Roanoke, Virginia, that same day.[1]

NOW THE COMMISSION, having considered the matter, is of the opinion that the certificates authorizing Read Mountain to provide water service to certain areas in Roanoke County and Botetourt County, Virginia, should be canceled. Accordingly,

IT IS ORDERED THAT:

(1) Certificate No. W-220a authorizing Read Mountain to provide water service to a certain area in Botetourt County, Virginia, as shown on the Stewartsville quadrangle map, is hereby canceled.

(2) Certificate No. W-221b authorizing Read Mountain to provide service to an area in the County of Roanoke, as shown on the Roanoke quadrangle map, is hereby canceled.

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

[1] By Order dated October 5, 1999, in Case No. PUA990040, the Commission granted Read Mountain authority to transfer its water utility assets to the County pursuant to the Utility Transfers Act.

CASE NO. PUE000348
SEPTEMBER 26, 2000

NOTIFICATION OF
STONE MOUNTAIN ENERGY, LC

To furnish gas service pursuant to Virginia Code § 56-265.4:5

ORDER DISMISSING PROCEEDING

On June 29, 2000, Stone Mountain Energy, LC ("Stone Mountain"), notified the State Corporation Commission (the "Commission"), pursuant to § 56-265.4:5 of the Code of Virginia ("Code"), of its plans to furnish gas service to Pizza Plus, a Virginia corporation operating as a restaurant at Rose Hill in Lee County, Virginia

On July 26, 2000, the Commission entered an Order docketing the proceeding and notifying all public utilities providing natural gas service in the Commonwealth of Stone Mountain's plans to furnish gas service to Pizza Plus. The utilities were advised they could file an application with the Commission to provide natural gas service within the area identified in the Company's notification documents within sixty (60) days of the entry of the July 26, 2000, Order. The Commission found Pizza Plus not to be located within a territory for which a certificate of public convenience and necessity has been granted; in addition the facility was found not to be located within any area, territory, or jurisdiction served by a municipal corporation that provided gas distribution service as of January 1, 1992.

Sixty days now have elapsed since the entry of the July 26, 2000, Order, and no jurisdictional public utility has filed an application to provide natural gas service within the area identified in the captioned notification.

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that the Company has satisfied the requirements of §§ 56-265.1(b)(4) and 56-265.4:5 of the Code, 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. PUE000349
SEPTEMBER 7, 2000

APPLICATION OF
DOMINION ENERGY DIRECT SALES, INC.

For a license to conduct business as a competitive service provider in electric and natural gas retail access pilot programs

ORDER GRANTING LICENSES TO PROVIDE ELECTRIC AND NATURAL GAS SERVICE

On August 1, 2000, Dominion Energy Direct Sales, Inc. ("DEDS" or "Company"), completed an application for licensure to conduct business as a competitive service provider. DEDS states that it seeks to provide commercial and industrial electric and gas commodity sales in Virginia in conjunction with the retail access pilot programs of Virginia Electric and Power Company, Appalachian Power Company d/b/a American Electric Power, Rappahannock Electric Cooperative, Washington Gas Light Company, and Columbia Gas of Virginia, Inc. DEDS is an affiliate of Virginia Electric and Power Company and CNG Retail Services Corporation.[1]

On August 4, 2000, the Commission issued its Order for Notice and Comment, establishing the case, requiring that notice be published in newspapers of general circulation within the geographical areas approved by the Commission for each pilot program in which DEDS seeks to participate, and requiring the Commission's Staff to analyze the reasonableness of DEDS' application and present its findings in a Staff Report to be filed on or before August 29, 2000. No comments from the public were received.

On August 25, 2000, DEDS filed proof of publication of the public notice required by the Commission in its August 4, 2000, Order for Notice and Comment. DEDS noted that the proof of publication was due to be filed on August 23, 2000, but requested that the Commission accept the filing as made out of time.

On August 29, 2000, a Staff Report was filed concerning DEDS' fitness to provide competitive electric and natural gas service. The Staff concluded that DEDS meets the technical fitness requirements for licensure. The Staff also discussed DEDS' request for a waiver of 20 VAC 5-311-50 A 12 a of the Interim Rules, which requires an applicant to file an audited balance sheet and income statement for the most recent fiscal year, as well as published financial information, if available. In lieu of filing the required documents, DEDS filed audited financial statements of its parent holding company, Dominion Resources, Inc. ("DRI"), stating that DEDS intends to rely on the resources of DRI to provide financial backing and to satisfy capital needs. Additionally, DEDS supplied a letter signed by an officer of DEDS' immediate parent company, Dominion Energy, Inc. ("DEI"), in which DEI confirmed that it would be responsible for any obligations incurred by DEDS as a competitive service provider. Based on this information, the Staff recommended that DEDS be granted the requested waiver and that the Company be granted a license to provide electric and natural gas commodity sales to commercial and industrial customers in all approved retail access pilot programs.

On August 31, 2000, DEDS filed with the Commission a statement that it has no comment on the Staff Report. DEDS requested that its licenses be issued as expeditiously as possible.

NOW UPON CONSIDERATION of the application, the Staff Report, and the applicable law, we find that DEDS' application to provide electric and natural gas commodity sales should be granted.

Accordingly, IT IS ORDERED THAT:

(1) DEDS' August 25, 2000, motion to file out of time the proof of publication of newspaper notice hereby is granted.

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[1] On August 23, 2000, CNG Retail Services Corporation was granted a license to participate as a competitive service provider in the electric retail access pilot program of Virginia Electric and Power Company. Order Granting License to Provide Electric Service, Application of CNG Retail Services Corporation For a license to conduct business as a competitive service provider in electric retail access pilot programs, Case No. PUE000352, Document Control Center No. 000830341.

(2) Dominion Energy Direct Sales, Inc., hereby is granted license no. PE-5 to provide electric commodity sales to commercial and industrial customers in conjunction with the retail access pilot programs of Virginia Electric and Power Company, Appalachian Power Company d/b/a American Electric Power, and Rappahannock Electric Cooperative.

(3) Dominion Energy Direct Sales, Inc., hereby is granted license no. PG-3 to provide natural gas commodity sales to commercial and industrial customers in conjunction with the retail access pilot programs of Washington Gas Light Company and Columbia Gas of Virginia, Inc.

(4) DEDS hereby is granted a waiver of 20 VAC 5-311-50 A 12 a of the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 *et seq.* ("Interim Rules").

(5) These licenses to act as a competitive service provider are granted subject to the provisions of the Interim Rules, this Order, and other applicable statutes.

(6) These licenses shall expire upon termination of all respective pilot programs unless otherwise ordered by the Commission. These licenses are not valid authority for the provision of any product or service not identified within either of the licenses themselves and for which such a license is required.

(7) Failure of DEDS to comply with the Interim Rules, the provisions of this Order, other applicable Federal Energy Regulatory Commission or State Corporation Commission orders and rules, or other state or federal laws may result in an enforcement action by the Commission including, without limitation, the revocation, suspension, or modification of the licenses granted herein, the refusal to renew such licenses, the imposition of appropriate fines and penalties, or such other additional actions as may be necessary to protect the public interest.

(8) This case shall remain open for the consideration of any subsequent amendments or modifications to these licenses.

CASE NO. PUE000351
AUGUST 24, 2000

APPLICATION OF
DTE ENERGY MARKETING, INC.

For a license to conduct business as a competitive service provider in electric retail access pilot programs

ORDER GRANTING LICENSE TO PROVIDE ELECTRIC SERVICE

On July 5, 2000, DTE Energy Marketing, Inc. ("DTE" or "Company"), completed an application for licensure to conduct business as a competitive service provider. DTE states that it seeks to provide electricity in the retail access pilot programs of Virginia Electric and Power Company ("Virginia Power") and American Electric Power – Virginia ("AEP-VA"), focusing on commercial and industrial customers.

On July 24, 2000, the Commission issued its Order for Notice and Comment, establishing the case, requiring that notice be given to affected localities, providing for the receipt of comments from the public, and requiring the Commission's Staff to analyze the reasonableness of DTE's application and present its findings in a Staff Memorandum to be filed on or before August 14, 2000. No comments from the public were received.

On August 14, 2000, a Staff Memorandum was filed concerning DTE's fitness to provide competitive electric service. The Staff concluded that DTE meets the technical fitness requirements for licensure. The Staff also discussed DTE's request for a waiver of 20 VAC 5-311-50 A 12 a of the Interim Rules, which requires an applicant to file an audited balance sheet and income statement for the most recent fiscal year, as well as published financial information, if available. Though DTE provided the financial statements of its parent company, DTE has a policy of nondisclosure concerning its own financial information. Therefore, the Staff was unable to draw conclusions about DTE's financial fitness for licensure based upon the data provided.

Accordingly, the Staff recommended that the Company be granted a license to provide service to commercial and industrial customers in the Virginia Power and AEP-VA pilot programs and be granted the requested waiver, subject to the filing of a surety bond in the amount of $100,000 as evidence of DTE's financial responsibility. On August 22, 2000, DTE filed a surety bond in the amount of $100,000, naming Travelers Casualty and Surety Company as the Surety on the bond.

DTE did not file any other response to the Staff Memorandum.

NOW UPON CONSIDERATION of the application, the Staff Memorandum, and the applicable law, we find that DTE's application to provide electric service should be granted.

Accordingly, IT IS ORDERED THAT:

(1) DTE Energy Marketing, Inc., hereby is granted license No. PE-3 to provide competitive electric service to commercial and industrial customers in conjunction with Virginia Electric and Power Company's and American Electric Power – Virginia's retail access pilot programs. This license to act as a competitive service provider is granted subject to the provisions of the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 *et seq.* ("Interim Rules"), this Order, and other applicable statutes.

(2) DTE hereby is granted a waiver of 20 VAC 5-311-50 A 12 a of the Interim Rules.

(3) The issuance of this license is granted subject to the maintenance of a surety bond in the amount of $100,000 throughout the duration of the pilot programs in which DTE is participating.

(4) This license shall expire upon termination of the applicable pilot programs unless otherwise ordered by the Commission. This license is not valid authority for the provision of any product or service not identified within the license itself.

(5) Failure of DTE to maintain the surety bond filed August 22, 2000, or to provide a substitute surety bond prior to the expiration of the bond originally filed, DTE's failure to comply with the Interim Rules, the provisions of this Order, other applicable Federal Energy Regulatory Commission or State Corporation Commission orders and rules, or other state or federal laws may result in an enforcement action by the Commission including, without limitation, the revocation, suspension, or modification of the license granted herein, the refusal to renew such license, the imposition of appropriate fines and penalties, or such other additional actions as may be necessary to protect the public interest.

CASE NO. PUE000352
AUGUST 23, 2000

APPLICATION OF
CNG RETAIL SERVICES CORPORATION

For a license to conduct business as a competitive service provider in electric retail access pilot programs

ORDER GRANTING LICENSE TO PROVIDE ELECTRIC SERVICE

On July 5, 2000, CNG Retail Services Corporation d/b/a Dominion Retail ("CNGR" or "Company") filed an application for licensure to conduct business as a competitive service provider. The application was completed with an amendment to the application filed July 21, 2000. CNGR states that it presently intends to provide electricity to residential and small commercial customers in the retail access pilot program of Virginia Electric and Power Company ("Virginia Power"). CNGR is an affiliate of Virginia Power.

On July 31, 2000, the Commission issued its Order for Notice and Comment, establishing the case, requiring that notice be given to affected localities, providing for the receipt of comments from the public, and requiring the Commission's Staff to analyze the reasonableness of CNGR's application and present its findings in a Staff Report to be filed on or before August 23, 2000. No comments from the public were received.

On August 22, 2000, a Staff Report was filed concerning CNGR's fitness to provide competitive electric service. The Staff concluded that CNGR meets or exceeds the financial and technical fitness requirements for licensure, and the Staff recommended that a license be granted to CNGR for the provision of electric service to residential and small commercial customers in the Virginia Power pilot program. By letter that same day, CNGR stated that it would not be filing a response to the Staff Report.

NOW UPON CONSIDERATION of the application, the Staff Report, and the applicable law, we find that CNGR's application to provide electric service should be granted. Accordingly,

IT IS ORDERED THAT:

(1) CNG Retail Services Corporation hereby is granted license No. PE-2 to provide competitive electricity supply service to residential and small commercial customers in conjunction with Virginia Electric and Power Company's retail access pilot program. This license to act as a competitive service provider is granted subject to the provisions of the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 *et seq.* ("Interim Rules"), this Order, and other applicable statutes.

(2) This license shall expire upon termination of Virginia Power's pilot program unless otherwise ordered by the Commission. This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) Failure of CNGR to comply with the Interim Rules, the provisions of this Order, other applicable Federal Energy Regulatory Commission or State Corporation Commission orders and rules, or other state or federal laws may result in an enforcement action by the Commission including, without limitation, the revocation, suspension, or modification of the license granted herein, the refusal to renew such licenses, the imposition of appropriate fines and penalties, or such other additional actions as may be necessary to protect the public interest.

CASE NO. PUE000352
OCTOBER 24, 2000

APPLICATION OF
DOMINION RETAIL, INC. (formerly CNG RETAIL SERVICES CORPORATION)

ORDER REISSUING LICENSE

On August 23, 2000, the State Corporation Commission issued to CNG Retail Services Corporation d/b/a Dominion Retail ("CNGR"), License No. PE-2 to provide competitive electricity supply service to residential and small commercial customers in conjunction with Virginia Electric and Power Company's retail access pilot program. On October 11, 2000, CNGR made a filing with the Commission advising that it had changed its corporate name to Dominion Retail, Inc., and requesting that its license be amended to reflect the new corporate name. CNGR's filing included an acknowledgement from the Clerk of the Commission that CNGR's corporate name was changed to Dominion Retail, Inc., on October 2, 2000, by amendment to its articles of corporation. CNGR states that it is already trading as Dominion Retail in Virginia, and that its corporate name change will be transparent to consumers and will have no impact on their rates or service options.

NOW THE COMMISSION, upon consideration of this matter, finds that CNGR's License No. PE-2 to conduct business as a competitive service provider shall be canceled and reissued in the name of Dominion Retail, Inc.

Accordingly, IT IS ORDERED THAT:

(1) License No. PE-2 authorizing CNG Retail Services Corporation to provide competitive electricity supply service to residential and small commercial customers in conjunction with Virginia Electric and Power Company's retail access pilot program shall be canceled and reissued as License No. PE-2A in the name of Dominion Retail, Inc.

(2) Dominion Retail, Inc., shall operate under this license as reissued pursuant to the same terms and conditions as set forth in our Order Granting License to Provide Electric Service entered in this docket on August 23, 2000.

(3) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

CASE NO. PUE000353
NOVEMBER 30, 2000

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For approval of special rates and contract

FINAL ORDER APPROVING SPECIAL RATE AND CONTRACT

On July 6, 2000, Washington Gas Light Company ("Washington Gas" or "Company") filed its "Application of Washington Gas Light Company for Approval of Special Rate and Contract Pursuant to Virginia Code § 56-235.2." As proposed in the Application, Washington Gas would provide natural gas delivery and balancing services to a board manufacturing plant operated by Johns Manville International, Inc., in Shenandoah County under the rates and terms negotiated in the agreement for five years. Washington Gas currently provides these services to Johns Manville under its Rate Schedule No. 7.

The Commission established a procedural schedule and directed the Company to give notice of the Application by Order for Notice and Hearing of July 19, 2000. There were no protestants to the application, and no intervenors or public witnesses appeared at the public hearing held October 31, 2000.

Before the Commission is the Report of Michael D. Thomas, Hearing Examiner, of November 14, 2000 ("Report") and the record in this proceeding. Examiner Thomas recommended that we approve the proposed special rate and contract as amended to provide for diversion of gas to serve essential human needs.

Examiner Thomas also recommended approval of the modification to the Company's Risk Sharing Mechanism ("RSM") to provide an additional benefit to other Washington Gas customers. The Commission approved the RSM in Case No. PUE880024 to allocate to ratepayers a portion of the benefit Washington Gas derives from providing delivery service to large customers. The examiner recommended that the Commission accept the Staff's proposal to remove Johns Manville from the Target Margin used in the RSM calculation. The Target Margin set in Case No. PUE940031 and appearing in the Company's Va. S.C.C. No. 8, Sixth Revised Page No. 36 would be reduced by $105,183 to $2,641,656.

By letter to the Clerk filed November 17, 2000, the Company asked for immediate consideration of the Report. Washington Gas stated in the letter that the Staff would not file comments. Upon consideration of the Report and the record in this proceeding, the Commission will adopt the examiner's recommendation and approve the special rate and contract pursuant to § 56-235.2 of the Code of Virginia.

This is a case of first impression for the Commission. When the Commission has previously considered applications brought under § 56-235.2, the special rate was used to induce a large specialty steel company to locate a new manufacturing plant in Virginia. The special rate in those cases was approved to further economic development. In this case, we have a business that has been operating in Virginia for approximately 20 years. The public interest in approval of the contract may not be readily apparent.

The language of the special rate statute does not limit its use solely to inducing new businesses to locate in Virginia. As provided in § 56-235.2 A, the Commission may approve "special rates, contracts or incentives to individual customers or classes of customers where it finds such measures are in the public interest." Subsection C requires that the Commission "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 . . . service." We find that the record in this proceeding supports the findings required by law.

There is credible evidence that Johns Manville could bypass the Washington Gas system and construct its own pipeline to reduce the cost of transporting gas. The record shows that the special rate and contract were developed in response to this possibility. It is in the public interest to maximize the use of existing facilities and to keep Johns Manville on the Company's system.

The general body of ratepayers benefits if Johns Manville remains a customer of Washington Gas. If Johns Manville left the Washington Gas system, other customers might be required to bear the burden of recovering the cost of this pipeline in their rates. As shown in Company and Staff studies using a variety of economic and financial assumptions, the special rate and contract are expected to provide a positive return on rate base for Washington Gas. The Company will continue to recover Johns Manville's proportionate share of the costs of the pipeline serving its plant and other costs. While Washington Gas will experience some loss of revenue if Johns Manville moves from Rate Schedule No. 7 to the contract, the arrangement provides some benefit to the Company and other customers. The Company's agreement to revise the RSM is an additional benefit for ratepayers.

The Company's pipeline serving the Johns Manville plant and other customers has sufficient capacity to provide the anticipated consumption under the special contract. As noted, Washington Gas and Johns Manville have amended the special contract to provide that gas delivered by the contract may be diverted to serve essential needs in an emergency.

Based on the record, the Commission finds that the proposed special rate and contract protects the public interest and does not disadvantage other customers. The Company and it ratepayers benefit if Johns Manville remains on the system. Further, implementation of the special rate and contract will not jeopardize service reliability.

Accordingly, IT IS ORDERED THAT:

(1) The application of Washington Gas is granted, upon the condition that the Company revise its RSM as discussed in this Final Order Approving Special Rate and Contract.

(2) As provided by § 56-235.2 of the Code of Virginia, the special rate and contract, as modified to provide for diversion of gas to meet essential human needs, is approved as of the date of this Final Order Approving Special Rate and Contract.

(3) This case is dismissed from the Commission's docket.

CASE NO. PUE000354
AUGUST 31, 2000

APPLICATION OF
WASHINGTON GAS ENERGY SERVICES, INC.

For a license to conduct business as a competitive service provider in electric and natural gas retail access pilot programs

ORDER GRANTING LICENSE TO PROVIDE ELECTRIC AND NATURAL GAS SERVICE

On July 6, 2000, Washington Gas Energy Services, Inc. ("WGES" or "Company") filed an application for licensure to conduct business as a competitive service provider. The application was completed with an amendment to the application filed July 25, 2000. WGES states that it presently intends to provide natural gas in the retail access pilot programs of Washington Gas Light Company ("WGL") and Columbia Gas of Virginia, Inc. ("Columbia Gas"), and electricity to customers in the retail access pilot programs of Virginia Electric and Power Company ("Virginia Power") and Appalachian Power Company d/b/a American Electric Power ("AEP-VA"). WGES is an affiliate of WGL.

On August 2, 2000, the Commission issued its Order for Notice and Comment, establishing the case, requiring that notice of the application be published, providing for the receipt of comments from the public, and requiring the Commission's Staff to analyze the reasonableness of WGES's application and present its findings in a Staff Report to be filed on or before August 23, 2000.

WGES filed proof of publication of its notice on August 22, 2000. No comments from the public on WGES's application were received.

The Staff filed its Report on August 23, 2000, concerning WGES's fitness to provide competitive electric service. The Staff concluded that WGES satisfies the financial and technical fitness requirements for licensure, and the Staff recommended that a license be granted to WGES for the provision of electric service to residential, commercial, and industrial customers in the Virginia Power and AEP-VA pilot programs;[1] and for the provision of natural gas service to residential, commercial, and industrial customers in the WGL and Columbia Gas pilot programs.

On August 24, 2000, WGES filed a response to the Staff Report supporting the Staff Report and its attendant recommendations.

NOW UPON CONSIDERATION of the application, the Staff Report, WGES's response, and the applicable law, the Commission finds that WGES's application to provide electric and natural gas service should be granted. Accordingly,

IT IS ORDERED THAT:

(1) Washington Gas Energy Services, Inc., hereby is granted license No. PE-4 to provide competitive electricity supply service to residential, commercial, and industrial customers in conjunction with the retail access pilot programs of Virginia Power and AEP-VA. This license to act as a competitive service provider is granted subject to the provisions of the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 *et seq.* ("Interim Rules"), this Order, and other applicable statutes.

(2) Washington Gas Energy Services, Inc., hereby is granted license No. PG-2 to provide competitive natural gas supply service to residential, commercial, and industrial customers in conjunction with retail access pilot programs of WGL and Columbia Gas. This license to act as a competitive service provider is granted subject to the provisions of the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 *et seq.* ("Interim Rules"), this Order, and other applicable statutes.

(3) This license shall expire upon termination of the respective pilot programs unless otherwise ordered by the Commission. This license is not valid authority for the provision of any product or service not identified within the license itself.

[1] In a letter filed August 30, 2000, counsel for the Commission Staff explained that the Staff Report also inadvertently included a recommendation for licensure to participate in the pilot program of Rappahannock Electric Cooperative. WGES's application did not indicate an intent to participate in that pilot program.

(4) Failure of WGES to comply with the Interim Rules, the provisions of this Order, other applicable Federal Energy Regulatory Commission or State Corporation Commission orders and rules, or other state or federal laws may result in an enforcement action by the Commission including, without limitation, the revocation, suspension, or modification of the license granted herein, the refusal to renew such licenses, the imposition of appropriate fines and penalties, or such other additional actions as may be necessary to protect the public interest.

CASE NO. PUE000386
OCTOBER 6, 2000

APPLICATION OF
ESSENTIAL.COM, INC.

For a license to conduct business as a competitive service provider in electric and natural gas retail access pilot programs

ORDER GRANTING LICENSE TO PROVIDE ELECTRIC AND NATURAL GAS SERVICE

On July 14, 2000, essential.com, inc. ("essential.com" or "Company"), filed an application for licensure to conduct business as a competitive service provider. The application was completed with an amendment to the application filed August 24, 2000. The Company states that it proposes to provide natural gas in the retail access pilot programs of Washington Gas Light Company ("WGL") and Columbia Gas of Virginia, Inc. ("Columbia Gas"), and electricity to customers in the retail access pilot programs of Virginia Electric and Power Company ("Dominion Virginia Power") and Appalachian Power Company d/b/a American Electric Power ("AEP-VA"). By further amendment to its application on August 31, 2000, essential.com stated that it also proposes to provide electricity in the pilot program of Rappahannock Electric Cooperative.

On September 7, 2000, the Commission issued its Order for Notice and Comment, establishing the case, requiring that notice of the application be published, providing for the receipt of comments from the public, and requiring the Commission's Staff to analyze the reasonableness of essential.com's application and present its findings in a Staff Report to be filed on or before September 29, 2000.

The Company filed proof of publication of its notice on September 27 and 28, 2000. No comments from the public on essential.com's application were received.

The Staff filed its Report on September 29, 2000, concerning essential.com's fitness to provide competitive electric and natural gas service. The Staff concluded that essential.com satisfies the financial and technical fitness requirements for licensure, and the Staff recommended that a license be granted to essential.com for the provision of electric service to residential and commercial customers in the Dominion Virginia Power, AEP-VA, and Rappahannock Electric Cooperative pilot programs; and for the provision of natural gas service to residential and commercial customers in the WGL and Columbia Gas pilot programs.

Essential.com did not file a response to the Staff Report.

NOW UPON CONSIDERATION of the application, the Staff Report, and the applicable law, the Commission finds that the Company's application to provide electric and natural gas service should be granted. Accordingly,

IT IS ORDERED THAT:

(1) essential.com, inc., hereby is granted license No. PE-8 to provide competitive electricity supply service to residential and commercial customers in conjunction with the retail access pilot programs of Dominion Virginia Power, AEP-VA, and Rappahannock Electric Cooperative. This license to act as a competitive service provider is granted subject to the provisions of the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 et seq. ("Interim Rules"), this Order, and other applicable statutes.

(2) essential.com, inc., hereby is granted license No. PG-6 to provide competitive natural gas supply service to residential and commercial customers in conjunction with retail access pilot programs of WGL and Columbia Gas. This license to act as a competitive service provider is granted subject to the provisions of the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 et seq. ("Interim Rules"), this Order, and other applicable statutes.

(3) This license shall expire upon termination of the respective pilot programs unless otherwise ordered by the Commission. This license is not valid authority for the provision of any product or service not identified within the license itself.

(4) Failure of essential.com to comply with the Interim Rules, the provisions of this Order, other State Corporation Commission orders and rules, or other applicable state or federal laws may result in an enforcement action by the Commission including, without limitation, the revocation, suspension, or modification of the license granted herein, the refusal to renew such licenses, the imposition of appropriate fines and penalties, or such other additional actions as may be necessary to protect the public interest.

(5) This case shall remain open for consideration of any subsequent amendments or modifications to these licenses.

CASE NO. PUE000394
OCTOBER 3, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ALL CLEAR LOCATING SERVICES, 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 March 30, 2000, S and N Communications, Inc., damaged a one and one-quarter inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 8485 Euclid Avenue, Manassas Park, Virginia, while excavating;

(2) On or about March 31, 2000, Ronnie White, homeowner, damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 108 Walden Drive, Manassas, Virginia, while excavating;

(3) On or about April 4, 2000, Henkels & McCoy, Inc., damaged a two hundred pair telephone line operated by GTE South Incorporated located at or near Quantico Marine Corps, MCB 2, Quantico, Virginia, while excavating;

(4) On or about April 12, 2000, Paul Brown Plbg. & Htg. Inc., damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 9262 Smallwood Court, Hanover, Virginia, while excavating;

(5) On or about April 13, 2000, R. L. Kelley Plumbing, Inc., damaged a twenty five pair main telephone line operated by GTE South Incorporated located at or near 6 Watermill Court, Stafford, Virginia, while excavating;

(6) On or about April 13, 2000, Guard Rail of Roanoke, Inc., damaged a nine hundred pair telephone line operated by Sprint/Mid-Atlantic located at or near Highway 121, near Interstate 81, Wytheville, Virginia, while excavating;

(7) On or about April 19, 2000, Warrco, Inc., damaged a nine hundred pair main telephone line operated by Sprint/Mid-Atlantic located at or near Route 672 and Homewood Drive, Bassett, Virginia, while excavating;

(8) On or about April 20, 2000, Counts & Dobyns, Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 321 Alleghany Avenue, Lynchburg, Virginia, while excavating;

(9) For the incidents described in paragraphs (1) through (8) herein, All Clear Locating Services, 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;

(10) On or about April 12, 2000, Keystone Pipeline Services, Inc., notified the notification center of plans to excavate at or near North James Street, Ashland, Virginia;

(11) On or about April 26, 2000, Tiger Fuel Company notified the notification center of plans to excavate at or near 1200 5th Street, Albemarle, Virginia;

(12) On or about May 8, 2000, Spectra Site notified the notification center of plans to excavate at or near 11729 South Crater Road, Prince George, Virginia;

(13) On or about April 24, 2000, Hubbard Telephone Contractors, Inc., notified the notification center of plans to excavate at or near 5134 Higgins Drive, Dumfries, Virginia;

(14) For the incidents described in paragraphs (10) 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;

(15) For the incident described in paragraph (13) herein, the Company failed to directly notify the excavator of an inability to mark lines, in violation of § 56-265.19 A of the Code of Virginia;

(16) On or about April 21, 2000, R & R Fencing, Inc., notified the notification center of plans to excavate at or near 6449 Rattle Branch Road, Marshall, Virginia;

(17) For the incident described in paragraph (16) herein, the Company failed to report that the line was marked, in violation of § 56-265.19 A of the Code of Virginia; and

(18) The Company failed to report that the line was not in conflict, in violation of § 56-265.19 B 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 $10,150 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 $10,150 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. PUE000400
OCTOBER 3, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
CENTRAL LOCATING SERVICE, LTD. (CLS),
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, 2000, Young and Fisher Excavating, Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near Lot 20, Heritage Hills, Fredericksburg, Virginia, while excavating;

(2) On or about April 1, 2000, C & S Cable Contracting, Inc., damaged a one-half inch plastic gas service line operated by Virginia Natural Gas, Inc., located at or near 723 Prescott Circle, Newport News, Virginia, while excavating;

(3) On or about April 5, 2000, Trian of Virginia, Inc., damaged a one and one-quarter inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 3283 Western Branch Boulevard, Chesapeake, Virginia, while excavating;

(4) For the incidents described in paragraphs (1) through (3) herein, Central Locating Service, Ltd. ("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;

(5) On or about May 4, 2000, Rappahannock Westminster-Canterbury, Inc., notified the notification center of plans to excavate at or near 132 Lancaster Drive, Irvington, Virginia; and

(6) For the incidents described in paragraph (5) 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 $6,300 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 $6,300 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. PUE000401
DECEMBER 20, 2000

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 April 28, 2000, Contracting Enterprises, Incorporated, damaged a one and one-quarter inch plastic gas service line operated by Roanoke Gas Company located at or near 3501 35th Street, N. W., Roanoke, Virginia, while excavating;

(2) On or about May 2, 2000, Directional Boring, L.L.C., damaged a two inch plastic gas main line operated by Roanoke Gas Company located at or near 5324 Peregrine Crest Circle, Roanoke, Virginia, while excavating;

(3) On or about May 4, 2000, Contracting Enterprises, Inc., damaged a two inch plastic gas main line operated by Roanoke Gas Company located at or near 7059 Highfield Farm Terrace, S.W., Roanoke, Virginia, while excavating;

(4) On or about May 4, 2000, Directional Boring, L.L.C., damaged a one-half inch plastic gas service line operated by Roanoke Gas Company located at or near 5037 Upland Game Road, S.W., Roanoke, Virginia, while excavating;

(5) On or about May 22, 2000, the City of Salem damaged a one-half inch plastic gas service line operated by Roanoke Gas Company located at or near 413 8th Street, Salem, Virginia, while excavating;

(6) For the incidents described in paragraphs (1) through (5) 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 the Code of Virginia;

(7) On or about May 12, 2000, Bob Franz Construction notified the notification center of plans to excavate at or near Youngs Cliff Road, Sterling, Virginia;

(8) On or about May 15, 2000, Impact Augering, Inc., notified the notification center of plans to excavate at or near 14233 Rock Canyon Drive, Centreville, Virginia;

(9) On or about May 17, 2000, J. Y. Utility notified the notification center of plans to excavate at or near 2055 Headlands Circle, Reston, Virginia;

(10) On or about May 17, 2000, J. Y. Utility notified the notification center of plans to excavate at or near 11410 Great Meadow Drive, Reston, Virginia;

(11) On or about June 2, 2000, Impact Augering, Inc., notified the notification center of plans to excavate at or near Monroe Manor Drive, Herndon, Virginia;

(12) On or about June 2, 2000, Impact Augering, Inc., notified the notification center of plans to excavate at or near Monroe Street, Herndon, Virginia;

(13) On or about June 5, 2000, Capco Construction Corporation notified the notification center of plans to excavate at or near Wheeler Avenue, Alexandria, Virginia;

(14) For the incidents described in paragraphs (7) 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;

(15) On or about April 24, 2000, Hubbard Telephone Contractors, Inc., notified the notification center of plans to excavate at or near several locations in, Prince William County, Virginia;

(16) On or about May 3, 2000, Hubbard Telephone Contractors, Inc., notified the notification center of plans to excavate at or near 1907 Ames Court, Woodbridge, Virginia;

(17) On or about May 5, 2000, Phoenix Development Corporation notified the notification center of plans to excavate at or near Cedar Chase, Fairfax, Virginia;

(18) For the incidents described in paragraphs (15) through (17) the Company failed to report that the lines were marked, in violation of § 56-265.19 A of the Code of Virginia;

(19) For the incident described in paragraph (16) herein, the Company failed to report that the line was not in conflict, in violation of § 56-265.19 B of the Code of Virginia; and

(20) For the incident described in paragraph (17) 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 $33,150 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 $33,150 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. PUE000402
SEPTEMBER 18, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UNDERGROUND TECHNOLOGY, INCORPORATED,
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 January 12, 2000, Joy Norris, homeowner, notified the notification center of plans to excavate at or near 1206 H Street, Alexandria, Virginia;

(2) For the incident described in paragraph (1) herein, Underground Technology, Incorporated ("the Company"), failed to report that the line was marked, in violation of § 56-265.19 A of the Code of Virginia;

(3) On or about February 14, 2000, Frederick Fence, Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 42904 Kirkland Street, Ashburn, Virginia, while excavating;

(4) On or about March 6, 2000, Battlefield Utility Contractors, Incorporated, damaged a one-half inch copper gas service line operated by Washington Gas Light Company located at or near 10002 Brandon Way, Manassas, Virginia, while excavating;

(5) On or about March 7, 2000, Battlefield Utility Contractors, Incorporated, damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 6151 Talk Place, Woodbridge, Virginia, while excavating;

(6) On or about March 9, 2000, CLS Construction damaged a three-quarter inch steel gas service line operated by Washington Gas Light Company located at or near 6425 Divine Street, McLean, Virginia, while excavating;

(7) On or about March 9, 2000, Leo Construction Company damaged an eight inch plastic gas service line operated by Washington Gas Light Company located at or near the intersection of Gerry Glen Drive and Laird Way, Gainesville, Virginia, while excavating;

(8) On or about March 9, 2000, Virginia Electric and Power Company damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 3865 Farrcroft Drive, Fairfax, Virginia, while excavating;

(9) On or about March 10, 2000, Cherry Hill Construction, Inc., damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 7820 Thor Drive, Annandale, Virginia, while excavating;

(10) On or about March 14, 2000, Patron Communications damaged a one inch plastic gas service line operated by Washington Gas Light Company located at or near 8328 Georgetown Pike, McLean, Virginia, while excavating;

(11) On or about March 15, 2000, FiberNet Engineering & Construction, Inc., damaged a three-quarter inch steel gas service line operated by Washington Gas Light Company located at or near 6823 Felix Street, McLean, Virginia, while excavating;

(12) On or about March 15, 2000, Bell Bros., Inc., damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 624 North Monroe Street, Arlington, Virginia, while excavating;

(13) On or about March 20, 2000, R. E. Martin Tree Specialists, Inc., damaged a three-quarter inch steel gas service line operated by Washington Gas Light Company located at or near 4905 Backlick Road, Springfield, Virginia, while excavating;

(14) On or about April 3, 2000, Phoenix Builders, Inc., damaged a two inch plastic gas service line operated by Washington Gas Light Company located at or near Oakland Park Drive, Fairfax Station, Virginia, while excavating;

(15) On or about April 5, 2000, Whetsell Carpentry damaged a three-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 21085 Alberta Terrace, Sterling, Virginia, while excavating;

(16) On or about April 12, 2000, Arlington County damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 5101 South 10th Street, Arlington, Virginia, while excavating;

(17) On or about April 14, 2000, D & F Construction, Inc., damaged a one-half inch copper gas service line operated by Washington Gas Light Company located at or near 808 North Danville Street, Arlington, Virginia, while excavating;

(18) On or about April 17, 2000, Lawrence O'Connor Construction Company, Inc., damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 1917 Hillside Drive, Falls Church, Virginia, while excavating;

(19) On or about April 20, 2000, Bell Bros., Inc., damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 727 Danville Street, Arlington, Virginia, while excavating;

(20) On or about April 24, 2000, Haymarket Plumbing and Mechanical, Inc., damaged a six inch plastic gas main line operated by Washington Gas Light Company located at or near 304 Senagar Place, Sterling, Virginia, while excavating;

(21) On or about April 26, 2000, Battlefield Utility Contractors, Incorporated, damaged a one-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 9502 Bonair Drive, Manassas, Virginia, while excavating;

(22) On or about April 26, 2000, Capco Construction Corporation damaged a one-half inch copper gas service line operated by Washington Gas Light Company located at or near 4305 16th Street, South, Arlington, Virginia, while excavating;

(23) On or about May 2, 2000, C.B. Lucas Co., Inc., damaged a one-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 11424 Running Cedar Lane, Reston, Virginia, while excavating;

(24) On or about May 4, 2000, C & E Asphalt & Paving, Inc., damaged a one-quarter inch copper gas service line operated by Washington Gas Light Company located at or near 6100 Woodland Terrace, McLean, Virginia, while excavating;

(25) On or about May 4, 2000, Impact Augering, Inc., damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 10329 Eclipse Lane, Fairfax, Virginia, while excavating;

(26) On or about May 5, 2000, Virginia Electric and Power Company damaged a one-quarter inch plastic gas service line operated by Washington Gas Light Company located at or near 4219 Hemingway Drive, Dale City, Virginia, while excavating;

(27) On or about May 8, 2000, Capco Construction Corporation damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near 3605 Lincoln Street, Arlington, Virginia, while excavating;

(28) On or about May 10, 2000, Battlefield Utility Contractors, Incorporated, damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 10110 Sudley Manor Drive, Manassas, Virginia, while excavating;

(29) On or about May 10, 2000, Daka Construction damaged a two inch plastic gas main line operated by Washington Gas Light Company located at or near the intersection of Catlin Lane and Munstead Drive, Alexandria, Virginia, while excavating;

(30) On or about May 12, 2000, Newton Asphalt Company, Incorporated of Va., damaged a one-half inch plastic gas service line operated by Washington Gas Light Company located at or near 2618 South Hayes Street, Arlington, Virginia, while excavating;

(31) For the incidents described in paragraphs (3) through (30) 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, in violation of § 56-265.19 A of the Code of Virginia;

(32) On or about April 11, 2000, Mike Tang, homeowner, notified the notification center of plans to excavate at or near 6206 Parkhill Drive, Alexandria, Virginia;

(33) On or about April 17, 2000, Rustler Construction, Inc., notified the notification center of plans to excavate at or near North Harrison Street, Arlington, Virginia;

(34) On or about May 5, 2000, Phoenix Development Corporation notified the notification center of plans to excavate at or near Belmont Ridge Road, Ashburn, Virginia;

(35) On or about May 15, 2000, Northern Deck Works notified the notification center of plans to excavate at or near 11511 Catalpa Court, Reston, Virginia;

(36) For the incidents described in paragraphs (32) through (35) 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;

(37) On or about April 24, 2000, Hubbard Telephone Contractors, Inc., notified the notification center of plans to excavate at or near several locations in Prince William County, Virginia;

(38) For the incidents described in paragraph (37) herein, the Company failed to directly notify the excavator of an inability to mark lines, in violation of § 56-265.19 A of the Code of Virginia; and

(39) The Company failed to report that the line was marked, 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 $34,100 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 $34,100 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. PUE000404
SEPTEMBER 22, 2000

APPLICATION OF
ALLEGHENY ENERGY SUPPLY COMPANY, LLC

For a license to conduct business as a competitive service provider in electric retail access pilot programs

ORDER GRANTING LICENSE TO PROVIDE ELECTRIC SERVICE

On August 21, 2000, Allegheny Energy Supply Company, LLC ("AESC" or "Applicant"), completed an application for a license to conduct business as a competitive service provider. AESC stated that it seeks to provide electricity to all classes of retail customers participating in the retail access pilot programs of Appalachian Power Company d/b/a American Electric Power ("AEP-VA") and Virginia Electric and Power Company ("Virginia Power").

On August 24, 2000, the Commission issued an Order for Notice and Comment which docketed the case; required notice of the application to be published on or before September 1, 2000, in newspapers of general circulation within geographical areas approved by the Commission for each pilot program in which AESC seeks to participate; provided for the receipt of comments from the public on or before September 11, 2000; and required Commission Staff to analyze the reasonableness of AESC's application and present its findings in a Staff Report on or before September 15, 2000.

AESC filed proof of publication of notice on September 13, 2000. No comments from the public on AESC's application were received. On September 15, 2000, the Staff Report concerning AESC's fitness to provide competitive electric service was filed. The Staff concluded that AESC satisfies the financial and technical fitness requirements for licensure, and the Staff recommended that a license be granted to AESC for the provision of electric service to all classes of retail customers in the AEP-VA and Virginia Power pilot programs.

On September 19, 2000, AESC filed a response requesting that licensure be approved. AESC's response did not comment on the Staff Report.

NOW UPON CONSIDERATION of the application, the Staff Report, AESC's response, and the applicable law, we find that AESC's application to provide electric service should be granted.

Accordingly, IT IS ORDERED THAT:

(1) Allegheny Energy Supply Company, LLC, hereby is granted License No. PE-6 to provide competitive electricity supply service to all classes of retail customers in conjunction with the retail access pilot programs of Appalachian Power Company d/b/a American Electric Power and Virginia Electric and Power Company.

(2) This license to act as a competitive service provider is granted subject to the provisions of the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 *et seq.* ("Interim Rules"), this Order, and applicable statutes, orders, and rules.

(3) This license shall expire upon termination of the respective pilot programs unless otherwise ordered by the Commission. This license is not valid authority for the provision of any product or service not identified within the license itself and for which such a license is required.

(4) Failure of Allegheny Energy Supply Company, LLC, to comply with the Interim Rules, the provisions of this Order, other Federal Energy Regulatory Commission or State Corporation Commission orders and rules, or other applicable state and federal law may result in an enforcement action by the Commission including, without limitation, the revocation, suspension, or modification of the license granted herein, the refusal to renew such license, the imposition of appropriate fines and penalties, or such other additional actions as may be necessary to protect the public interest.

(5) This case shall remain open for the consideration of any subsequent amendments or modifications to this license.

CASE NO. PUE000408
NOVEMBER 14, 2000

APPLICATION OF
AEP RETAIL ENERGY, LLC

For a license to conduct business as a competitive service provider in electric retail access pilot programs

ORDER GRANTING LICENSE

On July 31, 2000, AEP Retail Energy, LLC ("AEP Retail" or "Applicant"), filed an application for licensure to conduct business as a competitive service provider in natural gas and electric retail access pilot programs, as provided by the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs ("Interim Rules"), 20 VAC 5-311-50. AEP Retail's application was completed when additional information was filed on October 3, 2000. In the October 3, 2000 filing, the Applicant withdrew the portion of its request regarding natural gas retail access programs. The Applicant intends to serve eligible customers in all customer classes in the electric retail access pilot programs of Virginia Electric and Power Company ("Virginia Power") and Rappahannock Electric Cooperative ("REC").

On October 11, 2000, the Commission issued its Order for Notice and Comment, establishing the case, requiring that notice of the application be published, providing for the receipt of comments from the public, and requiring the Commission's Staff to analyze the reasonableness of AEP Retail's application and present its findings in a Staff Report to be filed on or before November 3, 2000.

The Applicant filed proof of publication of its notice on October 30, 2000. No comments from the public on AEP Retail's application were received.

The Staff filed its Report on November 3, 2000, concerning AEP Retail's fitness to provide competitive electric service. The Staff concluded that AEP Retail meets the technical fitness requirements for licensure. The Staff also discussed AEP Retail's request for a waiver of 20 VAC 5-311-50 A 12 a of the Interim Rules, which requires an applicant to file an audited balance sheet and income statement for the most recent fiscal year, as well as published financial information, if available. In lieu of filing the required documents, AEP Retail filed financial statements of its parent company, American Electric Power Company, Inc. ("AEP"). The Applicant, as a newly formed company, does not have financial statements of its own. As additional evidence of its financial responsibility, AEP Retail submitted a letter in which its parent, AEP, commits that it will be responsible for any obligations incurred by AEP Retail as a competitive service provider in Virginia. The Staff recommended that the waiver be granted as requested and stated that the alternate financial information filed by the Applicant, together with the commitment from its parent, serve as sufficient evidence of financial responsibility. As such, the Staff recommended that a license be granted to AEP Retail for the provision of electric service to all eligible classes of customers in the Virginia Power and REC pilot programs.

AEP Retail did not file a response to the Staff Report.

NOW UPON CONSIDERATION of the application, the Staff Report, and the applicable law, the Commission finds that AEP Retail's application to provide electric service should be granted. We will also grant the waiver of our requiring audited financial statements. Accordingly,

IT IS ORDERED THAT:

(1) As provided by the Interim Rules, 20 VAC 5-311-60 A, AEP Retail is granted a waiver of 20 VAC 5-311-50 A 12 a and the submitted financial information and commitment letter are accepted in lieu of audited financial statements.

(2) AEP Retail Energy, LLC hereby is granted license No. PE-11 to provide competitive electric supply service to all classes of eligible customers in conjunction with the retail access pilot programs of Virginia Power and REC. This license to act as a competitive service provider is granted subject to the provisions of the Interim Rules, this Order, and other applicable statutes.

(3) This license shall expire upon termination of the respective pilot programs unless otherwise ordered by the Commission. This license is not valid authority for the provision of any product or service not identified within the license itself.

(4) Failure of AEP Retail to comply with the Interim Rules, the provisions of this Order, other State Corporation Commission orders and rules, or other applicable state or federal laws may result in an enforcement action by the Commission including, without limitation, the revocation, suspension, or modification of the license granted herein, the refusal to renew such license, the imposition of appropriate fines and penalties, or such other additional actions as may be necessary to protect the public interest.

(5) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

CASE NO. PUE000410
SEPTEMBER 18, 2000

APPLICATION OF
ENERGYWINDOW, INC.

For a license to conduct business as an aggregator in electric retail access pilot programs

ORDER GRANTING LICENSE AS AN AGGREGATOR

On August 2, 2000, EnergyWindow, Inc. ("EnergyWindow" or "Applicant"), filed an application for licensure to conduct business as an aggregator in electric retail access pilot programs. EnergyWindow proposes to operate an Internet auction venue matching power consumers and licensed competitive service providers in electric retail access pilot programs. The Applicant intends to serve eligible customers and licensed competitive service providers participating in the retail access pilot programs of Virginia Electric and Power Company, Appalachian Power Company, and Rappahannock Electric Cooperative.

On August 11, 2000, the Commission entered its Order for Notice and Comment, which directed EnergyWindow to give notice of its application and invited comments from the public. The Commission also directed the Commission's Staff to analyze the application and to present its findings in a report.

EnergyWindow filed on August 31, 2000, proof of newspaper publication of notice of its application. The Commission finds that, as required by the Interim Rules Governing Electric and Natural Gas Retail Acess Pilot Programs (Interim Rules), 20 VAC 5-311-50 D, EnergyWindow has given the required notice of its application. The Commission received no comments on the application.

On September 5, 2000, the Staff filed its Staff Memorandum, which reviewed the application. The Staff determined that EnergyWindow satisfies the financial and technical fitness requirements for licensing. The Staff recommended that the Commission issue a license as an aggregator in electric retail access pilot programs.

On September 12, 2000, the Applicant filed a letter in response to the Staff Memorandum. EnergyWindow waived commenting on the Staff Memorandum.

Upon consideration of the application and the Staff Memorandum, the Commission finds that EnergyWindow's application for licensure as an aggregator should be granted.

Accordingly, IT IS ORDERED THAT:

(1) The Application of EnergyWindow to conduct business as an aggregator in electric retail access pilot programs conducted by Virginia Electric and Power Company, Appalachian Power Company, and Rappahannock Electric Cooperative is granted subject to the provisions of the Interim Rules, 20 VAC 5-311-10 et seq., this Order Granting License as an Aggregator, and other applicable provisions of the Code of Virginia.

(2) EnergyWindow is hereby issued License No. PA-2 as an aggregator in electric retail access pilot programs of Virginia Electric and Power Company, Appalachian Power Company, and Rappahannock Electric Cooperative.

(3) As provided by the Interim Rules, 20 VAC 5-311-50 E, when the electric retail access pilot programs of Virginia Electric and Power Company, Appalachian Power Company, and Rappahannock Electric Cooperative terminate, the authority granted by this license shall likewise expire, unless otherwise ordered by the Commission.

(4) The license granted herein does not authorize the provision of any product or service not identified in the license.

(5) Should EnergyWindow fail to comply with the Interim Rules, 20 VAC 5-311-10 et seq., the provisions of this Order Granting License as an Aggregator, any other applicable State Corporation Commission order or rule, or any other state or federal statute or regulation, the Commission may commence an enforcement action which may result, without limitation, in revocation, suspension, or modification of a license granted herein or the refusal to renew such license. The Commission may also impose fines and penalties and order other action necessary to protect the public interest.

(6) This matter shall be continued generally.

CASE NO. PUE000411
AUGUST 23, 2000

PETITION OF
NORTHERN VIRGINIA ELECTRIC COOPERATIVE

For waiver from compliance with filing deadline

ORDER GRANTING PETITION

On August 3, 2000, Northern Virginia Electric Cooperative ("NOVEC" or "Company") filed a Petition requesting a waiver from compliance with a certain filing requirement contained in the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 *et seq.*

("Interim Rules"), and in the Commission's May 26, 2000, Final Order adopting the Interim Rules.[1] Specifically, NOVEC requests a waiver from compliance with the 120-day deadline for the filing of an application for a license to provide competitive services in natural gas retail access pilot programs.

In support of its Petition, NOVEC states that, through its America's Energy division, it is responsible for marketing and selling natural gas to more than 1,000 residences and businesses through the natural gas pilot programs of Washington Gas Light Company and Columbia Gas of Virginia, Inc. NOVEC states that, through a subsidiary called NOVASTAR, Inc., it has recently formed another corporation, America's Energy Alliance, Inc., which, in the future, will perform aggregation services in these pilot programs. NOVEC itself will transfer any aggregation services the Cooperative currently performs to America's Energy Alliance, Inc., once that company obtains the appropriate license. NOVEC also plans to transfer its other retail access pilot customers to another competitive service provider or to the appropriate local distribution company, thereby removing itself from the retail access business.

NOVEC asserts that these transfers cannot all be accomplished within the 120-day time period granted by the Interim Rules and by the Commission's May 26, 2000, Final Order. NOVEC requests a waiver of the 120-day deadline and requests that it be given until November 1, 2000, to transfer customers to other entities and to remove itself from the retail access business. If the transfers proceed as planned, NOVEC asserts that it will not need to apply for a license at all. NOVEC states that such a waiver and extension of time will permit the transfer of customers with little or no interruption in service quality and minimization of costs. Finally, NOVEC states that the Commission Staff does not object to NOVEC's request.

NOW UPON CONSIDERATION we are of the opinion that NOVEC's request should be granted.

Accordingly, IT IS ORDERED THAT:

(1) NOVEC hereby is granted a waiver of the 120-day deadline provided by the Interim Rules for the filing of an application for a license as a competitive service provider and aggregator. NOVEC shall have until November 1, 2000, to transfer customers to other entities or, if that cannot be accomplished, to apply for the appropriate licenses itself.

(2) On or before November 1, 2000, NOVEC shall file with the Commission's Clerk's Office notification that the planned transfers of customers have been accomplished.

(3) This matter is continued pending the receipt of the November 1, 2000, report from NOVEC.

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[1] Commonwealth, ex rel. State Corp. Comm'n, Ex Parte: In the matter of establishing interim rules for retail access pilot programs, Case No. PUE980812, Final Order (May 26, 2000), Document Control Center No. 000530236.

CASE NO. PUE000412
OCTOBER 6, 2000

APPLICATION OF
SMARTENERGY.COM, INC.

For a license to conduct business as an electricity and natural gas competitive service provider and aggregator

ORDER GRANTING LICENSES TO PROVIDE ELECTRIC AND NATURAL GAS SERVICE

On August 23, 2000, SmartEnergy.Com, Inc. ("SmartEnergy" or "Applicant"), completed with the State Corporation Commission ("Commission") an application for licensure to conduct business as an electricity and natural gas competitive service provider ("CSP") and aggregator. SmartEnergy stated that it intends to market electricity and natural gas services to residential and small commercial customers in the retail access pilot programs of Appalachian Power Company d/b/a American Electric Power ("AEP-VA"), Virginia Electric and Power Company ("Virginia Power"), Rappahannock Electric Cooperative ("REC"), Columbia Gas of Virginia, Inc. ("CGVA"), and Washington Gas Light Company ("WGL").

On August 29, 2000, the Commission issued its Order for Notice and Comment, establishing the case, requiring that notice be given to affected localities, providing for the receipt of comments from the public, and requiring the Commission's Staff to analyze the reasonableness of SmartEnergy's application and present its findings in a Staff Report to be filed on or before September 22, 2000. No comments from the public were received.

On September 22, 2000, a Staff Report was filed concerning SmartEnergy's fitness to provide competitive electric, natural gas, and aggregator services. The Staff concluded that SmartEnergy meets the financial and technical fitness requirements for licensure, and the Staff recommended that licenses be granted to SmartEnergy for the provision of electricity and aggregation services to residential and small commercial customers in the AEP-VA, Virginia Power, and REC pilot programs, and for the provision of natural gas and aggregation services to residential and small commercial customers in the CGVA and WGL pilot programs. The Staff's recommendation was made contingent upon the receipt of proof of newspaper notice.

On September 27 and 29 and October 3, 2000, SmartEnergy submitted proof of newspaper notice. The Affidavit of Publication reflected that publication was timely made with the exception of publication in the Richmond Times-Dispatch, which was made on September 11, 2000, three days after the September 8, 2000, deadline. SmartEnergy did not file any response to the Staff Report.

NOW UPON CONSIDERATION of the application, the Staff Report, and the other filings in this case, we find that SmartEnergy's application to provide electric, natural gas, and aggregation services should be granted. We also find that there was substantial compliance with the newspaper publication requirements of our August 29, 2000, Order, and that interested parties were given an adequate opportunity to make comments if they desired. Accordingly,

IT IS ORDERED THAT:

(1) SmartEnergy.com, Inc., hereby is granted license No. PE-7 to provide competitive electricity supply service to residential and small commercial customers in conjunction with the retail access pilot programs of Appalachian Power Company d/b/a American Electric Power, Virginia Electric and Power Company, and Rappahannock Electric Cooperative.

(2) SmartEnergy.com, Inc., hereby is granted license No. PG-5 to provide competitive natural gas supply service to residential and small commercial customers in conjunction with the retail access pilot programs of Columbia Gas of Virginia, Inc., and Washington Gas Light Company.

(3) SmartEnergy.com, Inc., hereby is granted license No. PA-4 to provide aggregation service to residential and small commercial customers in the retail access pilot programs of Appalachian Power Company d/b/a American Electric Power, Virginia Electric and Power Company, Rappahannock Electric Cooperative, Columbia Gas of Virginia, Inc., and Washington Gas Light Company.

(4) These licenses to act as a competitive service provider and aggregator are granted subject to the provisions of the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 *et seq.* ("Interim Rules"), this Order, and other applicable statutes, orders and rules.

(5) These licenses shall expire upon termination of the pilot programs to which they apply unless otherwise ordered by the Commission. These licenses are not valid authority for the provision of any product or service not identified within the licenses themselves and for which such a license is required.

(6) Failure of SmartEnergy.com, Inc., to comply with the Interim Rules, the provisions of this Order, other State Corporation Commission orders and rules, or other applicable state or federal law may result in an enforcement action by the Commission including, without limitation, the revocation, suspension, or modification of the licenses granted herein, the refusal to renew such licenses, the imposition of appropriate fines and penalties, or such other additional actions as may be necessary to protect the public interest.

(7) This case shall remain open for the consideration of any subsequent amendments or modifications to these licenses.

CASE NO. PUE000435
SEPTEMBER 28, 2000

APPLICATION OF
THE NEW POWER COMPANY

For a license to conduct business as a natural gas competitive service provider and aggregator

ORDER GRANTING LICENSE TO PROVIDE GAS SERVICE AND LICENSE TO SERVE AS AN AGGREGATOR

On August 11, 2000, The New Power Company ("New Power" or "Applicant") completed with the State Corporation Commission ("Commission") an application for licensure to conduct business as a natural gas competitive service provider ("CSP") and an aggregator. New Power seeks to market natural gas in the retail access pilot programs of Columbia Gas of Virginia, Inc. ("Columbia"), and Washington Gas Light Company ("WGL").

On August 25, 2000, the Commission issued an Order for Notice and Comment that docketed the case; required notice of the application to be published on or before September 5, 2000, in newspapers of general circulation within geographical areas approved by the Commission for each pilot program in which New Power seeks to participate; provided for the receipt of comments from the public on or before September 13, 2000; and required Commission Staff to analyze the reasonableness of New Power's application and present its findings in a Staff Report on or before September 20, 2000.

No comments from the public on New Power's application were received. New Power filed proof of publication of notice on September 22, 2000.

On September 20, 2000, the Staff Report concerning New Power's fitness to provide competitive gas service and aggregation service was filed. The Staff concluded that New Power satisfies the financial and technical fitness requirements for licensure as a natural gas CSP and aggregator. The Staff recommended that a license be granted to New Power for the provision of gas service to residential and small commercial end-use customers in the Columbia and WGL pilot programs. Based upon the financial statements for New Power's sole parent TNPC, Inc., that were submitted to demonstrate the financial backing of New Power, the Staff also recommended that New Power be granted a waiver from the requirement that the Applicant submit audited financial statements.

On September 22, 2000, New Power filed a response to the Staff Report requesting that information contained on page four be updated. The Staff Report noted that the application, which New Power filed with the Commission on August 11, 2000, stated that New Power had filed an application for a license to market natural gas and electric power in New Jersey, but that the application had not yet been granted. New Power reports that the license to operate in New Jersey was granted August 16, 2000.

NOW UPON CONSIDERATION of the application, the Staff Report, New Power's response, and the applicable law, we find that New Power's application to provide gas and aggregation service should be granted.

Accordingly, IT IS ORDERED THAT:

(1) The New Power Company hereby is issued License No. PG-4 to provide competitive gas service to residential and small commercial end-use customers in conjunction with the retail access pilot programs of Columbia Gas of Virginia, Inc., and Washington Gas Light Company.

(2) The New Power Company hereby is issued License No. PA-3 as an aggregator in conjunction with the retail access pilot programs of Columbia Gas of Virginia, Inc., and Washington Gas Light Company.

(3) These licenses to act as a competitive service provider and as an aggregator is granted subject to the provisions of the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 *et seq.* ("Interim Rules"), this Order, and other applicable orders, rules, and statutes.

(4) These licenses shall expire upon termination of the respective pilot programs unless otherwise ordered by the Commission. These licenses are not valid authority for the provision of any product or service not identified within the licenses themselves and for which such licenses are required.

(5) The New Power Company hereby is granted a waiver of 20 VAC 5-311-50 A 12 a of the Interim Rules.

(6) Failure of The New Power Company to comply with the Interim Rules, the provisions of this Order, other State Corporation Commission orders and rules, or other applicable state and federal law may result in an enforcement action by the Commission including, without limitation, the revocation, suspension, or modification of the license granted herein, the refusal to renew such license, the imposition of appropriate fines and penalties, or such other additional actions as may be necessary to protect the public interest.

(7) This case shall remain open for the consideration of any subsequent amendments or modifications to these licenses.

CASE NO. PUE000464
DECEMBER 19, 2000

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 April 11, 2000, Davis H. Elliott Company, Inc., damaged a two inch plastic gas main line operated by Roanoke Gas Company located at or near 1865 Dillard Drive, Salem, Virginia, while excavating;

(2) On or about May 24, 2000, Virginia Electric and Power Company damaged a two inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near 615 South Adams Street, Petersburg, Virginia, while excavating;

(3) On or about June 8, 2000, 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 2706 Fenway Avenue, Chesapeake, Virginia, while excavating;

(4) On or about June 19, 2000, Pearce Corporation damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 80 Nicholson Street, Portsmouth, Virginia, while excavating;

(5) For the incidents described in paragraphs (1) through (4) 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 the Code of Virginia;

(6) On or about April 13, 2000, Hydro-Tech Irrigation Company notified the notification center of plans to excavate at or near 1755 Rosaleigh Court, Vienna, Virginia;

(7) On or about April 17, 2000, Rustler Construction, Inc., notified the notification center of plans to excavate at or near North Harrison Street, Arlington, Virginia;

(8) On or about May 4, 2000, J. Y. Utility notified the notification center of plans to excavate at or near 2511 Penny Royal Lane, Reston, Virginia;

(9) On or about May 12, 2000, Triple H Contracting Co. notified the notification center of plans to excavate at or near Old Centreville Road, Reston, Virginia;

(10) On or about May 15, 2000, Northern Deck Works notified the notification center of plans to excavate at or near 11511 Catalpa Court, Reston, Virginia;

(11) On or about June 2, 2000, J. Y. Utility notified the notification center of plans to excavate at or near various addresses in Fairfax County, Virginia;

(12) For the incidents described in paragraphs (6) through (11) 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 forty eight hours after receiving notice from the notification center, in violation of § 56-265.19 A of the Code of Virginia;

(13) On or about May 31, 2000, Battlefield Utility Contractors, Incorporated notified the notification center of plans to excavate at or near 9535 Linton Hall Road, Manassas, Virginia;

(14) For the incident described in paragraph (13) herein, the Company failed to mark the utility lines after a three hour notice, in violation of § 56-265.17 B of the Code of Virginia;

(15) On or about June 6, 2000, Capco Construction Corporation notified the notification center of plans to excavate at or near the intersection of North 38th Street and North Tazewell Street, Arlington, Virginia;

(16) On or about June 8, 2000, Capco Construction Corporation notified the notification center of plans to excavate at or near 360 Herndon Parkway, Herndon, Virginia;

(17) On or about June 26, 2000, S and N Communications, Inc., notified the notification center of plans to excavate at or near the intersection of Edgemoor Court and Mohican Road, Lake Ridge, Virginia;

(18) On or about June 26, 2000, S and N Communications, Inc., notified the notification center of plans to excavate at or near Mohican Road, Lake Ridge, Virginia;

(19) On or about June 26, 2000, S and N Communications, Inc., notified the notification center of plans to excavate at or near Tecumseh Court, Lake Ridge, Virginia;

(20) On or about June 26, 2000, S and N Communications, Inc., notified the notification center of plans to excavate at or near Cabin Road, Dumfries, Virginia;

(21) On or about June 26, 2000, S and N Communications, Inc., notified the notification center of plans to excavate at or near the intersection of Cedar Drive and Cabin Road, Dumfries, Virginia;

(22) On or about June 26, 2000, S and N Communications, Inc., notified the notification center of plans to excavate at or near the intersection of Oakhill Street and Cabin Road, Dumfries, Virginia;

(23) On or about June 26, 2000, S and N Communications, Inc., notified the notification center of plans to excavate at or near the intersection of Cabin Road and Running Pine Court, Dumfries, Virginia;

(24) On or about June 26, 2000, S and N Communications, Inc., notified the notification center of plans to excavate at or near the intersection of Cabin Road and Shoreview Road, Dumfries, Virginia;

(25) On or about June 26, 2000, S and N Communications, Inc., notified the notification center of plans to excavate at or near the intersection of Lookout Point Court and Cabin Road, Dumfries, Virginia;

(26) For the incidents described in paragraphs (15) through (25) 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 forty eight hours after receiving notice from the notification center, in violation of § 56-265.19 A of the Code of Virginia; and

(27) The Company failed to mark the utility lines after a three hour notice, in violation of § 56-265.17 B 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 $52,600 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.

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 $52,600 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. PUE000465
OCTOBER 30, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ALL CLEAR LOCATING SERVICES, 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 March 23, 2000, RJS Underground damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 25128 Ferndale Road, Petersburg, Virginia, while excavating;

(2) On or about April 4, 2000, Maughan Construction Co., Inc., damaged a four inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near 12420 Robious Road, Midlothian, Virginia, while excavating;

(3) On or about April 6, 2000, Guy C. Eavers Excavating Corp. damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near Aero Drive, Waynesboro, Virginia, while excavating;

(4) On or about April 11, 2000, Tavares Concrete Company, Inc., damaged a one thousand five hundred pair telephone line operated by GTE South Incorporated located at or near the intersection of Gordon Road and Old Plank Road, Fredericksburg, Virginia, while excavating;

(5) On or about April 26, 2000, the City of Lexington damaged a three inch plastic gas main line operated by Columbia Gas of Virginia, Inc., located at or near 108 Houston Street, Lexington, Virginia, while excavating;

(6) On or about May 1, 2000, Toblin Enterprises damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 11070 Newood Drive, Manassas, Virginia, while excavating;

(7) On or about May 4, 2000, the City of Hopewell damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 200 Hopewell Street, Hopewell, Virginia, while excavating;

(8) On or about May 8, 2000, the City of Colonial Heights damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 611 Charles Avenue, Colonial Heights, Virginia, while excavating;

(9) On or about May 10, 2000, Augusta County Service Authority damaged a one and one-quarter inch steel gas service line operated by Columbia Gas of Virginia, Inc., located at or near State Route 1312, Fishersville, Virginia, while excavating;

(10) On or about May 10, 2000, F. L. Showalter, Inc., damaged a one-half inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 2408 Terrell Place, Lynchburg, Virginia, while excavating;

(11) On or about May 26, 2000, S. W. Rodgers Company, Inc., damaged a twenty five pair telephone service line operated by GTE South Incorporated located at or near Route 28, Manassas, Virginia, while excavating;

(12) On or about May 31, 2000, Lake of the Woods Association damaged a six hundred pair telephone service line operated by GTE South Incorporated located at or near Mount Pleasant Drive, Locust Grove, Virginia, while excavating;

(13) On or about June 3, 2000, Thomas S. Hawkins, homeowner, damaged a primary power line operated by Allegheny Power located at or near Route 1010, Oak Park, Virginia, while excavating;

(14) For the incidents described in paragraphs (1) through (13) herein, All Clear Locating Services, 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;

(15) On or about March 20, 2000, Betty Best, homeowner, notified the notification center of plans to excavate at or near 2621 Brittland Drive, Brittland, Virginia;

(16) On or about May 31, 2000, Pyramid Construction of Virginia, Inc., notified the notification center of plans to excavate at or near Piper Way, Glenmore, Virginia;

(17) On or about June 5, 2000, Minors Fence Inc., notified the notification center of plans to excavate at or near the intersection of Scots Glen Drive and Jebstone Court, Henrico, Virginia;

(18) On or about June 6, 2000, Minors Fence Inc., notified the notification center of plans to excavate at or near 11605 Pindale Drive, Henrico, Virginia;

(19) On or about June 8, 2000, General Excavation, Inc., notified the notification center of plans to excavate at or near the intersection of Route 250 and Route 644, Staunton, Virginia;

(20) On or about June 28, 2000, Minors Fence Inc., notified the notification center of plans to excavate at or near 1205 The Forest, Goochland, Virginia;

(21) For the incidents described in paragraphs (15) 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 forty eight hours after receiving notice from the notification center, in violation of § 56-265.19 A of the Code of Virginia;

(22) On or about April 8, 2000, Earthworm, Inc., notified the notification center of plans to excavate at or near the intersection of Hungary Road and Fairlake Lane, Richmond, Virginia;

(23) On or about April 17, 2000, J. R. Caskey, Inc., notified the notification center of plans to excavate at or near 423 A South Washington Highway, Hanover, Virginia;

(24) For the incidents described in paragraphs (22) and (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 forty eight hours after receiving notice from the notification center, in violation of § 56-265.19 A of the Code of Virginia; and

(25) The Company failed to mark the utility lines for the locations described above in paragraphs (22) and (23) after a three hour notice, in violation of § 56-265.17 B 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 $19,750 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 $19,750 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. PUE000471
NOVEMBER 9, 2000

APPLICATION OF
ENERGY SERVICES MANAGEMENT VIRGINIA, LLC d/b/a VIRGINIA ENERGY CONSORTIUM

For a license to conduct business as an aggregator

ORDER GRANTING LICENSE

On September 26, 2000, Energy Services Management Virginia, LLC d/b/a Virginia Energy Consortium ("ESM" or "Applicant"), filed an application for licensure to conduct business as an aggregator in electric retail access pilot programs, as provided by the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs ("Interim Rules"), 20 VAC 5-311-50. The Applicant states that it proposes to act as an aggregator in the electric retail access pilot programs of Virginia Electric and Power Company ("Virginia Power"), American Electric Power-Virginia ("AEP-VA"), and Rappahannock Electric Cooperative ("REC")

On October 3, 2000, the Commission issued its Order for Notice and Comment, establishing the case, requiring that notice of the application be published, providing for the receipt of comments from the public. On October 16, 2000, the Commission issued an Amending Order allowing additional time for the Applicant to publish notice of its application. The Commission's Staff was ordered to analyze the reasonableness of ESM's application and present its findings in a Staff Report to be filed on or before October 27, 2000.

The Applicant filed proof of publication of its notice on October 27, 2000. No comments from the public on ESM's application were received.

The Staff filed its Report on October 27, 2000, concerning ESM's fitness to provide aggregation services. The Staff concluded that ESM satisfies the technical fitness requirements for licensure. The Staff also discussed ESM's request for a waiver of 20 VAC 5-311-50 A 12 a of the Interim Rules, which requires an applicant to file an audited balance sheet and income statement for the most recent fiscal year, as well as published financial information, if available. In lieu of filing the required documents, ESM's General Manager, as sole owner, filed his personal financial statements. ESM indicates that it will collect fees for its services from licensed suppliers, not customers. The Staff recommended that the waiver be granted as requested and stated that the alternate financial information filed by the Applicant serves as sufficient evidence of financial responsibility. As such, the Staff recommended that a license be granted to ESM for the provision of aggregation services to all classes of customers in the Virginia Power, AEP-VA, and REC pilot programs.

ESM did not file a response to the Staff Report.

NOW UPON CONSIDERATION of the application, the Staff Report, and the applicable law, the Commission finds that ESM's application for a license to provide aggregation services should be granted. We will also grant the waiver of our requiring audited financial statements. Accordingly,

IT IS ORDERED THAT:

(1) As provided by the Interim Rules, 20 VAC 5-311-60 A, ESM is granted a waiver of 20 VAC 5-311-50 A 12 a, and the submitted financial information is accepted in lieu of audited financial statements.

(2) Energy Services Management Virginia, LLC d/b/a Virginia Energy Consortium, hereby is granted license No. PA-7 to provide aggregation services to residential and commercial customers in conjunction with the retail access pilot programs of Dominion Virginia Power, AEP-VA, and REC. This license to act as an aggregator is granted subject to the provisions of the Interim Rules, this Order, and other applicable statutes.

(3) This license shall expire upon termination of the respective pilot programs unless otherwise ordered by the Commission. This license is not valid authority for the provision of any product or service not identified within the license itself.

(4) Failure of ESM to comply with the Interim Rules, the provisions of this Order, other State Corporation Commission orders and rules, or other applicable state or federal laws may result in an enforcement action by the Commission including, without limitation, the revocation, suspension, or modification of the license granted herein, the refusal to renew such licenses, the imposition of appropriate fines and penalties, or such other additional actions as may be necessary to protect the public interest.

(5) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

CASE NO. PUE000472
OCTOBER 18, 2000

APPLICATION OF
AMERADA HESS CORPORATION

For licenses to conduct business as a competitive service provider in electric and natural gas retail access pilot programs

ORDER GRANTING LICENSES

On September 7, 2000, Amerada Hess Corporation ("Amerada" or "Applicant"), filed an application for licensure to conduct business as a competitive service provider and aggregator. Amerada proposes to provide competitive natural gas service in the retail access pilot programs of Washington Gas Light Company ("WGL") and Columbia Gas of Virginia, Inc. ("Columbia Gas"), and competitive electric service to customers in the retail access pilot programs of Virginia Electric and Power Company ("Virginia Power"), Appalachian Power Company d/b/a American Electric Power ("AEP-VA"), and Rappahannock Electric Cooperative ("Rappahannock").

On September 19, 2000, the Commission issued its Order for Notice and Comment, establishing the case, requiring that notice of the application be published, providing for the receipt of comments from the public, and requiring the Commission's Staff to analyze the reasonableness of Amerada's application and present its findings in a Staff Report to be filed on or before October 11, 2000.

The Company filed proof of publication of its notice on October 6, 2000. No comments from the public on Amerada's application were received.

The Staff filed its Report on October 11, 2000, concerning Amerada's fitness to provide competitive electric, natural gas, and aggregation services. The Staff concluded that Amerada satisfies the financial and technical fitness requirements for licensure, and the Staff recommended that a license be granted to Amerada for the provision of electric service to commercial and industrial customers in the Virginia Power, AEP-VA, and Rappahannock pilot programs; and for the provision of natural gas service to commercial and industrial customers in the WGL and Columbia Gas pilot programs.

On October 13, 2000, Amerada filed a response to the Staff Report. In its comments Amerada states that it has no response to Staff's report.

NOW UPON CONSIDERATION of the application, the Staff Report, and the applicable law, the Commission finds that Amerada's application to provide electric, natural gas, and aggregation services should be granted. Accordingly,

IT IS ORDERED THAT:

(1) Amerada Hess Corporation, hereby is granted license No. PE-9 to provide competitive electricity supply service to commercial and industrial customers in conjunction with the retail access pilot programs of Virginia Power, AEP-VA, and Rappahannock. This license to act as a competitive service provider is granted subject to the provisions of the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 et seq. ("Interim Rules"), this Order, and other applicable statutes.

(2) Amerada Hess Corporation, hereby is granted license No. PG-7 to provide competitive natural gas supply service to commercial and industrial customers in conjunction with retail access pilot programs of WGL and Columbia Gas. This license to act as a competitive service provider is granted subject to the provisions of the Interim Rules, this Order, and other applicable statutes.

(3) Amerada Hess Corporation, hereby is granted license No. PA-5 to provide aggregation services to commercial and industrial customers in conjunction with retail access pilot programs of WGL, Columbia Gas, Virginia Power, AEP-VA, and Rappahannock. This license to act as an aggregator is granted subject to the provisions of the Interim Rules, this Order, and other applicable statutes.

(4) These licenses shall expire upon termination of the respective pilot programs unless otherwise ordered by the Commission. These licenses are not valid authority for the provision of any product or service not identified within the licenses themselves.

(5) Failure of Amerada Hess to comply with the Interim Rules, the provisions of this Order, other State Corporation Commission orders and rules, or other applicable state or federal laws may result in an enforcement action by the Commission including, without limitation, the revocation, suspension, or modification of a license granted herein, the refusal to renew such licenses, the imposition of appropriate fines and penalties, or such other additional actions as may be necessary to protect the public interest.

(6) This case shall remain open for consideration of any subsequent amendments or modifications to these licenses.

CASE NO. PUE000473
SEPTEMBER 25, 2000

PETITION OF
COLUMBIA ENERGY SERVICES CORPORATION

For waiver from compliance with filing deadline

ORDER GRANTING PETITION

On September 8, 2000, Columbia Energy Services Corporation ("CES" or "Company") filed a Petition with the State Corporation Commission ("Commission") requesting a waiver from compliance with the deadline of September 25, 2000, for filing an application for a license to provide competitive services in natural gas retail access pilot programs. This requirement is contained in the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 *et seq.* ("Interim Rules") as approved in the Commission's May 26, 2000, Final Order in Case No. PUE980812.[1]

In support of its Petition, CES states that it is an active participant in the natural gas retail access unbundling program of Columbia Gas of Virginia, Inc. Pursuant to the above-mentioned Interim Rules, CES recognizes that it must apply for a license to continue its operations in the natural gas unbundling program. CES avers that, on June 30, 2000, CES and The New Power Company ("New Power") executed an asset purchase agreement in which CES agreed to sell its mass market retail operations to New Power. Also pursuant to this agreement, CES intends to assign its natural gas customers in Virginia to New Power once New Power receives a license to act as a competitive service provider in natural gas pilot programs. CES states that New Power has filed an application for licensure but that the application is still pending.

CES, by counsel, has advised that if customer transfers proceed as planned, CES will no longer be competitively supplying natural gas services in Virginia. CES requests an extension of time, until December 1, 2000, and a waiver of the 120-day time period set forth in the Interim Rules and Final Order. CES states that the waiver will allow for the seamless transition of customers to New Power without unnecessary confusion.

NOW UPON CONSIDERATION, we are of the opinion that CES' request should be granted.

Accordingly, IT IS ORDERED THAT:

(1) CES hereby is granted a waiver of the deadline provided by the Interim Rules for the filing of an application for a license as a competitive service provider or aggregator. CES shall have until December 1, 2000, to transfer customers to other licensed entities or, if that cannot be accomplished, to apply for the appropriate license(s) itself.

(2) On or before December 1, 2000, CES shall file with the Commission's Clerk's Office notification that the planned transfers of customers have been accomplished.

(3) This matter is continued pending the receipt of the December 1, 2000, report from CES.

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[1] Commonwealth, ex rel. State Corp. Comm'n, Ex Parte: In the matter of establishing interim rules for retail access pilot programs, Case No. PUE980812, Final Order (May 26, 2000), Document Control Center No. 000530236.

CASE NO. PUE000473
DECEMBER 4, 2000

APPLICATION OF
COLUMBIA ENERGY SERVICES COMPANY

For waiver from compliance with filing deadline

ORDER GRANTING ADDITIONAL WAIVER SUBJECT TO CONDITIONS

On November 28, 2000, Columbia Energy Services Corporation ("CES" or "Company") filed a petition requesting an additional waiver from the requirement of subsection B of 20 VAC 5-311-60 of the Commission's Interim Rules Governing Electric and Natural Gas Retail Access Programs ("Interim

Rules"), 20 VAC 5-311-10 *et seq.*[1] Subsection B of 20 VAC 5-311-60 requires natural gas retail access pilots previously approved by the Commission and any participants in said pilots to comply with the Interim Rules within a 120-day time period ("filing deadline"). Pursuant to the filing deadline, CES originally was required to file an application for licensure as a competitive service provider or an aggregator on or before September 25, 2000.

By petition filed on September 8, 2000, CES requested, and later was granted, a waiver of the September 25 filing deadline. In its September 8 petition, CES stated that it needed additional time, until December 1, 2000, because it was in the process of selling its mass market retail operations to The New Power Company ("New Power"). CES explained that it will assign its natural gas customers in Virginia to New Power at such time that New Power receives a license to conduct business as a competitive service provider in natural gas retail access programs in Virginia.[2]

By order entered September 25, 2000, the Commission granted the Company's request for a waiver of the filing deadline. The Commission directed CES to, on or before December 1, 2000, transfer its customers to New Power or other licensed entities or, if that cannot be accomplished, apply for the appropriate licenses under the Interim Rules. The Commission also directed CES to file with the Clerk of the Commission, on or before December 1, 2000, notification that the planned transfers of customers had been accomplished.

In its November 28 petition, CES requested an additional wavier of the filing deadline until February 1, 2001, to transfer its customers to New Power. CES explained that the process of selling its mass market retail operations to New Power envisions a series of transactions and sequential measures, and is taking longer than the Company had anticipated. CES further stated that, in order to effect a seamless transition of its customers to New Power, it needs additional time to notify its customers of the assignment, and to allow customers who may elect to choose a new provider sufficient time to arrange for an alternative supplier. CES stated that the additional time will benefit its customers in that it will permit a seamless transfer of the customers, with no interruption in service or unnecessary customer confusion.

UPON CONSIDERATION of the foregoing, the Commission is of the opinion and finds that CES should be granted an additional waiver of the filing requirement set forth in 20 VAC 5-311-60 B. We are concerned about the Company's rate of progress, however, and will grant the petition subject to certain conditions. Specifically, on or before December 15, 2000, CES shall provide an interim report to the Division of Economics and Finance ("Division") regarding the process of transferring its current customers to New Power, including progress to date and any remaining steps to be taken to implement the transfer. Additionally, on or before January 4, 2001, CES shall provide to the Division an affidavit attesting as to whether all of the Company's current customers have been notified of the transfer. On or before February 1, 2001, CES shall have completed the transfer of its customers to New Power or another licensed entity, and shall file with the Office of the Clerk of the Commission notification that the planned transfers of customers have been accomplished.

Accordingly, IT IS ORDERED THAT:

(1) CES hereby is granted an additional waiver of the deadline provided by the Interim Rules for the filing of an application for a license as a competitive service provider or aggregator. CES shall have until December 31, 2000, to notify its customers of the transfer customers of such customers to other licensed entities or, if that cannot be accomplished, to apply for the appropriate license(s) itself.

(2) On or before February 1, 2001, CES shall file with the Office of the Clerk of the Commission notification that the planned transfers of customers have been accomplished.

(3) CES shall provide two supplemental filings, the first on December 15, 2000, and the second on January 4, 2001, to the Division of Economics and Finance, as directed herein.

(4) This matter shall be continued pending the receipt of the report to be filed on February 1, 2001.

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[1] The Interim Rules were adopted in the Commission's Final Order in Case No. PUE980812. Commonwealth, ex rel. State Corp. Comm'n, Ex Parte: In the matter of establishing interim rules for retail access pilot programs, Document Control No. 000530236, Case No. PUE980812, Final Order (May 26, 2000).

[2] By order dated September 28, 2000, the Commission granted New Power's application for licensure as a competitive service provider in Case No. PUE000435.

CASE NO. PUE000475
NOVEMBER 30, 2000

APPLICATION OF
BOLLINGER ENERGY CORPORATION

For a license to conduct business as a natural gas competitive service provider

ORDER GRANTING LICENSE

On October 17, 2000, Bollinger Energy Corporation ("Bollinger" or "Company"), completed an application for licensure to conduct business as a natural gas competitive service provider. The Company states that it proposes to provide competitive natural gas service in the retail access pilot programs of Washington Gas Light Company ("WGL") and Columbia Gas of Virginia, Inc. ("CGV").

On October 24, 2000, the Commission issued its Order for Notice and Comment, establishing the case, requiring that notice of the application be published, providing for the receipt of comments from the public, and requiring the Commission's Staff to analyze the reasonableness of Bollinger's application and present its findings in a Staff Report to be filed on or before November 17, 2000.

The Company filed proof of publication of its notice on November 16, 2000. Bollinger also filed a letter on November 16, 2000, requesting a waiver from having to file audited financial statements pursuant to 20 VAC 5-311-50 A 12 a. Along with the same letter, Bollinger provided evidence of a surety bond in the amount of $10,000 to ensure the faithful discharge of its duties as a competitive service provider under Virginia law. No comments from the public on Bollinger's application were received.

The Staff filed its Report concerning Bollinger's fitness to provide competitive aggregation services. The Staff concluded that Bollinger satisfies the financial and technical fitness requirements for licensure, and the Staff recommended that a license be granted to Bollinger for the provision of aggregation services in the WGL and CGV pilot programs. The Staff also recommended that Bollinger be granted the requested waiver from filing audited financial statements pursuant to 20 VAC 5-311-50 A 12 a.

Bollinger did not file a response to the Staff Report.

NOW UPON CONSIDERATION of the application, the Staff Report, and the applicable law, the Commission finds that the Company's application to provide natural gas service should be granted. Accordingly,

IT IS ORDERED THAT:

(1) Bollinger Energy Corporation, hereby is granted license No. PG-11 to provide natural gas service to commercial and industrial customers in conjunction with the retail access pilot programs of WGL and CGV. This license to act as a natural gas competitive service provider is granted subject to the provisions of the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 et seq. ("Interim Rules"), this Order, and other applicable statutes.

(2) This license shall expire upon termination of the respective pilot programs unless otherwise ordered by the Commission. This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) Bollinger is hereby granted a waiver from the submission of audited financial statements pursuant to 20 VAC 5-311-50 A 12 a.

(4) Failure of Bollinger to comply with the Interim Rules, the provisions of this Order, other State Corporation Commission orders and rules, or other applicable state or federal laws may result in an enforcement action by the Commission including, without limitation, the revocation, suspension, or modification of the license granted herein, the refusal to renew such licenses, the imposition of appropriate fines and penalties, or such other additional actions as may be necessary to protect the public interest.

(5) This case shall remain open for consideration of any subsequent amendments or modifications to these licenses.

CASE NO. PUE000476
NOVEMBER 30, 2000

APPLICATION OF
SOUTHSIDE ELECTRIC COOPERATIVE

For approval of a special rate and contract

ORDER GRANTING MOTION TO WITHDRAW APPLICATION

On September 12, 2000, Southside Electric Cooperative ("Southside" or "the Cooperative") filed an application under Section 56-235.2 of the Code of Virginia with the State Corporation Commission ("Commission") for a special rate and contract. Southside seeks approval of "Contract Rate for ArborTech Inc.--ID-AT" ("special rate") under which the Cooperative would provide electric service at a special rate to ArborTech, Inc., a lumber producer and manufacturer of wood products, proposing to locate on a site adjacent to Fort Pickett Airfield, in Nottoway County, Virginia.

On October 6, 2000, the Commission entered an Order for Notice and Hearing, setting the matter for November 28, 2000, before a hearing examiner. The October 6th Order directed the Cooperative to: (i) publish notice of its application in newspapers of general circulation throughout Southside's service territory, (ii) serve a copy of the Order for Notice and Hearing upon the Cooperative's customers served under Southside's Industrial Power Rate Schedule I, the rate schedule under which ArborTech would have been served in the absence of the proposed special rate, and (iii) serve a copy of the Order for Notice and Hearing upon the Chairman of the Board of Supervisors of Nottoway County.

On November 27, 2000, the Cooperative filed a motion to withdraw its application without prejudice. In its motion, Southside stated its intent to refile its request for a special rate as part of a general rate case that will be filed with the Commission before December 29, 2000.

On November 28, 2000, the matter came on for hearing before Howard P. Anderson, Jr., Hearing Examiner. No public witnesses appeared. In a ruling from the bench, the Hearing Examiner found that Southside's Motion to withdraw its application without prejudice should be granted and recommended that the Commission adopt his finding.

NOW UPON CONSIDERATION of the Motion to Withdraw and the Hearing Examiner's finding and recommendation, the Commission finds that Southside's Motion should be granted.

Accordingly, IT IS ORDERED THAT:

(1) The Hearing Examiner's finding and recommendation is adopted.

(2) Southside Electric Cooperative's Motion to withdraw its application without prejudice is hereby granted.

(3) This matter shall be dismissed without prejudice from the Commission's docket of active proceedings.

CASE NO. PUE000477
OCTOBER 10, 2000

PETITION OF
TXU ENERGY SERVICES

For waiver of licensing requirements

ORDER GRANTING PETITION

On September 14, 2000, TXU Energy Services ("TXU"), the successor to Enserch Energy Services, Inc., filed a Petition for Licensure Waiver ("Petition") with the State Corporation Commission ("Commission") requesting a waiver from compliance with a certain requirement contained in the Commission's Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 *et seq.* ("Interim Rules") as approved in the Commission's May 26, 2000, Final Order in Case No. PUE980812.[1] Specifically, TXU seeks a waiver from the requirement of the Interim Rules that any competitive service provider or aggregator participating in any natural gas retail access pilot programs previously approved by the Commission shall be required to file an application for licensure as a competitive service provider or aggregator.

In support of its Petition, TXU states that it is not actively marketing either natural gas or electric power in Virginia and has no immediate plans to do so in the future. TXU further states that it is supplying natural gas to only two customers in Virginia as part of a national accounts service program under contracts that end on February 1, 2001. TXU avers that it will seek a license if it should begin actively marketing gas or electricity in Virginia, or if its national accounts program causes it to supply such services to any other customer in Virginia.

NOW UPON CONSIDERATION, we are of the opinion that TXU's Petition should be granted.

Accordingly, IT IS ORDERED THAT:

(1) TXU hereby is granted a waiver from the licensure requirement of the Interim Rules.

(2) Should TXU desire to serve any customers other than the two customers it currently serves or should TXU desire to serve any additional location(s) of those two customers, or should the contracts ending February 1, 2001, be renewed, TXU shall obtain a license to act a competitive service provider or aggregator as required by the Interim Rules. Such licenses must be obtained before TXU may provide services to new customers or to additional locations of current customers. If a license is sought due to renewal of current customer contracts, the license application must be filed before February 1, 2001.

(3) If none of the conditions in paragraph (2) above occurs, TXU shall have until February 15, 2001, to file with the Commission notification that it has completed and terminated its service obligations to its current customers.

(4) This matter is continued generally, and this docket shall remain open pending the receipt of the February 15, 2001, report or, alternatively, TXU's application for licensure as a competitive service provider or aggregator.

[1] Commonwealth, ex rel. State Corp. Comm'n, Ex Parte: In the matter of establishing interim rules for retail access pilot programs, Case No. PUE980812, Final Order (May 26, 2000), Document Control Center No. 000530236.

CASE NO. PUE000479
DECEMBER 22, 2000

APPLICATION OF
AMERICA'S ENERGY ALLIANCE, INC.

For licenses to conduct business as a competitive service provider in electric and natural gas retail access pilot programs and as an aggregator

ORDER GRANTING LICENSES

On September 19, 2000, America's Energy Alliance, Inc., ("Alliance" or "Company"), filed an application for licensure to conduct business as a competitive service provider and aggregator, as provided by the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 et seq. ("Interim Rules"). Alliance proposes to provide competitive natural gas service in the retail access pilot programs of Washington Gas Light Company ("WGL") and Columbia Gas of Virginia, Inc. ("CGV"), and competitive electric service in the retail access pilot programs of Virginia Electric and Power Company ("Virginia Power"), Appalachian Power Company d/b/a American Electric Power-Virginia ("AEP-VA"), and Rappahannock Electric Cooperative ("REC").

On October 3, 2000, the Commission issued its Order for Notice and Comment, establishing the case, requiring that notice of the application be published, providing for the receipt of comments from the public, and requiring the Commission's Staff to analyze the reasonableness of Alliance's application and present its findings in a Staff Report to be filed on or before October 25, 2000.

The Company filed proof of publication of its notice on October 25, 2000. No comments from the public on Alliance's application were received.

The Staff filed its Report on October 25, 2000, concerning Alliance's technical and financial fitness to provide competitive electric, natural gas, and aggregation services. In its report, Staff noted that Alliance is a wholly-owned subsidiary of NOVASTAR, Inc., ("NOVASTAR") which is a wholly-owned subsidiary of Northern Virginia Electric Cooperative ("NOVEC"). Staff stated that as a newly formed entity with little or no financial history, Alliance is totally dependent on NOVASTAR/NOVEC for its funding. Staff noted that NOVEC filed an application on September 1, 2000, under Chapter 4 of Title 56 of the Code of Virginia seeking Commission authority to execute a promissory note with NOVASTAR ("Promissory Note")[1]. Additionally, Staff noted that NOVEC's Board of Directors recently authorized a corporate guarantee ("Corporate Guarantee") between NOVEC and Alliance for which, according to Staff, NOVEC will seek approval from this Commission under Chapter 3 prior to executing the Corporate Guarantee[2]. The Staff concluded that Alliance satisfies the technical fitness requirements for licensure, however, Staff questioned Alliance's financial fitness absent these two instruments.

Staff also discussed Alliance's request for a waiver of 20 VAC 5-311-50 A 12 a of the Interim Rules, which requires an applicant to file audited financial statements for the most recent fiscal year. Staff recommended that Alliance be granted a waiver of this requirement. Staff also recommended that licenses be granted to Alliance for the provision of aggregation services and competitive electric and natural gas service, subject to the Commission approving both the Corporate Guarantee and Promissory Note.

On October 27, 2000, Alliance filed comments on the Staff Report stating that it had no response to the Report.

On November 2, 2000, the Commission issued an Order in which we deferred action on Alliance's September 19, 2000 application for licenses until we ruled on the Corporate Guarantee and Promissory Note.

NOW UPON CONSIDERATION of the application, the Staff Report filed in this matter, the authority granted by the Commission in Case Nos. PUF000047 and PUA000068, and the applicable law, the Commission is of the opinion and finds that the Company's application for licensure to provide competitive electric, natural gas and aggregation services should be granted. We will also grant the waiver of our Interim Rules requiring audited financial statements. Accordingly,

IT IS ORDERED THAT:

(1) As provided by the Interim Rules, 20-VAC 5-311-60 A, Alliance is granted a waiver of 20 VAC 5-311-50 A 12 a which requires the submission of audited financial statements.

(2) America's Energy Alliance, Inc., hereby is granted license No. PG-8 to provide competitive natural gas service to residential, commercial and industrial customers in conjunction with retail access pilot programs of WGL and CGV. This license to act as a competitive service provider is granted subject to the provisions of the Interim Rules, this Order, and other applicable statutes.

(3) America's Energy Alliance, Inc., hereby is granted license No. PE-10 to provide competitive electric service to residential, commercial and industrial customers in conjunction with retail access pilot programs of Virginia Power, AEP-VA and REC. This license to act as a competitive service provider is granted subject to the provisions of the Interim Rules, this Order, and other applicable statutes.

(4) America's Energy Alliance, Inc., hereby is granted license No. PA-6 to provide aggregation services in conjunction with retail access pilot programs of WGL, CGV, Virginia Power, AEP-VA and REC. This license to act as an aggregator is granted subject to the provisions of the Interim Rules, this Order, and other applicable statutes.

(5) These licenses shall expire upon termination of the respective pilot programs unless otherwise ordered by the Commission. These licenses are not valid authority for the provision of any product or service not identified within the licenses themselves.

(6) Failure of Alliance to comply with the Interim Rules, the provisions of this Order, other State Corporation Commission orders and rules, or other applicable state or federal laws may result in an enforcement action by the Commission including, without limitation, the revocation, suspension, or modification of the licenses granted herein, the refusal to renew such licenses, the imposition of appropriate fines and penalties, or such other additional actions as may be necessary to protect the public interest.

(7) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

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[1] By Commission Order dated November 7, 2000, in Case No. PUA000068, the Commission authorized NOVEC to execute a promissory note with NOVASTAR.

[2] On December 13, 2000, NOVEC completed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia for authority to guarantee the short-term debt of Alliance. This application was docketed as Case No.PUF000047. On December 19, 2000, the Commission authorized the short-term debt guarantee.

CASE NO. PUE000480
NOVEMBER 28, 2000

APPLICATION OF
ONLINECHOICE.COM, INC.

For a license to conduct business as an aggregator in electric and natural gas retail access pilot programs

ORDER GRANTING LICENSE

On September 21, 2000, OnlineChoice.com, Inc. ("OnlineChoice" or "Company"), filed an application for licensure to conduct business as an aggregator. The application was completed with an amendment to the application filed September 29, 2000. The Company states that it proposes to provide aggregation services in the retail access pilot programs of Washington Gas Light Company ("WGL"), Columbia Gas of Virginia, Inc. ("CGV"), Virginia Electric and Power Company ("Virginia Power"), Appalachian Power Company d/b/a American Electric Power ("AEP-VA") and Rappahannock Electric Cooperative ("REC").

On October 3, 2000, the Commission issued its Order for Notice and Comment, establishing the case, requiring that notice of the application be published, providing for the receipt of comments from the public, and requiring the Commission's Staff to analyze the reasonableness of OnlineChoice's application and present its findings in a Staff Report to be filed on or before October 31, 2000.

By letter from Counsel dated October 31, 2000, OnlineChoice requested a new Order for Notice and Comment. In support of its request OnlineChoice represented that due to an administrative error it was not able to meet the October 25, 2000 deadline for notice publication that was contained in the Commission's October 3, 2000 Order. On November 2, 2000, the Commission issued an Order Revising Schedule for Notice and Comment in which it required notice to be published on or before November 14, 2000.

The Company filed proof of publication of its notice on November 15, 2000. No comments from the public on OnlineChoice's application were received.

The Staff filed its Report concerning OnlineChoice's fitness to provide competitive aggregation services. The Staff concluded that OnlineChoice satisfies the financial and technical fitness requirements for licensure, and the Staff recommended that a license be granted to OnlineChoice for the provision of aggregation services in the Virginia Power, AEP-VA, REC, WGL and CGV pilot programs.

OnlineChoice did not file a response to the Staff Report.

NOW UPON CONSIDERATION of the application, the Staff Report, and the applicable law, the Commission finds that the Company's application to provide aggregation services should be granted. Accordingly,

IT IS ORDERED THAT:

(1) OnlineChoice.com, Inc., hereby is granted license No. PA-8 to provide aggregation services to residential and commercial customers in conjunction with the retail access pilot programs of Virginia Power, AEP-VA, REC, WGL and CGV. This license to act as an aggregator is granted subject to the provisions of the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 et seq. ("Interim Rules"), this Order, and other applicable statutes.

(2) This license shall expire upon termination of the respective pilot programs unless otherwise ordered by the Commission. This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) Failure of OnlineChoice to comply with the Interim Rules, the provisions of this Order, other State Corporation Commission orders and rules, or other applicable state or federal laws may result in an enforcement action by the Commission including, without limitation, the revocation, suspension, or modification of the license granted herein, the refusal to renew such licenses, the imposition of appropriate fines and penalties, or such other additional actions as may be necessary to protect the public interest.

(4) This case shall remain open for consideration of any subsequent amendments or modifications to these licenses.

CASE NO. PUE000481
OCTOBER 19, 2000

APPLICATION OF
POWERTRUST.COM, INC.,
and
POWERTRUST ENERGY SERVICES, INC.

For a license to conduct business as a competitive service provider in natural gas retail access pilot programs

ORDER GRANTING WAIVER

On September 25, 2000, PowerTrust.com, Inc. ("PowerTrust"), and PowerTrust Energy Services, Inc. ("PowerTrust Energy Services")(collectively, "Applicants"), filed a motion requesting a waiver of the Commission's Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs ("Interim Rules"), 20 VAC 5-311-60 B, which requires participants in retail access pilot programs previously approved by the Commission to comply with the Interim Rules by September 25, 2000. Applicants specifically request the Commission to extend the deadline established by

the Interim Rules for filing an application to become licensed as a competitive service provider and aggregator from September 25, 2000, to December 1, 2000.

Applicants state that PowerTrust is a service agent in Virginia for Perry Energy Services and, as such, is participating in the Washington Gas Light Company ("Washington Gas") natural gas retail access pilot program. Applicants also state that PowerTrust Energy Services has been approved to participate in the Washington Gas pilot program contingent upon PowerTrust Energy Services posting the necessary credit requirements.

In support of their request, Applicants state that the requested extension of time and waiver is necessary so that PowerTrust Energy Services may develop its application to become licensed as a competitive service provider and aggregator to participate in Virginia's natural gas retail access pilot programs[1]. In addition, Applicants state that the requested extension will allow any of PowerTrust's present responsibilities to be seamlessly transferred to PowerTrust Energy Services.

Upon consideration of the above-referenced motion, the Commission will grant a waiver until December 1, 2000, for Applicants to file any application for a license as a competitive service provider and aggregator. Applicants did not request, and the Commission does not grant, a waiver of any other requirements of the Interim Rules. Applicants should comply with all other provisions of the Interim Rules, 20 VAC 5-311-20, governing competitive service providers and aggregators.

Accordingly, IT IS ORDERED THAT:

(1) Case No. PUE000481 is hereby established for this application and the motion filed September 25, 2000, shall be filed therein.

(2) As provided by the Interim Rules, 20 VAC 5-311-60 A, PowerTrust and PowerTrust Energy Services are granted a waiver of 20 VAC 5-311-60 B to the extent that PowerTrust and PowerTrust Energy Services shall be authorized to apply by December 1, 2000, for licensure as a competitive service provider and aggregator in retail gas access pilot programs.

(3) On or before December 1, 2000, PowerTrust and PowerTrust Energy Services, shall file either a single or a joint application for a license as a competitive service provider in retail access pilot programs with the Clerk of the Commission in this case, Case No. PUE000481.

(4) This case shall be continued generally.

[1] Applicants also note that they are considering whether certain of PowerTrust's customer functions will become the responsibility of PowerTrust Energy Services. The division and/or assignment of certain responsibilities will determine whether a single or a joint application for licensure will be required.

CASE NO. PUE000481
NOVEMBER 30, 2000

APPLICATION OF
POWERTRUST.COM, INC.

For a license to conduct business as an aggregator

ORDER GRANTING LICENSE

On October 19, 2000, PowerTrust.com, Inc. ("PowerTrust.com" or "Company"), completed an application for licensure to conduct business as an aggregator in the natural gas retail access pilot programs that have been approved by this Commission. The Company states that it proposes to provide aggregation services to eligible customers participating in the retail access pilot programs of Washington Gas Light Company ("WGL") and Columbia Gas of Virginia, Inc. ("CGV").

On October 24, 2000, the Commission issued its Order for Notice and Comment, establishing the case, requiring that notice of the application be published, providing for the receipt of comments from the public, and requiring the Commission's Staff to analyze the reasonableness of PowerTrust.com's application and present its findings in a Staff Report to be filed on or before November 17, 2000.

The Company filed proof of publication of its notice on November 13, 2000. No comments from the public on PowerTrust.com's application were received.

On November 17, 2000, PowerTrust.com requested a waiver of the provision of the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 et seq. ("Interim Rules") that requires the submission of audited financial statements (20 VAC 5-311-50 A 12 a).

The Staff filed its Report on November 17, 2000, concerning PowerTrust.com's fitness to provide aggregation services. The Staff concluded that PowerTrust.com satisfies the financial and technical fitness requirements for licensure, and the Staff recommended that a license be granted to PowerTrust.com for the provision of aggregation services in the WGL and CGV pilot programs. The Staff also recommended that PowerTrust.com be granted the requested waiver from filing audited financial statements pursuant to 20 VAC 5-311-50 A 12 a.

PowerTrust.com did not file a response to the Staff Report.

NOW UPON CONSIDERATION of the application, the Staff Report, and the applicable law, the Commission finds that the Company's application to provide natural gas and aggregation services should be granted. We will also grant the waiver of the requirement for audited financial statements. Accordingly,

IT IS ORDERED THAT:

(1) As provided by the Interim Rules, 20 VAC 5-311-60 A, PowerTrust.com is hereby granted a waiver from the submission of audited financial statements pursuant to 20 VAC 5-311-50 A 12 a.

(2) PowerTrust.com hereby is granted license No. PA-10 to provide aggregation services to eligible residential, commercial and industrial customers in conjunction with the retail access pilot programs of WGL and CGV. This license to act as an aggregator is granted subject to the provisions of the Interim Rules, this Order, and other applicable statutes.

(3) This license shall expire upon termination of the respective pilot programs unless otherwise ordered by the Commission. This license is not valid authority for the provision of any product or service not identified within the license itself.

(4) Failure of PowerTrust.com to comply with the Interim Rules, the provisions of this Order, other State Corporation Commission orders and rules, or other applicable state or federal laws may result in an enforcement action by the Commission including, without limitation, the revocation, suspension, or modification of the license granted herein, the refusal to renew such licenses, the imposition of appropriate fines and penalties, or such other additional actions as may be necessary to protect the public interest.

(5) This case shall remain open for consideration of any subsequent amendments or modifications to these licenses.

CASE NO. PUE000482
NOVEMBER 9, 2000

APPLICATION OF
UNITED ENERGY, INC. d/b/a UNITED ENERGY OF VIRGINIA, INC.

For a license to conduct business as a competitive service provider in natural gas retail access pilot programs

ORDER GRANTING LICENSE

On September 26, 2000, United Energy, Inc. d/b/a United Energy of Virginia, Inc. ("United Energy" or "Applicant"), filed an application for licensure to conduct business as a competitive service provider in natural gas retail access pilot programs, as provided by the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs ("Interim Rules"), 20 VAC 5-311-50. The Applicant intends to serve eligible customers in all customer classes in the natural gas retail access pilot programs of Washington Gas Light Company ("WGL") and Columbia Gas of Virginia, Inc. ("CGV").

On October 6, 2000, the Commission issued its Order for Notice and Comment, establishing the case, requiring that notice of the application be published, providing for the receipt of comments from the public, and requiring the Commission's Staff to analyze the reasonableness of United Energy's application and present its findings in a Staff Report to be filed on or before November 1, 2000.

The Applicant filed proof of publication of its notice on October 31, 2000. No comments from the public on United Energy's application were received.

The Staff filed its Report on November 1, 2000, concerning United Energy's fitness to provide competitive electric and natural gas service. The Staff concluded that United Energy meets the technical fitness requirements for licensure. The Staff also discussed United Energy's request for a waiver of 20 VAC 5-311-50 A 12 a of the Interim Rules, which requires an applicant to file an audited balance sheet and income statement for the most recent fiscal year, as well as published financial information, if available. In lieu of filing the required documents, United Energy filed financial statements of its parent company, United Propane, Inc. ("United Propane"). It also filed United Propane's credit report issued by Dun & Bradstreet. The Staff recommended that the waiver be granted as requested and stated that the alternate financial information filed by the Applicant, together with its experience as a supplier in CGV's pilot program, serve as sufficient evidence of financial responsibility. As such, the Staff recommended that a license be granted to United Energy for the provision of natural gas service to all eligible classes of customers in the WGL and CGV pilot programs.

United Energy did not file a response to the Staff Report.

NOW UPON CONSIDERATION of the application, the Staff Report, and the applicable law, the Commission finds that United Energy's application to provide natural gas service should be granted. We will also grant the waiver of our requiring audited financial statements. Accordingly,

IT IS ORDERED THAT:

(1) As provided by the Interim Rules, 20 VAC 5-311-60 A, United is granted a waiver of 20 VAC 5-311-50 A 12 a and the submitted financial information is accepted in lieu of audited financial statements.

(2) United Energy, Inc. d/b/a United Energy of Virginia, Inc., hereby is granted license No. PG-10 to provide competitive natural gas supply service to all classes of eligible customers in conjunction with the retail access pilot programs of WGL and CGV. This license to act as a competitive service provider is granted subject to the provisions of the Interim Rules, this Order, and other applicable statutes.

(3) This license shall expire upon termination of the respective pilot programs unless otherwise ordered by the Commission. This license is not valid authority for the provision of any product or service not identified within the license itself.

(4) Failure of United Energy to comply with the Interim Rules, the provisions of this Order, other State Corporation Commission orders and rules, or other applicable state or federal laws may result in an enforcement action by the Commission including, without limitation, the revocation,

suspension, or modification of the license granted herein, the refusal to renew such licenses, the imposition of appropriate fines and penalties, or such other additional actions as may be necessary to protect the public interest.

(5) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

CASE NO. PUE000487
DECEMBER 20, 2000

APPLICATION OF
TIGER NATURAL GAS, INC.

For a license to conduct business as a competitive service provider in natural gas retail access pilot programs

ORDER GRANTING LICENSE

On October 2, 2000, Tiger Natural Gas, Inc. ("Tiger" or "Company"), filed an application for licensure to conduct business as a competitive service provider. The application was completed with amendments to the application filed October 10, 2000 and November 9, 2000. The Company states that it proposes to provide competitive natural gas service in the retail access pilot programs of Washington Gas Light Company ("WGL") and Columbia Gas of Virginia, Inc. ("CGV").

On November 9, 2000, the Commission issued its Order for Notice and Comment, establishing the case, requiring that notice of the application be published, providing for the receipt of comments from the public, and requiring the Commission's Staff to analyze the reasonableness of Tiger's application and present its findings in a Staff Report to be filed on or before December 8, 2000.

The Company filed proof of publication of its notice on November 29, 2000. No comments from the public on Tiger's application were received.

The Staff filed its Report on December 7, 2000, concerning Tiger's fitness to provide competitive natural gas service. The Staff concluded that Tiger satisfies the financial and technical fitness requirements for licensure, and the Staff recommended that a license be granted to Tiger for the provision of natural gas service to residential, commercial and industrial customers in the WGL and CGV pilot programs.

Tiger did not file a response to the Staff Report.

NOW UPON CONSIDERATION of the application, the Staff Report, and the applicable law, the Commission finds that the Company's application to provide natural gas service should be granted. Accordingly,

IT IS ORDERED THAT:

(1) Tiger Natural Gas, Inc., hereby is granted license No. PG-16 to provide competitive natural gas service to residential, commercial and industrial customers in conjunction with retail access pilot programs of WGL and CGV. This license to act as a competitive service provider is granted subject to the provisions of the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 et seq. ("Interim Rules"), this Order, and other applicable statutes.

(2) This license shall expire upon termination of the respective pilot programs unless otherwise ordered by the Commission. This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) Failure of Tiger to comply with the Interim Rules, the provisions of this Order, other State Corporation Commission orders and rules, or other applicable state or federal laws may result in an enforcement action by the Commission including, without limitation, the revocation, suspension, or modification of the license granted herein, the refusal to renew such licenses, the imposition of appropriate fines and penalties, or such other additional actions as may be necessary to protect the public interest.

(4) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

CASE NO. PUE000488
NOVEMBER 30, 2000

APPLICATION OF
ENRON ENERGY SERVICES, INC.

For a license to conduct business as a competitive service provider in a natural gas retail access pilot program

ORDER GRANTING LICENSE

On September 29, 2000, Enron Energy Services, Inc., ("EESI" or "Applicant"), filed an application for licensure to conduct business as a competitive service provider in a natural gas retail access pilot program, as provided by the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs ("Interim Rules"), 20 VAC 5-311-10 et seq. EESI proposes to provide natural gas in the retail access pilot program of Washington Gas Light ("WGL"). The Applicant intends to serve eligible customers in commercial and industrial classes in the natural gas retail access pilot programs of WGL.

On October 17, 2000, the Commission issued its Order for Notice and Comment, establishing the case, requiring that notice of the application be published, providing for the receipt of comments from the public, and requiring the Commission's Staff to analyze the reasonableness of EESI's application and present its findings in a Staff Report to be filed on or before November 3, 2000. By Amending Order dated November 7, 2000, EESI was granted a two-week extension of time to publish notice of its application. The date of the Staff Report was extended to November 14, 2000. No comments from the public on EESI's application were received.

The Staff filed its Report on November 14, 2000, concerning EESI's fitness to provide competitive natural gas service. The Staff concluded that EESI meets the technical and financial fitness requirements for licensure. As such, the Staff recommended that a license be granted to Enron Energy Services, Inc., for the provision of natural gas service to commercial and industrial customers in the WGL pilot programs.

EESI did not file a response to the Staff Report. It did, however, file proof of publication of its notice on November 22, 2000.

NOW UPON CONSIDERATION of the application, the Staff Report, and the applicable law, the Commission finds that EESI's application to provide natural gas service should be granted. Accordingly,

IT IS ORDERED THAT:

(1) Enron Energy Services, Inc., hereby is granted license No. PG-15 to provide competitive natural gas supply service to commercial and industrial customers in conjunction with the retail access pilot programs of WGL. This license to act as a competitive service provider is granted subject to the provisions of the Interim Rules, this Order, and other applicable statutes.

(2) This license shall expire upon termination of the respective pilot programs unless otherwise ordered by the Commission. This license is not valid authority for the provision of any product or service not identified within the license itself.

(3) Failure of Enron Energy Services, Inc., to comply with the Interim Rules, the provisions of this Order, other State Corporation Commission orders and rules, or other applicable state or federal laws may result in an enforcement action by the Commission including, without limitation, the revocation, suspension, or modification of the license granted herein, the refusal to renew such licenses, the imposition of appropriate fines and penalties, or such other additional actions as may be necessary to protect the public interest.

(4) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

CASE NO. PUE000489
NOVEMBER 30, 2000

APPLICATION OF
ENRON ENERGY MARKETING CORP.

For a license to conduct business as a competitive service provider in natural gas retail access pilot programs

ORDER GRANTING LICENSE

On September 29, 2000, Enron Energy Marketing Corp. ("EEMC" or "Applicant"), filed an application for licensure to conduct business as a competitive service provider in natural gas retail access pilot programs, as provided by the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs ("Interim Rules"), 20 VAC 5-311-10 et seq. The Applicant intends to serve residential and small commercial customers in the natural gas retail access pilot programs of Washington Gas Light Company ("WGL") and Columbia Gas of Virginia, Inc. ("CGV").

On October 18, 2000, the Commission issued its Order for Notice and Comment, establishing the case, requiring that notice of the application be published, providing for the receipt of comments from the public, and requiring the Commission's Staff to analyze the reasonableness of EEMC's application and present its findings in a Staff Report to be filed on or before November 6, 2000. By Amending Order dated November 7, 2000, EEMC was granted a two-week extension of time to publish notice of its application. The date of the Staff Report was extended to November 14, 2000. No comments from the public were received regarding EEMC's application.

The Staff filed its Report on November 14, 2000, concerning EEMC's fitness to provide competitive natural gas service. The Staff discussed EEMC's request for a waiver of 20 VAC 5-311-50 A 12 a of the Interim Rules, which requires an applicant to file an audited balance sheet and income statement. The Staff noted that EEMC provided its parent's consolidated financial statements rather than its own. EEMC is a relatively new venture and does not have financial statements. The Staff recommended that the waiver be granted as requested and stated that the alternate information filed by the Applicant, together with its experience in the WGL pilot program and its affiliation with Enron, a well-capitalized entity, serve as sufficient evidence of financial responsibility. The Staff concluded that EEMC meets the technical fitness requirements for licensure. As such, the Staff recommended that a license be granted to EEMC for the provision of natural gas service to residential and commercial customers in the WGL and CGV pilot programs.

EEMC did not file a response to the Staff Report. It did, however, file proof of publication of its notice on November 22, 2000.

NOW UPON CONSIDERATION of the application, the Staff Report, and the applicable law, the Commission finds that EEMC's application to provide natural gas service should be granted. We will also grant the waiver of our requiring audited financial statements. Accordingly,

IT IS ORDERED THAT:

(1) As provided by the Interim Rules, 20 VAC 5-311-60 A, Enron Energy Marketing Corp. is granted a waiver of 20 VAC 5-311-50 A 12 a and the submitted parent financial information is accepted in lieu of the Applicant's audited financial statements.

(2) Enron Energy Marketing Corp. hereby is granted license No. PG-14 to provide competitive natural gas supply service to residential and commercial customers in conjunction with the retail access pilot programs of WGL and CGV. This license to act as a competitive service provider is granted subject to the provisions of the Interim Rules, this Order, and other applicable statutes.

(3) This license shall expire upon termination of the respective pilot programs unless otherwise ordered by the Commission. This license is not valid authority for the provision of any product or service not identified within the license itself.

(4) Failure of Enron Energy Marketing Corp. to comply with the Interim Rules, the provisions of this Order, other State Corporation Commission orders and rules, or other applicable state or federal laws may result in an enforcement action by the Commission including, without limitation, the revocation, suspension, or modification of the license granted herein, the refusal to renew such licenses, the imposition of appropriate fines and penalties, or such other additional actions as may be necessary to protect the public interest.

(5) This case shall remain open for consideration of any subsequent amendments or modifications to this license.

CASE NOS. PUE000547 and PUA000078
NOVEMBER 30, 2000

APPLICATION OF
SOUTHERN ENERGY POTOMAC RIVER, LLC

For a certificate of public convenience and necessity: Potomac River Station

PETITION OF
POTOMAC ELECTRIC POWER COMPANY
and
SOUTHERN ENERGY POTOMAC RIVER, LLC

For authority to acquire and dispose of utility assets: Potomac River Station

ORDER GRANTING APPLICATION AND PETITION

On September 25, 2000, Potomac Electric Power Company ("PEPCO") and Southern Energy Potomac River, LLC ("SE-Potomac River", filed their Joint Application of Potomac Electric Power Company and Southern Energy Potomac River, LLC ("Joint Application"). As required by the Utility Transfers Act, §§ 56-88 through 56-91 of the Code of Virginia, PEPCO seeks authority from the Commission to sell the generating units and related facilities at its Potomac River Station, Alexandria, Virginia, and to lease the land upon which the facilities are located. PEPCO has contracted to sell generating facilities in Maryland and Virginia, including the facilities covered by this application, to Southern Energy, Inc. At the closing of the transaction, Southern Energy, Inc., will assign its rights in the Potomac River Station to its SE-Potomac River subsidiary. SE-Potomac River seeks Commission authorization to purchase the generating and related facilities and to lease the land. In the Joint Application, SE-Potomac River also applied for a certificate of public convenience and necessity authorizing the acquisition and operation of these facilities at Potomac River Station. PEPCO sought modification of its certificate to reflect the transaction. As set out in this order, the Commission will grant the requested authority and certificates.

In our Order for Docketing and Notice of Notice of October 20, 2000, as modified in the Order Revising Schedule of October 24, 2000, the Commission docketed the Joint Application and directed the applicants to give notice. We also directed the Commission Staff to investigate the application and to file a report. We found that the Joint Application raised an issue of the interpretation of §§ 56-265.2 and 56-580 of the Code of Virginia. The Commission directed the Staff, PEPCO, and SE-Potomac River to address the interpretation of these provisions in memoranda.

PEPCO and SE-Potomac River filed on October 30, 2000, a certificate of publication of notice in a newspaper circulating in Alexandria. The applicants also filed a certificate of service of copies of the application and posting. The Commission finds that reasonable notice of the Joint Application was given.

In response to the notice, the Commission received on November 7, 2000, a copy of a letter form the Virginia Department of Environmental Quality, Office of Environmental Impact Review, to PEPCO's counsel. According to the letter, the Department had determined that a coordinated environmental review of the Joint Application was unnecessary. On November 13, 2000, the City of Alexandria filed comments and requested a hearing on the Joint Application. By letter filed with the Clerk on November 27, 2000, the City of Alexandria withdrew its comments and request for a hearing.

The Staff filed on November 17, 2000, its report on the application. The Commission's Division of Energy Regulation determined that the proposed transfer would have no material adverse impact on the reliability of the electric system serving Northern Virginia and no adverse effect on rates of any regulated utility in Virginia. The Division of Energy Regulation recommended that the Commission approve the transfer and issue a certificate to SE-Potomac River. The Division of Public Utility Accounting recommended that the Commission grant approval under the Utility Transfers Act. By letter filed with the Clerk on November 21, 2000, PEPCO and SE-Potomac River stated that they would not file comments on the Staff report. Upon consideration of the Joint Application and the record described, the Commission finds that no hearing or further investigation is required, and we may act on the application and petition.

The Transfers Act Petition

PEPCO acknowledges in the Joint Application that it is a "public utility" under the Utility Transfers Act, § 56-88 of the Code of Virginia. The generating and related facilities at the Potomac River Station and the land upon which they are located are "utility assets" as defined in § 56-88. As required by another provision of the Transfers Act, § 56-90 of the Code, the Commission may enter an appropriate order authorizing a transfer when we are "satisfied that adequate service to the public at just and reasonable rates will not be impaired . . .." PEPCO does not serve retail customers in Virginia. According to the Joint Application, as discussed below, SE-Potomac River will operate the generating facilities to continue supporting local reliability and interconnection

requirements. Based on the record and upon the advice of the Staff, the Commission finds that adequate service to the public at just and reasonable rates will not be impaired by the transaction. The petition for authority under the Utility Transfers Act will be granted.

The Application for Certificates of Public Convenience and Necessity

In the Joint Application, PEPCO recognizes that it is a "public utility" as defined in the Utility Facilities Act, § 56-265.1 of the Code of Virginia. Since PEPCO proposes to retain ownership of all land at the Potomac River Station and to own and operate transmission facilities at that location, as well as at other locations in Virginia, it will remain a public utility after the proposed transaction. Likewise, SE-Potomac River acknowledges in the Joint Application that, under the Utility Facilities Act, it must have a certificate of public convenience and necessity authorizing the acquisition and operation of the generating and related facilities.

In the Joint Application, SE-Potomac River applied for a certificate under § 56-265.2 B of the Code. That provision provides, in part, that "the Commission . . . may permit the construction and operation of electrical generating facilities, which shall not be included in the rate base of any regulated utility . . .." Pursuant to the same subsection B, SE-Potomac River also sought exemption from the provisions of Chapter 10 (§§ 56-232 et seq.) of Title 56.

SE-Potomac River also requested approval to operate the generating facilities as provided by § 56-580 D of the Code. In language similar to that in § 56-265.2 B of the Code, § 56-580 D provides that "[t]he Commission may permit the construction and operation of electrical generating facilities . . ." after making certain findings. As noted, the Commission directed the Staff and the applicants to address whether these provisions can be applied in this proceeding. Memoranda were filed on November 17, 2000.

In its memorandum, the Staff argued that the two provisions governed applications to construct generation facilities, and they could not apply in this instance. While PEPCO and SE-Potomac River requested approval under § 56-265.2 B and § 56-580 D, they acknowledged that applicability of both of these sections in this case was "unclear". The applicants stated that if the Commission found that these provisions did not apply to their application, they requested certification under another provision of the Utility Facilities Act, § 56-265.2 A of the Code. Upon consideration of the statutory language, the Commission finds that § 56-265.2 B and § 56-580 D are not applicable in this proceeding. We further find that a certificate may be issued to SE-Potomac River pursuant to § 56-265.2 A of the Code.

According to the Joint Application, PEPCO and SE-Potomac River will enter into an Interconnection Agreement (Potomac River) that will provide for interconnection of the generating facilities to PEPCO's transmission system. Power from the Potomac River Station will continue to be available for dispatch by PJM. PEPCO and SE-Potomac River will also enter into a Local Area Support Agreement. Under the Local Area Support Agreement, SE-Potomac River will provide local generation support to maintain reliability in the local area of the Potomac River Station and for loads on transmission lines connected to the Potomac River Station switchyard. Consequently, the Potomac River Station generating facilities will continue to support reliability.

The Potomac River Station has operated for over 60 years. While output from the facility has not been supplied directly to Virginia customers since 1986, the Potomac River Station has contributed to local reliability. Based upon the record and upon the advice of the Staff, the Commission finds that a certificate may be issued to SE-Potomac River to acquire and operate the generating facilities as proposed in the Joint Application upon the closing of the transactions. In addition, a new certificate showing facilities retained by PEPCO may then be issued.

In this proceeding, the Commission has limited its review and consideration of the Joint Application to authorizing the disposal and acquisition of generating facilities and the lease of land at the Potomac River Station and issuing certificates of convenience and necessity. The Commission has not reviewed the entire series of proposed transactions between PEPCO and Southern Energy, Inc., which are described in the Joint Application. The Commission has not considered and does not make any findings on the price paid for the assets involved in this proceeding, or any other assets sold by PEPCO to Southern Energy, Inc., and its subsidiaries or on the process that established these prices.

Accordingly, IT IS ORDERED THAT:

(1) Pursuant to the Utility Transfers Act, §§ 56-88 through 56-91 of the Code of Virginia, the joint petition of PEPCO and SE-Potomac River for authority to acquire and dispose of utility assets is granted.

(2) PEPCO is authorized to dispose of the assets summarily described in Attachment A of this Order Granting Application and Petition and fully described in the Joint Application and SE-Potomac River is authorized to acquire the same assets.

(3) PEPCO and SE-Potomac River are authorized to enter into the lease of the land, including the Building Addition, pursuant to the agreements included in the Joint Application. To provide notice of its extent, the leasehold is described in Attachment B of this Order Granting Application and Petition.

(4) On or before February 2, 2001, PEPCO and SE-Potomac River shall file with the Clerk of the Commission a report of the acquisition of assets and lease of land authorized by this Order Granting Application and Petition.

(5) Pursuant to the Utility Facilities Act, §§ 56-265.1 through 56-265.9 of the Code of Virginia, SE-Potomac River's application for a certificate of public convenience and necessity is granted to the extent discussed above and otherwise is denied.

(6) Pursuant to § 56-265.2 A of the Code of Virginia, SE-Potomac River be issued a certificate of public convenience and necessity for the acquisition and operation of the generating and related facilities described in Attachment A and the lease of the land, including the Building Addition, described in Attachment B, upon the filing of the report required by ordering paragraph (4).

(7) Pursuant to § 56-265.2 A of the Code of Virginia, PEPCO be issued a certificate of public convenience and necessity for the transmission and other facilities it will continue to operate at the Potomac River Station, upon the filing of the report required by ordering paragraph (4).

(8) Case No. PUE000547 be continued for the issuance of the certificates described in ordering paragraphs (6) and (7) after the filing of the report required by ordering paragraph (4).

(9) Case No. PUA000078 is closed and dismissed from the docket.

NOTE: Copies of Attachment A and Attachment B 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 NO. PUE000563
DECEMBER 19, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ALL CLEAR LOCATING SERVICES, 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 4, 2000, Rappahannock Electric Cooperative damaged a fifty pair main telephone line operated by GTE South Incorporated located at or near 2420 Mount Olive Road, Partlow, Virginia, while excavating;

(2) On or about May 1, 2000, Virginia Electric and Power Company damaged a fifty pair telephone service line operated by GTE South Incorporated located at or near 13618 Perimeter Drive, Fredericksburg, Virginia, while excavating;

(3) On or about May 9, 2000, Homes of Distinction, Inc., damaged a one hundred pair telephone line operated by GTE South Incorporated located at or near 11719 Inverarry Drive, Fredericksburg, Virginia, while excavating;

(4) On or about May 23, 2000, Plumb-Rite Plumbing Services, Inc., damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 2010 Enterprise Drive, Forest, Virginia, while excavating;

(5) On or about May 25, 2000, Gene Hayden, property owner, damaged a one inch plastic gas service line operated by Columbia Gas of Virginia, Inc., located at or near 902 West Main Street, Waynesboro, Virginia, while excavating;

(6) On or about June 2, 2000, Walt's Construction, Inc., damaged a three-hundred pair telephone service line operated by GTE South Incorporated located at or near 7203 Pullen Drive, Fredericksburg, Virginia, while excavating;

(7) On or about July 28, 2000, Harrisonburg Electric Commission damaged a ten pair telephone service line operated by GTE South Incorporated located at or near 997 Circle Drive, Harrisonburg, Virginia, while excavating;

(8) For the incidents described in paragraphs (1) through (7) herein, All Clear Locating Services, 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;

(9) On or about April 20, 2000, C. L. Garbee Construction notified the notification center of plans to excavate at or near Route 666, Bedford, Virginia;

(10) On or about May 8, 2000, Holiday Inn Express notified the notification center of plans to excavate at or near 25 Willow Springs Road, Rockbridge, Virginia;

(11) On or about May 10, 2000, Inge Long, homeowner, notified the notification center of plans to excavate at or near 100 Portugal Cove, Stafford, Virginia;

(12) On or about May 11, 2000, Virginia Concrete Construction Co., Inc., notified the notification center of plans to excavate at or near 2800 Sprouse Road, Henrico, Virginia;

(13) On or about May 15, 2000, Ridgewood Construction, Inc., notified the notification center of plans to excavate at or near various addresses in Stafford, Virginia;

(14) On or about May 24, 2000, Ridgewood Construction, Inc., notified the notification center of plans to excavate at or near 85 Brush Everard Court, Stafford, Virginia;

(15) For the incidents described in paragraphs (9) through (14) 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 forty eight hours after receiving notice from the notification center, in violation of § 56-265.19 A of the Code of Virginia;

(16) On or about June 21, 2000, Tri-Star Cable notified the notification center of plans to excavate at or near Briarcliff Lane, Amherst, Virginia;

(17) For the incident described in paragraph (16) herein, 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 no later than forty eight hours after receiving notice from the notification center, in violation of § 56-265.19 A of the Code of Virginia; and

(18) The Company failed to mark the utility line after a three hour notice, in violation of § 56-265.17 B 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 $17,150 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 $17,150 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. PUE000574
DECEMBER 4, 2000

APPLICATION OF
OLD MILL POWER COMPANY

For licenses to conduct business in the electric and natural gas retail access pilot programs and to act as an aggregator

ORDER

On October 20, 2000, Old Mill Power Company ("Old Mill Power" or "Applicant"), filed an application for licenses to conduct business as an electric and natural gas competitive service provider ("CSP") and aggregator in the electric and natural gas retail access pilot programs, as provided by the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 et seq. ("Interim Rules"). The Applicant intends to serve residential, commercial, and industrial customers participating in the natural gas retail access pilot programs of Washington Gas Light Company ("WGL"), Columbia Gas of Virginia, Inc. ("CGV"), and in the electric retail access pilot programs of Virginia Electric and Power Company ("Virginia Power"), Appalachian Power Company d/b/a American Electric Power ("AEP-VA"), and Rappahannock Electric Cooperative ("REC").

On October 30, 2000, the Commission issued its Order for Notice and Comment, establishing the case, requiring that notice of the application be published, providing for the receipt of comments from the public, and requiring the Commission's Staff to analyze the reasonableness of Old Mill Power's application and present its findings in a Staff Report to be filed on or before November 22, 2000.

In response to a request filed by the Applicant, the Commission entered an Order on November 15, 2000, granting Old Mill Power an extension of two days to publish notice of its application.

The Applicant filed proof of publication of its notice on November 17, 2000. No comments from the public on Old Mill Power's application were received.

The Staff filed its Report on November 22, 2000, concerning Old Mill Power's fitness to provide competitive electric and natural gas service as well as aggregation services. In its Report, the Staff summarized Old Mill Power's proposal and evaluated its financial condition and technical fitness. Although the Applicant provided audited financial statements, it had experienced net losses for the previous two years. The Staff noted that Old Mill Power proposes to provide either an irrevocable letter of credit or a performance bond in the amount of $13,000, as additional evidence of its financial responsibility as a competitive service provider and aggregator participating in the enumerated retail access pilot programs. The Staff recommended that this security be accepted by the Commission as proof of financial fitness. As such, the Staff concluded that Old Mill Power satisfies the financial and technical fitness requirements for licensure upon receipt of such additional evidence. The Staff recommended that a license be granted to Old Mill Power for the provision of competitive electric service to residential, commercial and industrial customers in the Virginia Power, AEP-VA, and REC pilot programs; for the provision of competitive natural gas service to residential, commercial and industrial customers in the WGL and CGV pilot programs; and for the provision of aggregation services, after it files the proposed irrevocable letter of credit or performance bond in the amount of $13,000 with the Commission, made payable to the Commonwealth.

Old Mill Power did not file a response to the Staff Report. It is our understanding that the Staff and Old Mill Power have discussed an appropriate form of financial security. However, at this time, the letter of credit has not yet been filed with this Commission.

NOW UPON CONSIDERATION of the application, the Staff Report, and the applicable law, we note that Section 56-235.8 F 1 states that, "[a] gas supplier license shall be issued to any qualified applicant within forty-five days of the date of filing such application, authorizing in whole or in part the service covered by the application, unless the Commission determines otherwise for good cause shown." Based upon this forty-five day time limit, we must issue the gas license in this case by December 4, 2000, provided we find Old Mill Power to be qualified. As noted earlier, in its Report our Staff found Old

Mill Power to be technically and financially qualified if and when the Applicant files additional financial security in the form of an irrevocable letter of credit or performance bond. Consequently, the Commission finds that, at this time, Old Mill Power is not a qualified applicant solely because of its financial status. Therefore, we will defer any further action in this matter until we have received an acceptable form of security from the Applicant.

Accordingly,

IT IS ORDERED THAT:

(1) Consideration of this matter shall be continued until the Applicant files an acceptable form of security to ensure its financial responsibility in providing the services for which an application has been filed.

CASE NO. PUE000575
NOVEMBER 2, 2000

PETITION OF
UGI ENERGY SERVICES, INC. d/b/a GASMARK

For a Temporary Waiver of Competitive Service Provider Licensing Requirements

ORDER GRANTING REQUEST TO WITHDRAW

By letter filed with the Clerk of the State Corporation Commission ("Commission") on October 20, 2000, UGI Energy Services, Inc., d/b/a GASMARK ("GASMARK" or "the Company"), by counsel, requested a temporary waiver of Rule 20 VAC 5-311-50 of the Commission's Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs ("Interim Rules"). Interim Rule 20 VAC 5-311-50 addresses the licensure of competitive service providers and aggregators. In its request, GASMARK explained that effective October 1, 2000, it had by agreement with Conectiv Energy Supply, Inc. taken assignment of certain contracts to supply natural gas to retail customers, including a limited number of customer accounts on the Columbia Gas of Virginia, Inc. system and one account on Roanoke Gas Company's system. The Company represented that it was in the process of preparing an application and required supporting documents for a license under the Interim Rules, but required a waiver of the Interim Rules so service to its customers in Virginia could continue until its application was acted upon by the Commission.

On October 30, 2000, GASMARK, by counsel, filed a Motion to withdraw its request for temporary waiver. GASMARK explained that it had discovered that the natural gas customers it was serving in Virginia were not participants in any retail choice pilot programs, but instead, were commercial and industrial customers who were receiving transportation service from local distribution companies in Virginia. The Company noted that it intended to file an application as a competitive service provider in the future and requested leave to withdraw its request for waiver.

NOW, UPON CONSIDERATION of GASMARK's request, the Commission is of the opinion and finds that this matter should be docketed; that the Company's Motion to withdraw its request for a waiver of the competitive service provider licensing requirements should be granted; and that this matter should be closed.

Accordingly, IT IS ORDERED THAT:

(1) This matter is hereby docketed and assigned Case No. PUE000575.

(2) GASMARK's October 30, 2000, Motion to withdraw its request for a waiver of the Interim Rules is granted.

(3) This matter shall be dismissed, and the papers filed herein shall be made a part of the Commission's file for ended causes.

CASE NO. PUE000576
NOVEMBER 30, 2000

APPLICATION OF
POWERTRUST ENERGY SERVICES, INC.

For licenses to conduct business as an aggregator and a natural gas competitive service provider

ORDER GRANTING LICENSES

On October 19, 2000, PowerTrust Energy Services, Inc. ("PowerTrust Energy" or "Company"), completed an application for licensure to conduct business as a competitive service provider and aggregator in natural gas retail access pilot programs that have been approved by this Commission. The Company states that it proposes to provide competitive natural gas service to residential and small business customers participating in the retail access pilot programs of Washington Gas Light Company ("WGL") and Columbia Gas of Virginia, Inc. ("CGV").

On October 24, 2000, the Commission issued its Order for Notice and Comment, establishing the case, requiring that notice of the application be published, providing for the receipt of comments from the public, and requiring the Commission's Staff to analyze the reasonableness of PowerTrust Energy's application and present its findings in a Staff Report to be filed on or before November 17, 2000.

The Company filed proof of publication of its notice on November 13, 2000. No comments from the public on PowerTrust Energy's application were received.

On November 17, 2000 PowerTrust Energy submitted additional information regarding its financial fitness. In addition, the Company requested a waiver of the provision of the Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 et seq. ("Interim Rules") that requires the submission of audited financial statements (20 VAC 5-311-50 A 12 a).

The Staff filed its Report concerning PowerTrust Energy's fitness to provide competitive natural gas and aggregation services. The Staff concluded that PowerTrust Energy satisfies the financial and technical fitness requirements for licensure, and the Staff recommended that a license be granted to PowerTrust Energy for the provision of natural gas and aggregation services in the WGL and CGV pilot programs. The Staff also supported the Company's request for a waiver from the submission of audited financial statements pursuant to 20 VAC 5-311-50 A 12 a.

PowerTrust Energy did not file a response to the Staff Report.

NOW UPON CONSIDERATION of the application, the Staff Report, and the applicable law, the Commission finds that the Company's application to provide natural gas and aggregation services should be granted. We will also grant the waiver of our requirement for audited financial statements. Accordingly,

IT IS ORDERED THAT:

(1) As provided by the Interim Rules, 20 VAC 5-311-60 A, PowerTrust Energy is granted a waiver of 20 VAC 5-311-50 A 12 a.

(2) PowerTrust Energy hereby is granted license No. PG-12 to provide natural gas service to residential and commercial customers in conjunction with the retail access pilot programs of WGL and CGV. This license to act as a natural gas competitive service provider is granted subject to the provisions of the Interim Rules, this Order, and other applicable statutes.

(3) PowerTrust Energy hereby is granted license No. PA-9 to provide aggregation services to residential and commercial customers in conjunction with the retail access pilot programs of WGL and CGV. This license to act as an aggregator is granted subject to the provisions of the Interim Rules, this Order, and other applicable statutes.

(4) This license shall expire upon termination of the respective pilot programs unless otherwise ordered by the Commission. This license is not valid authority for the provision of any product or service not identified within the license itself.

(5) Failure of PowerTrust Energy to comply with the Interim Rules, the provisions of this Order, other State Corporation Commission orders and rules, or other applicable state or federal laws may result in an enforcement action by the Commission including, without limitation, the revocation, suspension, or modification of the license granted herein, the refusal to renew such licenses, the imposition of appropriate fines and penalties, or such other additional actions as may be necessary to protect the public interest.

(6) This case shall remain open for consideration of any subsequent amendments or modifications to these licenses.

CASE NO. PUE000585
DECEMBER 8, 2000

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

To revise its fuel factor pursuant to § 56–249.6 of the Code of Virginia

ORDER ESTABLISHING 2001 FUEL FACTOR PROCEEDING

On November 17, 2000, Virginia Electric and Power Company ("Virginia Power" or "the Company") filed with the Commission an application, testimony, and exhibits requesting an increase in its fuel factor from 1.339¢ per kWh to 1.613¢ per kWh effective with usage on and after January 1, 2001.

There are two outstanding issues remaining from Virginia Power's most recent fuel factor case that are presented in the current proceeding in addition to the issues that normally arise. In Case No. PUE990717, issues were raised pertaining to the determination of the proper fuel expenses attributable to the Chaparral (Virginia) Inc. ("Chaparral") special contract,[1] and to the consideration of off-system sales in light of the Company's retail access pilot program. In the Final Order in that case, we directed Commission Staff to continue to investigate methods of quantifying fuel costs associated with the Chaparral sales, and to file a report on its findings and recommendations.[2] We further required Commission Staff to propose a method for identifying those off-systems sales and associated margins that result from the capacity freed-up by departure of retail customers who choose an alternative generation supplier, and to file a report on its findings and recommendations.[3] These two issues and studies were to be considered in the Company's next fuel factor case. This proceeding represents Virginia Power's next fuel factor case, and we will now consider these issues.

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[1] Application of Virginia Electric and Power Company, For approval of a special rate contract pursuant to § 56-235.2 of the Code of Virginia, Case No. PUE980333, 1999 S.C.C. Ann. Rept. 419 (January 26, 1999).

[2] Application of Virginia Electric and Power Company, To revise its fuel factor pursuant to Virginia Code § 56-249.6, Case No. PUE990717, Doc. Cont. Ctr. No. 000340515, Final Order (March 28, 2000).

[3] Id.

Pursuant to the Final Order in Case No. PUE990717, the Commission Staff filed, on July 12, 2000, the Chaparral Special Contract Fuel Factor Impact Monitoring Study ("Chaparral Study"). The Chaparral Study recommends that the Company use a back-cast, or after-the-fact, run of its simulation model to determine fuel expenses associated with serving the Chaparral load. Because the back-cast method represents the closest approximation to Virginia Power's reconstructed own-load dispatch, the Staff incorporated this method into a six-component proposal for calculating fuel costs attributable to Chaparral.[4] On or about September 11, 2000, Virginia Power filed comments on the Chaparral Study recommending the use of a forecast, rather than a back-cast, methodology.[5] On September 11, 2000, Chaparral filed a Notice of Protest and Protest.[6]

On August 29, 2000, also in response to the Final Order in Case No. PUE990717, the Commission Staff filed a report on Fuel Accounting for Sales Displaced in Retail Access Pilot ("Displaced Pilot Sales Report"). This report proposed a calculation method to separate margins from off-system sales resulting from capacity freed-up by displaced pilot sales, from the margins realized from other Company off-system sales activities, in order to allow accurate shared margin crediting to the fuel factor in accordance with the Company's Definitional Framework of Fuel Expenses. The Displaced Pilot Sales Report recommended the use of a pro-rata method to segregate off-system sales attributable to displaced pilot sales from those off-system sales that would be made in the absence of Virginia Power's retail access pilot program.[7]

On October 10, 2000, Virginia Power filed comments agreeing with Staff's analysis with one exception. This exception questioned the Staff's assertion that the determination of hourly sales volumes should be calculated using the sum of the scheduled hourly loads for all CSPs, rather than the sum of the forecasted hourly load for all CSPs produced on a day-ahead basis.

Pursuant to our Final Order in Case No. PUE990717, further action by the Commission on the Chaparral Study and the Displaced Pilot Sales Report was to be withheld until Virginia Power's next fuel factor case. The determination of the proper fuel expenses attributable to the Chaparral special contract and the consideration of off-system sales associated with the Company's retail access pilot program now will be addressed in the current proceeding.

IT IS THEREFORE ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUE000585.

(2) The proposed fuel factor of 1.613¢ per kWh shall be effective, on an interim basis, for usage on and after January 1, 2001.

(3) A hearing is hereby scheduled for 10:00 a.m. on March 1, 2001, in the Commission's Second Floor Courtroom for the purpose of receiving evidence related to the establishment of Virginia Power's fuel factor to be effective on and after January 1, 2001, 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 counsel for Virginia Power, Karen L. Bell, Esquire, Legal Services, Virginia Electric and Power Company, One James River Plaza, P.O. Box 26666, Richmond, Virginia 23261-6666. The application, prefiled testimony exhibits, and 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.

(5) On or before December 18, 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 2001
FUEL FACTOR PROCEEDING FOR
VIRGINIA ELECTRIC AND POWER COMPANY
CASE NO. PUE000585

On November 17, 2000, Virginia Electric and Power Company ("Virginia Power" or "the Company") filed with the State Corporation Commission for an increase in its fuel factor from 1.339¢ per kWh to 1.613¢ per kWh effective with usage on and after January 1, 2001.

In addition to examining the reasonableness of the Company's current proposed fuel factor increase, there are two outstanding issues remaining from Virginia Power's most recent fuel factor case to be considered here. In Case No. PUE990717, issues were raised pertaining to the determination of the proper fuel expenses

[4] A fixed amount of load is determined for each hour based on Chaparral's expected average hourly consumption during each month of the study period. The back-cast method then is used to produce an estimate of the total average hourly incremental cost to serve Chaparral for the month. Next, estimated non-fuel components are removed to determine the average hourly fuel cost associated with Chaparral. This fuel-only average cost is then multiplied by Chaparral's hourly load to yield total fuel cost associated with serving Chaparral.

[5] Virginia Power argued that: (1) under the Chaparral special contract, a major component of the price that Chaparral pays is determined by a day-ahead forecast of the Virginia Power system lambda and specifically excludes any after-the-fact verification or true-up; (2) use of the back-cast method would deprive it of some of the benefit of the bargain struck with Chaparral; and (3) the back-cast method is an estimate that incorporates "new costs" not included in the forecast, specifically, start-up, shut-down, and no-load carrying costs as defined by the Company; the inclusion of these "new costs" causes the back-cast method generally to result in a higher estimate of incremental costs than the forecast method.

[6] Chaparral argued that: (1) the Staff did not have appropriate data; (2) the Staff considered Chaparral as an off-system wholesale customer, when Chaparral actually is a native load customer; and (3) the back-cast method is contrary to the special contract.

[7] The starting point for this method is the day-ahead forecast of hourly MWh volume of load estimated to be served by competitive service providers ("CSPs") in the pilot program. The method effectively reduces the recorded volume of each off-system sale occurring in a particular hour by a factor equal to the displaced pilot sales in that hour divided by the total MWh volume of all off-system sales recorded during each hour. Displaced pilot sales margins are assigned that hour's average profitability.

attributable to the Chaparral (Virginia) Inc. ("Chaparral") special contract, and to the consideration of off-system sales in light of the Company's retail access pilot program. In the Final Order in that case, we directed Commission Staff to continue to investigate methods of quantifying fuel costs associated with the Chaparral sales and to file a report on its findings and recommendations. We further required Commission Staff to propose a method for identifying those off-systems sales that result from the departure of retail customers who choose an alternative generation supplier and the margins associated with such sales, and to file a report on its findings and recommendations. The Commission Staff filed studies as directed. These two issues will be addressed in this case. Any interested persons may file comments or testimony, as described below, on the proposed fuel factor as well as on the Chaparral Study and the Displaced Pilot Sales Report available for public review.

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 March 1, 2001, 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 1.613¢ per kWh effective for usage on and after January 1, 2001.

Any member of the public may obtain a free copy of Virginia Power's application and prefiled testimony and exhibits by contacting counsel for Virginia Power, Karen L. Bell, Esquire, Legal Services, Virginia Electric and Power Company, One James River Plaza, P.O. Box 26666, Richmond, Virginia 23261-6666. The application, prefiled testimony, exhibits, and 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.

On or before January 19, 2001, persons desiring to participate as Protestants, as defined in Rule 4:6 of the Commission Rules of Practice and Procedure, 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 counsel for Virginia Power, Karen L. Bell, at the address set forth above. Two copies of each of these documents also shall be served on all other Protestants on or before January 26, 2001.

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.

All written communications to the Commission regarding this proceeding shall identify Case No. PUE000585 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

(5) On or before December 18, 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.

(6) On or before January 19, 2001, persons desiring to participate as Protestants, as defined in Rule 4:6 of the Commission Rules of Practice and Procedure, 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, including any testimony and exhibits relating to the Chaparral Study and the Displaced Pilot Sales Report. 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 counsel for Virginia Power, Karen L. Bell, at the address set forth above. Two copies of each of these documents also shall be served on all other Protestants on or before January 26, 2001.

(7) On or before February 14, 2001, 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.

(8) On or before February 21, 2001, 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, which may include testimony and exhibits relevant to the Chaparral Study and the Displaced Pilot Sales Report. 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 that was not prefiled but elicited at the time of the hearing and leave to present said evidence is granted by the Commission.

(9) Discovery shall be in accordance with the Commission's Rules of Practice and Procedure, except that the Company and Protestant(s) shall respond to written interrogatories or data requests within five (5) calendar 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.

(10) The Chaparral Study and the Displaced Pilot Sales Report, and comments related thereto in Case No. PUE990717, are hereby made a part of the record in this case.

(11) On 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. PUE000586
NOVEMBER 14, 2000

COMMONWEALTH OF VIRGINIA, EX REL.
STACY A. SNYDER, ET AL.
v.
VIRGINIA GAS PIPELINE COMPANY

In Re: Motion to reinstate the Commission's docket in Case No. PUE990167, and reconsider, and/or vacate the Commission's final order in that case granting Virginia Gas Pipeline Company a certificate

ORDER

Background

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.), Chapter 10.1 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 would be an expansion of VGPC's existing P-25 pipeline system, which now runs 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 stated that the project would total approximately 57.4 miles and would connect VGPC's facilities with markets further east. The proposed transmission pipeline would pass through the distribution territories of United Cities Gas Company and Roanoke Gas Company and would 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 order specifically directed VGPC to publish notice of the application in newspapers in the areas through which the pipeline was proposed to be constructed. The Company was further directed to serve a copy of the April 15, 1999, Order on the chair of the board of supervisors of any county and upon the mayor or manager of any county, city, or town (or upon equivalent officials in counties, towns, and cities having alternate forms of government) lying within the area in which VGPC proposed to construct the pipeline. The Commission also directed its Staff to file a report detailing its findings and recommendations on or before July 16, 1999.

The Company published notice of the application on May 5, 1999, in The News Messenger/News Journal and The Franklin News-Post, and on May 6, 1999, in The Southwest Times and The Roanoke Times. The notice stated, in pertinent part:

NOTICE TO THE PUBLIC OF AN APPLICATION BY
VIRGINIA GAS PIPELINE COMPANY FOR A CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY TO CONSTRUCT, OWN AND
OPERATE A NATURAL GAS TRANSMISSION PIPELINE
SYSTEM AND RELATED FACILITIES
CASE NO. PUE990167

On March 19, 1999, Virginia Gas Pipeline Company ("VGPC" or "the Company") filed an application with the State Corporation Commission ("Commission") requesting the Commission to issue a certificate of public convenience and necessity authorizing VGPC 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.

VGPC proposes to extend the line from Radford into Roanoke County, Virginia, and to construct laterals to Rocky Mount, Virginia, 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 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.

Interested persons are encouraged to review VGPC's application and supporting documents for the details of all proposals found in the application . . . .

Copies of VGPC's application are available for public inspection during regular business hours at VGPC's office at 200 Main Street, Abingdon, Virginia 24210, during the hours of 9:00 a.m. to 5:00 p.m., Monday through Friday. The application is also available for public inspection Monday through Friday, 8:15 a.m. to 5:00 p.m. at the State Corporation Commission, Document Control Center, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia 23219.

[1] The existing P-25 pipeline from Chilhowie to Radford, Virginia, was approved by the Commission in Case No. PUE970024.

Any person desiring to comment in writing on VGPC's application or request a hearing may do so by directing such comments or requests on or before May 28, 1999, to Joel H. Peck, Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218 and shall refer to Case No. PUE990167. . .

If no requests for hearing are received, a formal hearing with oral testimony may not be held and the Commission may make its decisions administratively, based upon papers filed in this proceeding.

The Company also served a copy of the April 15, 1999, Order on the Chairs of the County Board of Supervisors of Pulaski, Montgomery, Roanoke, and Rocky Mount, on the Mayors/Managers of Pulaski County, Montgomery County, Roanoke County, Rocky Mount, and the City of Roanoke, on the County Administrator for Franklin County, and on the Directors of the Virginia Department of Conservation and Recreation, and the Virginia Department of Environmental Quality ("DEQ").

On May 28, 1999, following publication of the first notice, Atmos Energy Corporation d/b/a United Cities Gas Company ("United Cities"), filed comments and requested a hearing on the application. However, before the Commission could act on United Cities' filing, it withdrew the request for hearing.

On July 14, 1999, the Company filed a modification to its proposed route into Rocky Mount, Virginia. The modification was made pursuant to the Department of Conservation and Recreation's recommendation that several natural area preserves were in danger of being disturbed by the construction of the proposed pipeline.

On July 15, 1999, the Staff of the Commission ("Staff"), by its counsel, filed a motion requesting an extension of time to file its Report in order to give it additional time to review the modification to the application. The Commission granted the Staff's motion, and directed the Company to publish and serve notice of the change in the application. The Company published the second notice on August 10, 1999, in The Southwest Times and The Roanoke Times and in The News Messenger/News Journal and The Franklin News-Post on August 11, 1999. The second notice stated, in pertinent part:

NOTICE TO THE PUBLIC OF A CHANGE IN THE APPLICATION
OF VIRGINIA GAS PIPELINE COMPANY FOR A CERTIFICATE
OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT
OWN, AND OPERATE A NATURAL GAS TRANSMISSION
PIPELINE SYSTEM AND RELATED FACILITIES
CASE NO. PUE990167

On March 19, 1999, Virginia Gas Pipeline Company ("VGPC" or "the Company") filed an application with the State Corporation Commission ("Commission") requesting the Commission to issue a certificate of public convenience and necessity authorizing VGPC 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.

On July 14, 1999, the Company filed a modification to its proposed route into Rocky Mount, Virginia. That modification will necessitate relocation of the proposed pipeline in two locations and the acquisition of additional rights-of-way, the details of which may be reviewed at the following locations: VGPC's office at 200 Main Street, Abingdon, Virginia 24210, during the hours of 9:00 a.m. to 5:00 p.m., Monday through Friday, and at the State Corporation Commission, Document Control Center, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia 23219, during the hours of 8:15 a.m. to 5:00 p.m.

Any person desiring to comment in writing on VGPC's application or request a hearing may do so by directing such comments or requests on or before September 7, 1999, to Joel H. Peck, Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218, and shall refer to Case No. PUE990167. . .

The Company served a copy of the July 16, 1999, Order on the Chairs of the County Board of Supervisors of Pulaski, Christiansburg, Roanoke, and Rocky Mount, and the Mayor/Managers of Pulaski County, Montgomery County, Franklin County, Rocky Mount, Roanoke County, and the City of Roanoke.

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 for gas transportation service to support additional facilities 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. Because Staff remained cautious about the Company's financial outlook, it recommended that the Commission continue to monitor the financial condition of VGPC through the Annual Informational Filing ("AIF") process and future Chapter 3 and 4 filings related to the pipeline expansion. The AIF requires that utilities provide financial data on a total company and Virginia jurisdictional basis reflecting both its per books operations and adjustments to reflect earnings on a regulatory basis. The Commission uses the AIF process as a foundation to monitor the financial condition of utilities that it regulates.

On December 6, 1999, the Commission issued a Final Order in Case No. PUE990167 granting VGPC a certificate to construct, own, and operate a natural gas transmission pipeline system and related facilities. The order grants VGPC Certificate No. GT-69, and dismisses the case from the Commission's docket of active cases.

Current proceeding

On October 5, 2000, Stacy Snyder and a group of landowners purportedly affected by the pipeline expansion ("Petitioners"), filed a "Motion to Reinstate, Reconsider, and/or Vacate" the Commission's December 6, 1999, Order granting VGPC a certificate in Case No. PUE990167. In support of the motion, Petitioners allege: (1) violation of § 56-265.2:1.B of the Code of Virginia, which requires 30 days' advance public notice of the proposed pipeline, (2) violation of § 56-265.2:1.C of the Code of Virginia by providing less than 30 days in each notice for requests for hearing on the application, (3) violation of § 56-265.2.A by failing to give "due notice" to interested parties of the application, and (4) the "Grant of Easement" form used by VGPC in its right of way acquisition effort does not conform with the rights and privileges granted it by the Commission. On October 17, 2000, Montgomery County filed a motion in support of Petitioners' motion, and on October 23, 2000, Roanoke County filed a similar motion.[2]

On October 18, 2000, VGPC filed a response to Petitioners' motion requesting that the Commission deny the motion and dismiss the action. In support thereof, VGPC states that according to Rules 8:9 and 8:10 of the Commission's Rules of Practice and Procedure, and Rule 5:21 of the Rules of the Supreme Court of Virginia, the Commission lacks subject matter jurisdiction to entertain Petitioners' motion. On November 2, 2000, Petitioners filed a "Reply and Response" to VGPC's response, countering the jurisdictional arguments made by VGPC. Finally, on November 8, 2000, the Company filed a response to Petitioner's "Reply and Response" to refute assertions made in Petitioners' November 2, 2000, filing.

NOW THE COMMISSION, upon consideration of the Petitioners' motion, the above-referenced responses, and the applicable statutes and rules, is of the opinion and finds that Petitioners' motion must be denied.

Jurisdiction

Although we are not without sympathy for Petitioners' situation, we find that the Commission lacks jurisdiction to reopen this matter. Rule 8:9 of our Rules of Practice and Procedure states: "All final judgments, orders and decrees of the Commission . . . 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." Even if the order was erroneous, the Commission had jurisdiction to enter it, and, the allotted time for reconsideration having passed, now lacks jurisdiction to modify it. See Reynolds v. Alexandria Motor Bus Line, Inc., 141 Va. 213 (1925) ("Reynolds"). In that case, the Virginia Supreme Court stated:

> The order of July 7, 1923, shows on its face that it was a final disposition of the case. It is wholly immaterial whether it was right or wrong. The Commission had dismissed it, and no longer had any jurisdiction over it. . . The only remedy of the applicant was by appeal to this court of which he did not avail himself within the time prescribed by law. Id. at 228. . . . To allow such a case to be reopened before the Commission after the expiration of the time in which an appeal could be taken would in effect nullify the provisions of the statute requiring appeals from final orders of the Commission to be taken and perfected within six months from the date of such order. Id. at 229. . . . However inadvertent the order may have been, however erroneous, it was not void, and could only have been set aside by an appeal to [the Virginia Supreme Court]. Id. at 230.

In the instant case, the final order granting VGPC a certificate was entered on December 6, 1999. According to Rule 8:9 of the Commission's Rules,[3] that order remained under the control of the Commission and was subject to modification or vacation for 21 days, or on or before December 27, 1999. Petitioners' motion was filed more than 300 days after the final order was entered in this case. To allow this case to be reopened would nullify the provisions of our Rules establishing the finality of Commission orders and contradict the Virginia Supreme Court's conclusion that the Commission loses jurisdiction over its orders once the prescribed time period expires.

We therefore must conclude that the Commission lacks jurisdiction to reopen this matter. We will address the arguments raised in Petitioner's motion below.

§ 56-265.2.A of the Code of Virginia

We disagree with Petitioners' allegation that the notice failed to comply with § 56-265.2.A of the Code of Virginia, which requires that interested parties receive "due notice" of VGPC's application prior to the Commission's issuance of a certificate. VGPC published notice in all the counties and municipalities affected by the proposed pipeline, provided actual written notice to all appropriate governing bodies, and filed a copy of its plans, specifications and maps with the Commission for inspection by the public. Both notices that were published referred interested parties to VGPC's office or the Commission for review of the details of the application and route of the pipeline. The first published notice identified both the originating point of construction as well as the points to which the pipeline would be extended. The second notice identified the changed route for the lateral into Rocky Mount. The Virginia Supreme Court has held that the notice requirement in § 56-265.2.A of the Code of Virginia "is satisfied with respect to interested parties in a particular county when a notice is published in a newspaper having general circulation in the county and is served on the county's officials, which notice states that a hearing is to be held on the need to construct a utility line between two identified points whose locations readily indicate that the line might traverse the county." Citizens for the Preservation of Floyd County, Inc. v. Appalachian Power Company, 219 Va. 540, 545 (1978) ("Appalachian"). The notices were published in all appropriate newspapers in the affected counties, and copies of the Commission's orders containing the notices were sent to all appropriate governing bodies. The notices published by VGPC clearly identified the points to which the line would be extended, in compliance with the statute and the standard set forth in Appalachian. We therefore must conclude that the notice complied with § 56-265.2.A of the Code of Virginia.

§ 56-265.2:1.B of the Code of Virginia

We also disagree with Petitioners' allegation that the notice failed to comply with § 56-265.2:1.B of the Code of Virginia. That section states in pertinent part: "The Commission shall not approve construction of any such pipeline unless the public utility has provided thirty days' advance public notice

[2] It should be noted that Montgomery County passed a resolution in support of the proposed pipeline on May 11, 1998, and Franklin County also passed a resolution requesting that the Commission approve VGPC's application on April 29, 1998. Roanoke County commented on the environmental impacts of VGPC's application in a letter to the DEQ on May 17, 1999.

[3] Adopted subsequent to the decision in Reynolds.

of the proposed pipeline . . .." (Emphasis added.) The Commission's December 6, 1999, Final Order in this case approving the pipeline construction was 117 days after the second notice was published in newspapers. The public had well beyond 30 days notice prior to the approval of the facility. Therefore, we must conclude that our action complies with § 56-265.2:1.B of the Code of Virginia.

§ 56-265.2:1.C of the Code of Virginia

Section 56-265.2:1.C provides that the Commission shall hold a public hearing if any interested party so requests within 30 days after publication of notice. The first notice of VGPC's application was published in newspapers on May 5 and 6, 1999, and stated that interested parties may file comments or request a hearing on the application on or before May 28, 1999, 22 or 23 days after the publication date. The second notice of VGPC's application was published in newspapers on August 10 and 11, 1999, and stated that interested parties may file comments or request a hearing on the application on or before September 7, 1999, 27 or 28 days after the publication date. It appears that Petitioners argue that because of the dates stated in the notice, regardless of how long the Commission waited to enter the final order, the notices were defective, violated the 30-day provision of § 56-265.2:1.C of the Code of Virginia, and the defect and violation deprived the Commission of jurisdiction to enter its order granting VGPC a certificate. We cannot agree. Interested parties had a cumulative 49 days between both published notices to request a hearing, and the Commission received no requests. Moreover, four months elapsed from the first publication in May and the deadline set in the second notice. Further, a hearing would have been granted had a request been made within 30 days of the publication of either notice; and, upon good cause shown, a hearing would have been granted after the 30-day time period expired but prior to the entry of the final order in this case. Finally, we could have reconsidered the matter if such a request had been received within 21 days of the entry of the final order. However, no interested party requested a hearing on the application until long after the final order was entered on December 6, 1999,[4] and no party complained in any way until more than 300 days after the final order, and more than 16 months after the first notice was published. We find that § 56-265.2:1.C of the Code of Virginia was not violated because no interested party was denied the opportunity for hearing as allowed by law.

Mt. Crawford

Petitioners raise Commonwealth of Virginia, ex rel. Town of Mt. Crawford v. Virginia Electric and Power Company, In Re: Request of Town of Mt. Crawford for hearing on construction of Transmission Line from West Staunton to Harrisonburg, Case No. 20084, 1979 S.C.C. Ann. Rept. 369, ("Mt. Crawford") as support for its position that the Commission has jurisdiction to reopen this matter. In that case, the Commission re-examined the route of a utility line in the context of a complaint proceeding. The town of Mt. Crawford claimed that the transmission line corridor previously approved by the Commission would pass through the town's corporate limits and that it never received notice of the application as required by the statute. Virginia Electric and Power Company ("VEPCO") responded to the complaint and stated, among other things, that the transmission line at issue did not pass through the town's corporate limits. However, without waiving their positions on the location of the utility line and the adequacy of notice, both parties agreed to a hearing before the Commission on the route of the transmission line.

The Mt. Crawford case is distinguishable from this case because it turned on a question of fact that could only be resolved by a hearing, i.e. whether the line crossed into the corporate limits of the town, thereby requiring service of notice on the mayor. If, in fact, the Commission had found in that case that notice was required to be served on the town of Mt. Crawford but had not been made, the question of whether the Commission had jurisdiction to grant a certificate to VEPCO would be raised. Here, by contrast, notice was given to all interested parties in the manner set forth in the statutes.

Alleged Fraud

Finally, Petitioners urge the Commission, pursuant to § 56-265.6 of the Code of Virginia, to revoke the certificate granted to VGPC because they allege it was obtained fraudulently. Section 56-265.6 states, in pertinent part:

> The Commission may, by its order duly entered after hearing, held after due notice to the holder of any such certificate and an opportunity to such holder to be heard, at which hearing it shall be proved that such holder has willfully made a misrepresentation of a material fact in obtaining such certificate or has willfully violated or refused to observe the laws of this State touching such certificate or any of the terms of the certificate, or any of the Commission's proper orders, rules or regulations, impose a penalty not exceeding $1,000, which may be collected by the process of the Commission as provided by law; or the Commission may suspend, revoke, alter or amend any such certificate for any of the causes set forth above. . .

We find no grounds to revoke VGPC's certificate because of any alleged fraud in its procurement. The certificate granted to VPGC was to construct, own, and operate a natural gas transmission pipeline system and related facilities. If the Company ever seeks to construct facilities other than those approved by the Commission, a further construction certificate may be required. The Commission finds no fraud in the publication or content of the notice given to interested parties by VGPC because, as detailed herein, we find that the notices published were in compliance with the statutes and the case law as established by the Virginia Supreme Court. With respect to Petitioners' allegations concerning the acquisition of what are described as expansive easements, to the extent the Company seeks to acquire such easements by eminent domain, that matter will undoubtedly be addressed by the court with jurisdiction over the condemnation proceeding. Accordingly,

IT IS ORDERED THAT:

(1) This matter is docketed as Case No. PUE000586.

(2) Petitioners' October 5, 2000, Motion to Reinstate the Commission's docket in Case No. PUE990167, and Reconsider, and/or Vacate the granting of a certificate to Virginia Gas Pipeline Company is hereby denied.

(3) This case is hereby dismissed from the Commission's docket of active cases.

[4] United Cities withdrew its request for hearing on June 22, 1999.

CASE NO. PUE000586
DECEMBER 4, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STACY A. SNYDER, et al.
v.
VIRGINIA GAS PIPELINE COMPANY

In Re: Motion to reinstate the Commission's docket in Case No. PUE990167, and reconsider, and/or vacate the Commission's final order in that case granting Virginia Gas Pipeline Company a certificate

ORDER ON RECONSIDERATION

On November 14, 2000, the Commission entered an Order in the above-referenced case denying Petitioners' October 5, 2000, Motion to Reinstate the Commission's docket in Case No. PUE990167, and Reconsider, and/or Vacate the granting of a certificate to Virginia Gas Pipeline Company. On November 30, 2000, Petitioners filed a Motion to Reinstate and Reconsider the Commission's November 14, 2000, Order denying their motion.

The Commission finds that the Petitioners' November 30, 2000, Motion should be denied.

Accordingly, IT IS THEREFORE ORDERED THAT:

(1) Petitioners' November 30, 2000, Motion to Reinstate and Reconsider the Commission's November 14, 2000, Order is DENIED.

(2) This matter shall be removed from the Commission's docket, and the papers placed in the file for ended causes.

CASE NO. PUE000655
DECEMBER 19, 2000

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 June 15, 2000, William A. Hazel, Inc., damaged a two inch plastic gas main line operated by Washington Gas Light Company ("the Company") located at or near Macrina Court, South of Faversham Way, Woodbridge, Virginia, while excavating;

(2) On or about June 16, 2000, Geofreeze, Inc., damaged a one-quarter inch plastic gas service line operated by the Company located at or near 2502 Lisbon Lane, Fairfax, Virginia, while excavating;

(3) On or about June 21, 2000, William A. Hazel, Inc., damaged a one-half inch plastic gas service line operated by the Company located at or near 47323 Westwood Place, Sterling, Virginia, while excavating;

(4) On or about June 23, 2000, Rockingham Construction Co., Inc., damaged a one-quarter inch plastic gas service line operated by the Company located at or near 4223 Gustus Drive, Woodbridge, Virginia, while excavating;

(5) On or about July 11, 2000, Utilx Corporation damaged a one-half inch plastic gas service line operated by the Company located at or near 4268 Airlane Parkway, Chantilly, Virginia, while excavating;

(6) On or about July 17, 2000, Leo Construction Company damaged a three-quarter inch plastic gas main line operated by the Company located at or near Lot 691, Arnie Court, Prince William, Virginia, while excavating;

(7) On or about August 15, 2000, Virginia Electric and Power Company damaged a three-quarter inch plastic gas service line operated by the Company located at or near 2709 Woodley Place, McLean, Virginia, while excavating;

(8) On or about August 16, 2000, Tru Green Landcare damaged a three-quarter inch steel gas service line operated by the Company located at or near 2014 Clarendon Boulevard, Rosslyn, Virginia, while excavating;

(9) On or about August 22, 2000, Phong Lee, homeowner, damaged a one-half inch plastic gas service line operated by the Company located at or near 3329 Rose Lane, Falls Church, Virginia, while excavating;

(10) On or about August 23, 2000, Cherry Hill Construction, Inc., damaged a three-quarter inch steel gas service line operated by the Company located at or near 6223 Thornwood Drive, Rosehill, Virginia, while excavating;

(11) On or about September 14, 2000, Arlington County damaged a one-half inch plastic gas service line operated by the Company located at or near 816 North Buchanan Street, Arlington, Virginia, while excavating;

(12) On or about September 18, 2000, Arlington County damaged a one-half inch plastic gas service line operated by the Company located at or near 835 North Buchanan Street, Arlington, Virginia, while excavating; and

(13) 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 $8,400 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.

(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 $8,400 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. PUE000660
DECEMBER 18, 2000

APPLICATION OF
C & P ISLE OF WIGHT WATER COMPANY

To eliminate certain reporting requirements established in Case No. PUE950062

ORDER ELIMINATING CERTAIN REPORTING REQUIREMENTS AND DISMISSING PROCEEDING

By letter dated November 13, 2000, C & P Isle of Wight Water Company ("C & P" or the "Company") requests that the Commission eliminate the reporting requirements established by its Final Order dated August 5, 1996, in Case No. PUE950062. In that Order, the Commission required C & P to maintain cost information for each water system and to submit a report to the Commission's Division of Public Utility Accounting on an annual basis[1]. The Company was also required to collect usage information for each water system and submit such information annually to the Commission's Division of Energy Regulation.

On December 5, 2000, Staff filed a Report wherein it stated that it did not oppose the granting of the above-referenced request as it no longer had significant concerns regarding the subsidization of the various C & P water systems.

Staff recommended, however, that C & P maintain its records in a manner that would allow the Company to conduct a cost analysis on a system-by-system basis. Staff stated that such analysis as well as usage information on the individual water systems should be included in C & P's next rate filing.

NOW THE COMMISSION, having considered C & P's request and Staff's Report, is of the opinion and finds that the above-referenced reporting requirements should be eliminated. We will adopt Staff's recommendation with regard to C & P's records and the information that must be included in the Company's next rate filing.

Accordingly, IT IS ORDERED THAT:

(1) The above-referenced reporting requirements for C & P Isle of Wight Water Company are hereby eliminated.

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[1] That Order specifically referenced information for the Ashby and Rushmere Shores, the Isle of Wight Industrial Park, and the Poplar Harbor No. 1 and Poplar Harbor No. 2 water systems.

(2) C & P shall maintain cost information and usage information on an individual water system basis and shall include such information in its next rate filing.

(3) There being nothing further to be done, this case is hereby dismissed.

CASE NO. PUE000737
DECEMBER 22, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
UNITED ENERGY INC. d/b/a UNITED ENERGY OF VIRGINIA, INC.

ORDER

By Commission Order dated November 9, 2000, United Energy, Inc. d/b/a United Energy of Virginia, Inc. ("United" or "the Company") was granted license No. PG-10 to provide competitive natural gas supply service to all classes of eligible customers in conjunction with the retail access pilot programs of Washington Gas Light Company ("WGL") and Columbia Gas of Virginia, Inc. ("CGV").

On December 14, 2000, the Staff of the State Corporation Commission filed a Motion petitioning the State Corporation Commission: (1) to enjoin United from terminating as of January 1, 2001, competitive energy service to its customers participating in the natural gas retail access program of CGV, in violation of 20 VAC 5-311-20 A 12 of the Commission's Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 *et seq.* ("Interim Rules"); (2) to require the Company to continue to provide competitive energy service until January 12, 2001, as would be required pursuant to the contract termination notice to customers provisions found in the Interim Rules; and (3) after such date, to revoke the competitive energy service provider license held in the Commonwealth of Virginia by the Company.

On December 14, 2000, the Commission issued an Order Setting Hearing in which the Commission, in light of time constraints in the matter, determined that a prompt hearing was necessary and established a hearing for 10:00 a.m. on December 19, 2000. At the request of United, the hearing was continued to December 20, 2000.

On December 20, 2000, United filed an answer to Staff's motion which included a request for a waiver of the Commission's Interim Rule requiring 30 days notice of termination be provided to customers and to local distribution companies. The Hearing was held on December 20, 2000, before Commissioners Moore and Miller. At the hearing we received evidence from four witnesses.

NOW THE COMMISSION, upon consideration of Staff's December 14, 2000 Motion, the Company's answer to the Motion, evidence received at the December 20, 2000 hearing, and the arguments of counsel for Staff and United, is of the opinion and finds that the Company's request for a waiver and Staff's motion for an injunction should both be denied. We are of the further opinion and find that the Company's license to provide competitive natural gas service should be revoked as of January 1, 2001.

Accordingly, IT IS ORDERED THAT:

1) The Company's request for a waiver of the Commission's Interim Rules 20 VAC 5–311-20 A 12 and 20 VAC 5-311-2 B 7 is denied.

2) Staff's motion to enjoin United from discontinuing service on January 1, 2001, and to require United to continue to provide service until January 12, 2001, is denied.

3) United's license to provide competitive natural gas service, License No. PG-10, is hereby revoked effective January 1, 2001.

4) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUE000744
DECEMBER 22, 2000

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

Virginia Base and Fuel Rate Filing To Implement Tax and Fuel Rate Changes Effective January 1, 2001

ORDER ESTABLISHING FUEL FACTOR PROCEEDING

On June 29, 2000, this Commission issued an Order in Case No. PUE000086 addressing a proposed functional separation plan filed by the Delmarva Power & Light Company ("Delmarva" or "the Company"). Delmarva's proposed plan, among other things, provided for a three-phase divestiture of all of its generating units. The divestiture was approved in the Commission's June 29, 2000 order. In the course of that proceeding, the Company entered into a Memorandum of Agreement ("MOA") with the Commission Staff. A portion of the MOA proposed that the Commission approve the Company's agreement to (i) maintain its current fuel factor of 1.917¢ per kWh until the earlier of the first day of the month preceded by an interval of at least 15 days following the complete divestiture of its generating units, or January 1, 2001, (ii) reset its fuel factor to 2.1¢ per kWh through a separate application upon the earlier of the first day of the month preceded by an interval of at least 15 days following the complete divestiture of its generating units, or January 1, 2001, and to further freeze the fuel factor at that level without any further deferral of fuel costs until January 1, 2004, and with the provision to collect an

unrecovered fuel balance of $892,921 over the first 24 months of this period, and (iii) establish a fuel index mechanism for determining its fuel factor effective January 1, 2004, and until the end of the capped rate period under the Virginia Electric Utility Restructuring Act ("the Act").[1]

The MOA was filed by the Company on June 12, 2000; a Commission Staff report in support of the MOA was filed with the Commission on June 15, 2000. In its June 29, 2000, Order, the Commission approved the MOA, finding that its provisions were ". . . in the public interest and that they will benefit Delmarva's customers."[2] Ordering paragraph (2) in that Order directed the Company to make a separate application pursuant to § 56-249.6 for authority to increase its fuel rates in accordance with the MOA.

Accordingly, on November 17, 2000, Delmarva filed an application to revise its fuel factor to 2.1702¢ per kWh effective January 1, 2001. This factor comprises a fixed component of 2.0452¢ per kWh increased by an adjustment of 0.125¢ per kWh. As discussed above, the fuel factor proposed in this application corresponds to agreements between the Company and the Commission Staff embodied in the June 12, 2000, MOA and as approved by our June 29, 2000, Order.

The MOA stated that the parties agreed to a fixed fuel factor of 2.1¢ per kWh (inclusive of gross receipts tax) for the three-year period January 2001 through December 2003 subject to adjustments described below. This represented a settlement among the parties and was based upon historic fuel costs for Delmarva. By legislative action, the gross receipts tax is to be eliminated effective January 1, 2001, and the proposed fuel factor minus the tax is calculated to be 2.0452¢ per kWh.

The MOA also stated that the parties agreed that Delmarva would be permitted to add an adjustment to the fuel factor over the 24-month period January 2001 to December 2002. The purpose of this adjustment was to collect a negotiated deferred fuel balance of $892,921. The MOA assumed annual sales in the amount of 356,673,494 kWh.

In its November 17, 2000, application Delmarva determined the appropriate adjustment to be a factor equal to 0.125¢ per kWh as calculated from the dollar and sales amounts in the MOA and as stated above. This correction factor would expire on January 1, 2003, with no subsequent adjustment made for any under-recovery or over-recovery. Consequently, the fuel factor for the period January 1, 2003, through December 31, 2003, would be 2.0452¢ per kWh. Additionally, as per the MOA, deferred fuel accounting for fuel expenses would cease.

We are mindful that the proposed fuel factor is in accordance with the June 12, 2000, MOA between Delmarva and the Staff, and that the Commission's June 29, 2000, Order found the MOA's provisions, in general, to be in the public interest. Thus, while we are setting a hearing date of February 22, 2001, we will allow the Company to collect, on an interim basis, a fuel factor of 2.1702¢ per kWh effective with the January 2001 billing month. Accordingly,

IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUE000744

(2) The proposed fuel factor of 2.1702¢ per kWh shall be effective, on an interim basis with the January 2001 billing month.

(3) A hearing is hereby scheduled for February 22, 2001, in the Commission's Second Floor Courtroom for the purpose of receiving evidence related to the establishment of Delmarva's fuel factor to be effective January 2001, pursuant to § 56-249.6 of the Code of Virginia and the Commission's Order of June 29, 2000, in Case No. PUE000086.

(4) Any member of the public may obtain a free copy of Delmarva's application and exhibits by contacting the Company's counsel as follows: Guy T. Tripp, III, Esquire, Hunton & Williams, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074. All papers filed in this docket, as well as the related docket PUE000086, may be reviewed at the Commission's Document Control Center, Tyler Building, 1300 East Main Street, Richmond, Virginia.

(5) On or before January 29, 2001, 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 and on Counsel for the Company as follows: Guy T. Tripp, III, Esquire, Hunton & Williams, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074. Two (2) copies of each of these documents shall also be served on all other Protestants on or before February 2, 2001.

(6) The Commission Staff shall investigate the reasonableness of the Company's proposed fuel factor. In conjunction therewith, the Commission Staff is hereby authorized, to the extent practicable, to rely on the report it prepared and filed in connection with Case No. PUE000086, supplementing the same to the extent necessary to fulfill its obligations herein. On or before February 10, 2001, the Commission Staff shall file any such supplemental report with the Commission, and send copies thereof to the Company and to each Protestant.

(7) On or before February 16, 2001, Delmarva, Protestants, and the Staff shall file an original and fifteen copies of all testimony each expects to introduce in rebuttal to any direct prefiled testimony and exhibits. Such rebuttal testimony shall be filed with the Clerk of the Commission, with copies to the Staff, Delmarva, and each Protestant. Additional rebuttal evidence may be presented without prefiling, if 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.

[1] Chapter 23 (§ 56-576 et seq.) of Title 56 of the Code of Virginia.

[2] Commission's Order in APPLICATION OF DELMARVA POWER & LIGHT COMPANY, for approval of a plan for functional separation of generation pursuant to the Virginia Electric Utility Restructuring Act, Case No. PUE000086; APPLICATION OF DELMARVA POWER & LIGHT COMPANY, CONNECTIV DELMARVA GENEATION, INC. and CONNECTIV ENERGY SUPPLY, INC., for approval of transactions under Chapters 4 and 5 of Title 56 of the Code of Virginia, Case No. PUA000032, pg.4.

(8) Discovery shall be in accordance with Part VI of the Commission's Rules of Practice and Procedure, 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 Staff with any work papers or documents used in preparation of their filed testimony promptly upon request.

(9) On or before January 5, 2001, Delmarva 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 A FUEL
FACTOR PROCEEDING FOR DELMARVA
POWER & LIGHT COMPANY
CASE NO. PUE000744

On November 17, 2000, Delmarva Power & Light Company ("Delmarva" or "the Company") filed with the Virginia State Corporation Commission ("the Commission") an application to increase its fuel factor from 1.9170¢ per kWh to 2.1702¢ per kWh, effective January 1, 2001.

The proposed fuel rate reflects the elimination of the gross receipts tax of 2%, the special revenue tax of 0.18%, and the local tax of 0.5%.

Pursuant to Virginia Code § 56-249.6, the Commission has scheduled a public hearing to commence at 10:30 a.m. on February 22, 2001, 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 Delmarva's fuel factor.

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 Delmarva's application and exhibits by contacting the Company's counsel as follows: Guy T. Tripp, III, Esquire, Hunton & Williams, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074. All papers filed in this docket, as well as the related docket PUE000086, may be reviewed at the Commission's Document Control Center, Tyler Building, 1300 East Main Street, Richmond, Virginia.

Any interested person desiring to make a statement at the hearing should appear in the Commission's courtroom at 10:15 a.m. on the hearing date and identify himself or herself to the bailiff as a public witness.

On or before January 29, 2001, 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 and on Counsel for the Company as follows: Guy T. Tripp, III, Esquire, Hunton & Williams, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074. Two (2) copies of each of these documents shall also be served on all other protestants on or before February 2, 2001.

All written communications to the Commission regarding this proceeding shall identify Case No. PUE000744 and be directed to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218.

DELMARVA POWER & LIGHT COMPANY

(10) On or before January 5, 2001, Delmarva 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, Delmarva shall provide proof of service and notice as required in this Order.

DIVISION OF ECONOMICS AND FINANCE

CASE NO. PUF900007
APRIL 3, 2000

APPLICATION OF
SHENANDOAH TELEPHONE COMPANY

For authority to borrow from Rural Telephone Bank

ORDER GRANTING RECONSIDERATION

On March 31, 2000, counsel for Shenandoah Telephone Company ("Shenandoah" or "the Company") filed a petition requesting the Commission to reconsider its March 15, 2000, Dismissal Order and to reinstate the above-captioned proceeding.

NOW THE COMMISSION, having considered Shenandoah's petition, is of the opinion that the Company's request for reconsideration is reasonable and should be granted. Accordingly,

IT IS ORDERED THAT:

(1) Shenandoah's petition for reconsideration is hereby granted.

(2) Case No. PUF900007 shall be reinstated on our docket and continued until further order of the Commission.

CASE NO. PUF900007
MAY 11, 2000

APPLICATION OF
SHENANDOAH TELEPHONE COMPANY

For authority to borrow from Rural Telephone Bank

ORDER EXTENDING AUTHORITY

By Commission Orders dated January 25, 1991, February 27, 1995, and February 20, 1997, Shenandoah Telephone Company ("Shenandoah" or "the Company") was authorized to enter into a loan agreement to borrow up to $9,240,000 in long-term debt from the Rural Telephone Bank ("RTB") and the Rural Electrification Administration ("REA") through December 31, 1999.

On March 8, 2000, Shenandoah filed its final report of action in the above-captioned proceeding in which the Company represented that no advances were received in 1999. The information contained in the Company's annual reports of action filed since 1992 showed that the Company had borrowed only $6,254,850 of the authorized $9,240,000. Since time to borrow the remaining $2,985,150 had expired and the Company had not requested that the Commission extend the time to borrow the remaining loan balance, the Commission issued a Dismissal Order dated March 15, 2000, closing this proceeding. In its Dismissal Order the Commission found that "[b]ased upon the reports of action, it appears that Shenandoah's actions were in accordance with the authority granted".

On March 31, 2000, Counsel for Shenandoah filed a Petition for Reconsideration ("Petition") of the Commission's March 15, 2000, Dismissal Order. In its Petition, the Company represented that it had submitted a request for $2,437,000 in loan funds in 1999 and received the funds on January 20, 2000. In addition, the Petition represents that Shenandoah has remaining commitments under the RTB arrangement. In order to borrow the remaining $500,000, the Company requested that the Commission reinstate this proceeding and authorize and approve Shenandoah's authority to make draw downs from RTB for an additional $500,000 for a total of $9,240,000 through December 31, 2000.

In a letter filed with the Commission on May 2, 2000, the Company indicated that it actually has $531,278 of borrowing capacity remaining and that the Company would like the Commission to grant it authority to borrow the remaining $531,278 by December 31, 2000.

In our April 3, 2000, Order Granting Reconsideration, the Commission reinstated this proceeding on its docket and continued the case until further order of the Commission.

NOW THE COMMISSION, upon consideration of the Company's request for an extension of authority, and having been advised by its Staff, is of the opinion and finds that approval of the requested extension of authority to borrow the remaining $531,278 from RTB will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) The authority to borrow the remaining $531,278 in RTB and REA long-term debt, under the terms and conditions and for the purposes as stated in the original application, be and hereby is extended to December 31, 2000.

2) Shenandoah shall file a Report of Action with the Commission on or before March 1, 2001, to include the amount of each advance in 2000 with corresponding interest rates, the uses of each draw down, and a balance sheet reflecting the action taken.

3) This matter shall remain under the continued review, audit, and appropriate directive of the Commission.

CASE NO. PUF990010
SEPTEMBER 5, 2000

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 EXTENDING AUTHORITY

By Commission Order dated June 21, 1999, Kentucky Utilities d/b/a Old Dominion Power Company ("KU") and LG&E Energy Corp. ("LG&E Energy") (collectively, "the Companies"), were authorized to enter into the following financial transactions: to issue short-term debt in excess of 12% of capitalization not to exceed $250,000,000, and 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, all through December 31, 2000.

By letter dated July 10, 2000, the Companies requested a one-year extension of time for the existing Money Pool authority. The Companies state that, until the anticipated merger between PowerGen, plc, and LG&E Energy is consummated and during the transition period thereafter, KU expects to continue to participate in the existing Money Pool. The transition period should not exceed two years after the consummation of the merger. The Companies indicate that, following the transition period, it is expected that there will be two separate Money Pools, a utility Money Pool and a non-utility Money Pool. In the meantime, the Companies request that the Commission authorize the continuation of the Money Pool through December 31, 2001, subject to the conditions and authority granted in the June 21, 1999, Order.

THE COMMISSION, upon consideration of the request for an extension of time, is of the opinion and finds that approval of this request will not be detrimental to the public interest. It should be noted, however, that any new Money Pool arrangements undertaken following the consummation of the merger and the transition period will need separate approval. Accordingly,

IT IS ORDERED THAT:

1) The authority granted in the Order Granting Authority dated June 21, 1999, shall be extended until December 31, 2001.

2) KU shall file a final report of action on or before February 28, 2002, to include data for the fourth quarter of 2001 as prescribed in Ordering paragraph 7 of the Commission's June 21, 1999, Order.

3) All other provisions of the June 21, 1999, Order shall remain in full force and effect.

4) This matter shall be continued, subject to the continued review, audit and appropriate directive of the Commission.

CASE NO. PUF990025
JANUARY 21, 2000

APPLICATION OF
GTE SOUTH INCORPORATED

For authority to incur short-term indebtedness

ORDER

By Commission Order dated November 1, 1999, GTE South Incorporated ("GTE South" or "Applicant") was granted authority under Chapter 3 of Title 56 of the Code of Virginia to incur short-term indebtedness in an amount not exceeding $400,000,000 in the aggregate through December 31, 2000. According to that Order, the proceeds from the issuance of the short-term debt could be used specifically 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."

In a letter dated January 12, 2000, Applicant requests a change to the authority granted in that Order so that it can redeem $411,900 of face amount of preferred stock prior to maturity. In support of its request, Applicant states that the requested redemption is part of a corporate-wide effort to

reduce administrative burdens related to preferred stock that is currently outstanding at all GTE Corporation subsidiaries. The Company also provided a detailed analysis of the proposed redemption and the estimated net after-tax savings expected as a result of the transaction.

THE COMMISSION, upon consideration of the matter and representations of Applicant, is of the opinion and finds that granting the request will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to redeem $411,900 of preferred stock currently outstanding during the calendar year 2000, for the purposes and under the terms and conditions set forth in its letter dated January 12, 2000, and attachments thereto.

2) All other terms and condition stated in the November 1, 1999, Order shall remain in full force and effect.

CASE NO. PUF990032
JANUARY 27, 2000

APPLICATION OF
DELMARVA POWER AND LIGHT COMPANY

For authority to borrow up to $275 million in short-term indebtedness

ORDER GRANTING AMENDED AUTHORITY

By Commission Order dated December 15, 1999, Delmarva Power and Light Company ("Delmarva", or "Applicant") was granted authority under Chapters 3 and 4 of Title 56 of the Code of Virginia to incur short-term indebtedness up to $275,000,000 during calendar year 2000 and to participate in a money pool administered by its parent, Conectiv ("Conectiv Money Pool").

Applicant filed a letter on January 4, 2000, requesting a modification to the authority granted in the above referenced Order that would better clarify Delmarva's ability to borrow either through the Conectiv Money Pool or directly from the capital or credit markets. In support of its request, Delmarva states that the ability to borrow short-term debt directly from the capital or credit markets allows it to secure the most economic source of funds. Delmarva requests the flexibility to obtain the short-term debt financing in one or more of a number of financial arrangements including but not limited to commercial paper, bid loans, grid notes, revolving credit agreements, and money market instruments.

Additionally, at the time the original application was filed, Delmarva's parent, Conectiv, had an application pending with the SEC in File No. 70-9095 that contemplated several modifications to the Conectiv Money Pool. The Commission's Order of December 15, 1999, reflects the potential impact of such changes. Specifically, ordering paragraph 2) states that:

> 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.

In a second letter dated January 11, 2000, Applicant requests continued participation in the Conectiv Money Pool in accordance with ordering Paragraph 2) cited above. The SEC Order approved the following changes: 1) the elimination of a $25 million maximum limit on borrowing by Conectiv's direct and indirect non-utility subsidiaries; and 2) the addition to the Conectiv Money Pool of King Street Assurance, Ltd. ("KSA"), a foreign reinsurance subsidiary. Delmarva also filed an application for Chapter 4 approval to use the services of KSA in Case No. PUA990075.

Applicant states that neither the ability to borrow funds external to the Conectiv Money Pool nor the SEC changes to the Conectiv Money Pool should alter the findings contained in the Commission's December 15, 1999, Order.

THE COMMISSION, upon consideration of the requests and representations of the Applicant and having been advised by its Staff, is of the opinion and finds that granting such amended authority will not be detrimental to the public interest. We note that the authorization period contained in the SEC Order ends on March 31, 2002, and we believe that our authorization should be consistent with such authority. Accordingly,

IT IS ORDERED THAT:

1) Paragraph 1) of our Order dated December 15, 1999, be, and hereby is, vacated and replaced with the following:

> 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 $275,000,000 at any one time through March 31, 2002, for the purposes and under the terms and conditions set forth in its amended application. Such indebtedness may be incurred either through the Conectiv Money Pool or directly through the capital or credit markets.

2) Applicant is hereby authorized to participate in the Conectiv Money Pool through March 31, 2002, under the terms and conditions contained in the SEC Order in File No. 70-9095 dated December 14, 1999.

3) That the semiannual reports of action required in paragraph 6) of our Order dated December 15, 1999, shall be extended to include August 30, 2001, March 1, 2002, and May 30, 2002.

4) All other terms and condition stated in our December 15, 1999, Order shall remain in full force and effect.

CASE NO. PUF990038
JANUARY 4, 2000

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC.
and
THE COLUMBIA ENERGY GROUP, INC.

For approval of intercompany financing for 2000

ORDER GRANTING AUTHORITY

On December 8, 1999, Columbia Gas of Virginia, Inc. ("CGV" or "Applicant"), and The Columbia Energy Group, Inc. ("Columbia"), filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia requesting authority to enter into intercompany financing arrangements during 2000. 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.

CGV requests authority to enter into the following financing arrangements with Columbia, its parent company, during the calendar year 2000: 1) to issue and sell promissory notes and/or common stock to Columbia not to exceed $21,000,000 in combined total; 2) to borrow up to $45,000,000 in short-term loans from other affiliated companies through the Intrasystem Money Pool ("Money Pool"); and 3) to invest temporary excess cash in the Money Pool from time to time.

The proceeds from the promissory notes and/or common stock will be used to fund CGV's capital expenditures during the upcoming year, to refund short-term debt used as bridge financing(including rate case refunds and temporary overcollection of gas commodity costs), to repay long-term debt at maturity, and for other corporate requirements. The short-term borrowing from the Money Pool will be used for peak short-term requirements such as gas purchases and related storage activities, to fund working capital needs, to reinstitute paying dividends to Columbia, and to fund CGV's ongoing construction program.

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 note that it appears CGV is investing significant cash on a permanent basis in the Money Pool under authority granted in Case No. PUF980033. While we will not limit or restrict the amount or duration of investing in the Money Pool at this time, we have concerns about such investment practices. We will, therefore, instruct our Staff to monitor carefully the continuation of large investment balances in the Money Pool by CGV during 2000 and request our Staff to detail its findings in its action brief for CGV's next application for continued participation in the Money Pool. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to enter into the following financial transactions:

a) to issue and sell promissory notes and/or common stock to the Columbia Group in combined total not to exceed $21,000,000;

b) to borrow up to $45,000,000 through the Money Pool from Columbia and/or other affiliates in excess of twelve percent of total capitalization; and

c) to invest temporary excess cash in the Money Pool; from January 1, 2000, through December 31, 2000, all in a manner, and under the terms and conditions, and for the purposes set forth in the application.

2) Should the Company wish to obtain authority beyond calendar year 2000, Applicant shall file an application requesting such authority no later than November 21, 2000. Such application shall fully conform to the following: a) the Instructions for Filing Securities Applications dated March 31, 1992; and b) the Transaction Summary-Chapter 4 Applications dated October 21, 1994. The application shall also include a proforma sources and uses of funds schedule and shall further include rigorous justification for the necessity to borrow short-term debt in excess of twelve percent of total capitalization.

3) Should Applicant request any changes to the Money Pool agreements from the Securities and Exchange Commission ("SEC"), Applicant shall file with the Commission's Division of Economics and Finance a copy of Form U-1A filed with the SEC within ten (10) days of filing with the SEC.

4) Approval of this application shall have no implications for ratemaking purposes.

5) 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.

6) 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.

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 monthly schedule of Money Pool borrowings, segmented by borrower (whether Columbia or affiliate);

b) monthly schedules that separately reflect interest expenses, each type of allocated fee, and an explanation of how both the interest rate and allocated fee have been calculated;

c) monthly schedules of the Columbia's borrowings under any letter or line of credit agreement;

d) a report detailing the issuance of common stock, to include the number of shares and price per share, date of issuance, and use of the proceeds; and

e) a report detailing the issuance of any promissory note, to include the date of the issue, face amount issued, date of maturity, quarterly principal repayment schedule, the interest rate and method for setting the interest rate, and the U.S. Treasury rate of comparable maturity.

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 (7) herein.

9) This matter shall be continued, subject to the continued review, audit, and appropriate directive of the Commission.

CASE NO. PUF990039
JANUARY 6, 2000

APPLICATION OF
MECKLENBURG ELECTRIC COOPERATIVE

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On December 17, 1999, Mecklenburg Electric Cooperative ("Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to incur long-term indebtedness from the Federal Financing Bank ("FFB") in the amount of $5,220,000. Applicant has paid the requisite fee of $25.

Applicant requests authority to borrow $5,220,000, representing loan proceeds to fund the second part of a four-year work plan originally approved by the Rural Utilities Services ("RUS") in 1997. Applicant received authority to borrow up to $14,000,000 (the "Combination Loan") from RUS and the National Rural Utilities Cooperative Finance Corporation ("CFC") in Case No. PUF980008. To date, Applicant has borrowed $8,780,000, representing the entire first part of the Combination Loan. Applicant represents that the length of time required to obtain financing from the RUS for the second part of the Combination Loan 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 each 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 $5,220,000 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. PUF990040
JANUARY 19, 2000

APPLICATION OF
ATMOS ENERGY CORPORATION

For authority to issue common stock and long-term debt securities

ORDER GRANTING AUTHORITY

On December 29, 1999, Atmos Energy Corporation ("Atmos", or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue common stock ("Common Stock")and long-term debt securities ("Debt Securities") (collectively referenced as "Proposed Securities"). Applicant has paid the requisite fee of $250.

Atmos proposes to issue up to $500 million of Common Stock and/or Debt Securities in any combination from time to time over the next two years. Applicant requests the flexibility to offer the Proposed Securities at prices and terms to be determined by market conditions at the time of sale. Atmos also seeks authority to issue the Proposed Securities in one or more series, through one or more underwriters, dealers or agents, or directly to one or more purchasers.

Applicant intends to use the net proceeds from the Proposed Securities for one or more of the following purposes: for the repayment of all or a portion of short-term debt; for the purchase, acquisition, and/or construction of additional properties and facilities, as well as improvements to existing utility plant; for the refunding of higher coupon long-term debt as markets conditions permit; and for general corporate purposes. While Applicant is not certain as to the allocation of the Proposed Securities between Common Stock and Debt Securities, it states that its goal over the next two years is to decrease its debt capitalization ratio closer to its target capitalization range of 50%-52%.

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 $500,000,000 of Common Stock and/or Debt Securities from time to time through December 31, 2001, for the purposes and under the terms and conditions set forth in the application.

2) The interest rate on Debt Securities issued under the authority granted herein shall not exceed by 300 basis points the yield on a United States Treasury Security of comparable maturity, unless Applicant requests and is granted a waiver for a particular issuance of Debt Securities.

3) The authority granted herein shall have no implications for ratemaking purposes.

4) Applicant shall submit a preliminary Report of Action within seven days after issuance of any of the Proposed Securities approved in this proceeding, such Report to include the type of security issued, the issuance date, the amount issued, the type of offering, as well as the interest rate and the maturity date for Debt Securities.

5) Within sixty (60) days after the end of each calendar quarter in which any Proposed Securities are issued pursuant to this Order through the quarter ending September 30, 2001, Applicant shall file a more detailed report with respect to all Proposed Securities sold during such quarter to include:

(a) A list of agreements executed for the purpose of issuing Proposed Securities;

(b) The issuance date, type of security, amount issued, interest rate, comparable term Treasury yield (or interpolated yield) at the time of issuance, price, date of maturity, underwriters' names, underwriters' fees, other issuance expenses to date, and net proceeds to Applicant for each specific issuance;

(c) The cumulative principal amount of the Proposed Securities issued under the authority granted herein and the amount remaining under the authority for issuance;

(d) A general statement of the purposes for which the Proposed Securities were issued and, if the purpose is for the early redemption of an outstanding issue, 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 reflecting the change in capital structure due to the securities issued.

6) Applicant's Final Report of Action shall be due on or before March 1, 2002, to include the same type of information directed in Ordering Paragraph 5 pertaining to any issuance of Proposed Securities for the quarter ended December 31, 2001, as well as an updated schedule of all issuance expenses to date for each respective issuance of Common Stock and/or Debt Securities.

7) This matter shall remain under the continued review, audit, and appropriate action of this Commission.

CASE NO. PUF000001
FEBRUARY 18, 2000

APPLICATION OF
CRAIG-BOTETOURT ELECTRIC COOPERATIVE

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On February 1, 2000, 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 from the Federal Financing Bank ("FFB") loan fund. Applicant paid the requisite fee of $25.

Craig-Botetourt requests authority to borrow $3,000,000 through an FFB loan guaranteed by the Rural Utilities Service ("RUS"). The proceeds from the loan will be used for the construction of distribution facilities. Applicant plans to make draws from the FFB loan as needed during the construction process. Applicant indicates that the loan will have a final maturity of 35 years. The loan will carry the FFB rate which is 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) Craig-Botetourt is hereby authorized to borrow up to $3,000,000 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, the 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.

CASE NO. PUF000002
FEBRUARY 25, 2000

APPLICATION OF
VIRGINIA GAS STORAGE COMPANY

For authority to incur indebtedness

ORDER GRANTING AUTHORITY

On February 4, 2000, Virginia Gas Storage Company ("Applicant" or "VGSC") filed an application with the Commission under Chapters 3 and 4 of Title 56 of the Code of Virginia. Applicant has paid the requisite fee of $250. In its application, VGSC requests authority to replace its existing indebtedness with new promissory notes.

From 1994 to 1997, the Industrial Development Authorities of Buchanan and Russell Counties cumulatively issued $20,100,000 of Industrial Revenue Bonds ("IRB Debt") in four separate issues on behalf of Virginia Gas Company ("VGC"), a parent company affiliate of VGSC. Through affiliate loans approved by this Commission, VGSC issued promissory notes to VGC and Virginia Gas Distribution Company,("VGDC"), a sister affiliate, for cumulative borrowings of $6,528,003.[1] The terms and conditions of those affiliate loans mirrored the terms and conditions of the respective issue of underlying IRB Debt. In March of 1998, VGC issued $24,000,000 of 8.5% senior notes due in 2012 to the John Hancock Insurance Companies ("John Hancock Notes"). The proceeds from the John Hancock Notes were used to refund the remaining outstanding balance of the IRB Debt, approximately $19,500,000, and to raise additional capital.

VGSC now requests authority to replace its existing promissory notes, which reflect the terms of the previously outstanding IRB Debt, with new promissory notes based on the terms of the John Hancock Notes. Applicant states that terms of the IRB Debt provide for an average rate of interest of approximately 9.0% versus the 8.5% rate of interest under terms of the John Hancock Notes. Applicant further states that VGSC's allocated portion of issuance costs for the new note is expected to be $133,530.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the authority requested will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to replace its existing promissory notes to VGC and VGDC with new promissory notes that reflect the terms and conditions of the John Hancock Notes, all in the manner, under the terms and conditions, and for the purposes as set forth in the application.

2) Approval of the application shall have no implications for ratemaking purposes.

3) Any subsequent financing arrangements with affiliates or other affiliate agreements shall require separate authority, which shall not be implied by approval of the application herein.

4) Approval of the application shall not preclude the Commission from applying the provisions of §§ 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) There appearing nothing further to be done in this matter, it hereby is dismissed.

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[1] Application Of Virginia Gas Distribution Company For approval of intercompany financing, Case No. PUF930039, 1993 S.C.C. Ann. Rept. 367; Application Of Virginia Gas Distribution Company For authority to incur indebtedness, Case No. PUF940015, 1994 S.C.C. Ann. Rept. 440; Application Of Virginia Gas Storage Company For authority to incur indebtedness, Case No. PUF950020, 1995 S.C.C. Ann. Rept. 386; and Application Of Virginia Gas Storage Company For authority to incur indebtedness, Case No. PUF960026, 1996 S.C.C. Ann. Rept. 356.

CASE NO. PUF000003
FEBRUARY 25, 2000

APPLICATION OF
VIRGINIA GAS DISTRIBUTION COMPANY

For authority to incur indebtedness

ORDER GRANTING AUTHORITY

On February 4, 2000, Virginia Gas Distribution Company ("Applicant" or "VGDC") filed an application with the Commission under Chapters 3 and 4 of Title 56 of the Code of Virginia. Applicant has paid the requisite fee of $250. In its application, VGDC requests authority to replace its existing indebtedness with new promissory notes.

From 1994 to 1997, the Industrial Development Authorities of Buchanan and Russell Counties cumulatively issued $20,100,000 of Industrial Revenue Bonds ("IRB Debt") in four separate issues on behalf of Virginia Gas Company ("VGC"), an affiliate of VGDC. Through four affiliate loans approved by this Commission, VGDC issued promissory notes to VGC for cumulative borrowings of $8.7 million of IRB Debt proceeds.[1] The terms and conditions of those affiliate loans mirrored the terms and conditions of underlying IRB Debt. In March of 1998, VGC issued $24,000,000 of 8.5% senior notes due in 2012 to the John Hancock Insurance Companies ("John Hancock Notes"). The proceeds from the John Hancock Notes were used to refund the remaining outstanding balance of the IRB Debt, approximately $19,500,000, and to raise additional capital.

VGDC now requests authority to replace its existing promissory notes with VGC, which reflect the terms of the previously outstanding IRB Debt, with a new promissory note that is based on the terms of the John Hancock Notes. Applicant states that terms of the IRB Debt provide for an average rate of interest of approximately 9.0% versus the 8.5% rate of interest under terms of the John Hancock Notes. Applicant further states that VGDC's allocated portion of issuance costs for the new note is expected to be $105,729.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the authority requested will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to replace its existing promissory notes to VGC with a new promissory note that reflects the terms and conditions of the John Hancock Notes, all in the manner, under the terms and conditions, and for the purposes as set forth in the application.

2) Approval of the application shall have no implications for ratemaking purposes.

3) Any subsequent financing arrangements with affiliates or other affiliate agreements shall require separate authority, which shall not be implied by approval of the application herein.

4) Approval of the application shall not preclude the Commission from applying the provisions of §§ 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) There appearing nothing further to be done in this matter, it hereby is dismissed.

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[1] Application Of Virginia Gas Distribution Company For approval of intercompany financing, Case No. PUF930039, 1993 S.C.C. Ann. Rept. 367; Application Of Virginia Gas Distribution Company For authority to incur indebtedness, Case No. PUF940015, 1994 S.C.C. Ann. Rept. 440; Application Of Virginia Gas Distribution Company For authority to incur indebtedness, Case No. PUF950019, 1995 S.C.C. Ann. Rept. 385; and Application Of Virginia Gas Distribution Company For authority to incur indebtedness, Case No. PUF960025, 1996 S.C.C. Ann. Rept. 355.

CASE NO. PUF000004
MARCH 3, 2000

APPLICATION OF
THE POTOMAC EDISON COMPANY, d/b/a ALLEGHENY POWER

For authority to issue long-term debt securities

ORDER GRANTING AUTHORITY

On February 8, 2000, The Potomac Edison Company, d/b/a Allegheny Power ("Applicant" or "the Company") filed an application for authority under Chapter 3 of Title 56 of the Code of Virginia to issue and sell up to an aggregate maximum of $80,000,000 of unsecured medium-term notes or floating-rate notes ("the Notes"). Applicant paid the requisite fee of $250.

Applicant requests the flexibility to offer the Notes at prices and terms to be determined by market conditions at the time of sale. The Company proposes to issue and sell the Notes in one or more series, through one or more underwriters, dealers or agents, or directly to one or more purchasers in negotiated or competitive bid transactions. Depending on market conditions and investor interest at the time of issuance, the interest rate on the Notes may

be either fixed or variable for a maturity that may be more or less than ten years. Applicant states that the interest rate for the Notes with a maturity of ten years or less will not exceed 125 basis points above the yield to maturity on United States Treasury Notes of comparable maturity at the time of pricing. For the Notes with a maturity of more than ten years, the interest rate will not exceed 200 basis points above the yield to maturity on United States Treasury Bonds of comparable maturity at the time of pricing.

Applicant represents that funds obtained from issuance of the Notes will be used primarily for the refunding of its $75 million 5-7/8% First Mortgage Bond that matured on March 1, 2000. Applicant also represents that after the Notes are issued the Company intends to assign them to a wholesale generation affiliate ("Genco") as part of the transfer of Applicant's Maryland generation assets to the Genco. The Company's application further states that proceeds from the Notes may also be used for general corporate purposes that include the retirement of short-term debt and the payment of ongoing construction expenditures.

THE COMMISSION, upon consideration of the application and having been advised by Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. The Commission is of the further opinion that any authority granted herein applies only to the issuance of the Notes for the purpose of replacing matured debt and does not constitute approval for the assignment of debt or transfer of assets to an affiliate. Such transfer requires this Commission's approval of a plan filed by Applicant for functional separation as required under § 56-590 of the Virginia Electric Utility Restructuring Act ("the Act"). Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue and sell the Notes up to the aggregate maximum principal amount of $80,000, through the period ending March 1, 2001, subject to the authority noted in this Order, all in a manner, under the terms and conditions, and the for the purposes as set forth in the application.

2) The yield (stated interest rate adjusted for discount or premium) on the Notes authorized herein:

(a) shall not exceed 125 basis points above the yield to maturity on United States Treasury Notes of comparable maturity for the Notes issued with a maturity of ten years or less; and

b) shall not exceed 200 basis points above the yield to maturity on United States Treasury Bonds of comparable maturity for the Notes issued with a maturity of more than ten years.

3) The authority granted herein shall have no implications for ratemaking purposes.

4) The authority granted herein does not in any way provide or imply express or tacit Commission approval under § 56-590 the Act for the functional separation, nor shall it have any implications regarding the possibility of such approval.

5) Applicant shall submit a preliminary report within seven (7) days after the issuance of any or all of the Notes pursuant to ordering paragraph (1) to include the date of issuance, type of debt security, amount issued, interest rate, and comparable yield data confirming that the maximum rate for long-term debt in ordering paragraph (2) was not exceeded.

6) Within sixty (60) days after the end of each calendar quarter in which any of the Notes are issued pursuant to ordering paragraph (1) , Applicant shall file a more detailed report with respect to the Notes sold during the calendar quarter including:

(a) the issuance date, type, amount, fixed or variable interest rate, date of maturity, underwriters' names, underwriters' fees, other issuance expenses to date, and net proceeds to Applicant;

(b) a summary 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 the Notes under ordering paragraph (1);

(c) the cumulative principal amount of the Notes issued under the authority granted herein and the amount remaining to be issued;

(d) a general statement of the purposes for which the Notes were issued; and

(e) the change in capital structure due to the Notes issued and a balance sheet as of the respective quarter ended.

7) Applicant shall file a final Report of Action on or before April 30, 2001, to include the same type of information directed in Ordering Paragraph (5) pertaining to any of the Notes issued between January 1, 2001, and March 1, 2001, as well as an updated schedule of actual issuance expenses and fees paid to date for each respective series of the Notes 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. PUF000005
MARCH 9, 2000

APPLICATION OF
ATMOS ENERGY CORPORATION

For authority to issue common stock

ORDER GRANTING AUTHORITY

On February 22, 2000, Atmos Energy Corporation ("Atmos" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue common stock under its Dividend Stock Purchase Plan ("DSPP"). Applicant paid the requisite fee of $250.

In its application, Atmos proposes to issue up to 2,000,000 additional shares of common stock from time to time through its existing DSPP. Under the DSPP, investors can purchase shares of Atmos' common stock and reinvest all or a portion of their cash dividends in additional shares of common stock. Stock purchases through the DSPP are priced at a three percent discount from the market price of the stock. Applicant indicates that funds from the stock issuances will be used for general 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. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue and sell up to an additional 2,000,000 of its common stock under the DSPP, under the terms and conditions and for the purposes set forth in the application.

2) There being nothing further to be done, this matter is hereby dismissed.

CASE NO. PUF000006
MARCH 21, 2000

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For authority to incur short-term indebtedness from affiliates or banks and to lend short term funds to affiliates

ORDER GRANTING AUTHORITY

On February 22, 2000, Central Telephone Company of Virginia ("Applicant" or "Centel") filed an application with the Commission under Chapter 3 of Title 56 of the Code of Virginia for authority to incur up to $60,000,000 of short-term debt for calendar year 2000. 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 $60,000,000 in short-term funds on open account to Sprint Corporation ("Sprint") or an affiliate of Sprint during 2000. Applicant has paid the requisite fee of $250.

Applicant states that the borrowings will consist of advances from its parent company, 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.

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 note that $60,000,000 of short-term debt or short-term lending to an affiliate represents a significant portion of Applicant's capital structure. Having this level of short-term debt/lending for extended periods of time exposes Applicant to heightened interest rate risk. Therefore, we are ordering Centel to explain its policy on issuing long-term debt and provide rigorous documentation supporting the borrowing and lending limits requested in any subsequent application. 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, 2000, 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 $60,000,000 on open account to Sprint or Sprint affiliates from the date of this Order through the period ending December 31, 2000, all in the manner, under the terms and conditions, and for the purposes as set forth in the application.

3) Applicant shall file report of action on or before September 1, 2000, concerning actions taken pursuant to this Order for the period June 30, 2000, 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, and a balance sheet (GAAP basis) as of June 30, 2000.

4) Applicant shall file a final report of action on or before March 1, 2001, concerning actions taken for the six-month period ended December 31, 2000; such report shall include all information required in ordering paragraph (3).

5) Approval of this application shall have no implications for ratemaking purposes.

6) Approval of this application shall not preclude the Commission from applying § 56-78 and § 56-80 of the Code of Virginia hereafter.

7) The Commission pursuant to § 56-79 of the Code of Virginia reserves the right to examine the books and records of any affiliate in conjunction with the approval granted herein, whether or not such affiliate is regulated by this Commission.

8) Any future requests for authority to incur short-term indebtedness as defined in § 56-65.1 of the Code of Virginia and any request to lend short-term funds to an affiliate for periods of time that overlap, shall be filed as a single combined application.

9) Requests for authority referenced in ordering paragraph (8) for any future calendar year shall be filed on or before October 31 of the prior year and shall include the explanation detailed below.

10) Such explanation shall include the criteria Applicant believes is appropriate for the issuance of long-term debt as well as the reasons Applicant chose to request approval of short-term rather than long-term indebtedness. The explanation shall also include rigorous documentation supporting the need of the short-term borrowing limit requested and the short-term lending limit requested.

11) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF000007
MARCH 21, 2000

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

For authority to incur short-term indebtedness from affiliates or banks and to lend short-term funds to affiliates

ORDER GRANTING AUTHORITY

On February 22, 2000, United Telephone-Southeast, Inc. ("Applicant" or "United"), filed an application with the Commission under Chapter 3 of Title 56 of the Code of Virginia for authority to incur up to $60,000,000 of short-term debt for calendar year 2000. 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 $60,000,000 in short-term funds on open account to Sprint Corporation ("Sprint") or an affiliate of Sprint during 2000. Applicant has paid the requisite fee of $250.

Applicant states that the borrowings will consist of advances from its parent company, 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.

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 note that $60,000,000 of short-term debt or short-term lending to an affiliate represents a significant portion of United's capital structure. Having this level of short-term debt/lending for extended periods of time exposes United to heightened interest rate risk. Therefore, we are ordering United to explain its policy on issuing long-term debt and provide rigorous documentation supporting the borrowing and lending limits requested in any subsequent application. 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, 2000, 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 $60,000,000 on open account to Sprint or Sprint affiliates from the date of this Order through December 31, 2000, all in the manner, under the terms and conditions, and for the purposes as set forth in the application.

3) Applicant shall file a report of action on or before September 1, 2000, concerning actions taken pursuant to this Order for the period ended June 30, 2000, 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, and a balance sheet (GAAP basis) as of the June 30, 2000.

4) Applicant shall file a final report of action on or before March 1, 2001, concerning actions taken for the six-month period ended December 31, 2000; such report shall include all information required in ordering paragraph (3).

5) Approval of this application shall have no implications for ratemaking purposes.

6) Approval of this application shall not preclude the Commission from applying § 56-78 and § 56-80 of the Code of Virginia hereafter.

7) The Commission pursuant to § 56-79 of the Code of Virginia reserves the right to examine the books and records of any affiliate in conjunction with the approval granted herein, whether or not such affiliate is regulated by this Commission.

8) Any future requests for authority to incur short-term indebtedness as defined in § 56-65.1 of the Code of Virginia and any request to lend short-term funds to an affiliate for periods of time that overlap shall be filed as a single combined application.

9) Requests for authority referenced in ordering paragraph (8) for any future calendar year shall be filed on or before October 31 of the prior year and shall include the explanation detailed below.

10) Such explanation shall include the criteria Applicant believes is appropriate for the issuance of long-term debt as well as the reasons Applicant chose to request approval of short-term rather than long-term indebtedness. The explanation shall also include rigorous documentation supporting the need of the short-term borrowing limit requested and the short-term lending limit requested.

11) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF000007
DECEMBER 7, 2000

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

For authority to incur short-term indebtedness from affiliates or banks and to lend short-term funds to affiliates

ORDER AMENDING AUTHORITY GRANTED

By Order dated March 21, 2000, United Telephone-Southeast, Inc. ("Applicant" or "United") was granted authority enter into transactions during the calendar year 2000: 1) to borrow up to $60,000,000 of short-term debt from banks or affiliates; and 2) to lend up to $60,000,000 of short-term funds to affiliates.

By letter dated November 17, 2000, Applicant requests that the Commission grant an additional $10,000,000 of short-term borrowing authority through the end of 2000. In support of its request, Applicant represents that projections for short-term debt are now more than a year old, that expenditures during 2000 have been higher than expected, and that short-term debt balances are approaching the currently authorized limit of $60,000,000.

In a related proceeding, Applicant has recently applied for Commission approval to convert $40,000,000 of its short-term debt to long-term debt (Case No. PUF000039). While Applicant awaits Commission approval to convert $40,000,000 of short-term debt, United's counsel reiterated United's commitment to maintain full compliance with Commission authority, and requests an increase in the short-term borrowing limit up to $70,000,000 for the remainder of 2000 to adequately meet its public service obligations.

THE COMMISSION, upon consideration of Applicant's request and having been advised by its Staff, is of the opinion and finds that approval of such request will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue short-term debt in an aggregate amount not to exceed $70,000,000 at any one time to banks, Sprint Corporation, or Sprint Corporation affiliates from the date of this Order through the period ending December 31, 2000, under the terms and conditions and for the purposes as set forth in the original application.

2) All the directives in the Commission's order dated March 21, 2000, shall remain in full force and effect, except as modified herein.

3) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF000008
APRIL 26, 2000

APPLICATION OF
KENTUCKY UTILITIES COMPANY D/B/A OLD DOMINION POWER COMPANY

For authority to issue up to $13.4 million of tax-exempt refunding bonds

ORDER GRANTING AUTHORITY

On March 10, 2000, Kentucky Utilities Company, d/b/a Old Dominion Power Company ("Applicant" or the "Company"), filed an application for authority under Chapter 3 of Title 56 of the Code of Virginia to assume certain obligations in connection with the proposed issuance of up to $13.4 million of Mercer County Pollution Control Revenue Bonds ("Refunding Bonds"). By letter dated April 11, 2000, the Company amended its Application by rescinding its request for authority to enter into interest rate hedging arrangements in connection with the Refunding Bonds. Applicant paid the requisite fee of $250.

As amended, Applicant requests authority to borrow the proceeds of up to $13,400,000 of the Refunding Bonds to refinance up to $12,900,000 of outstanding 1990 Series A Mercer County Pollution Control Revenue Bonds, consisting of $4,000,000 of outstanding 7.375% Bonds due May 1, 2010, and $8,900,000 of outstanding 7.60% Bonds due May 1, 2020 (collectively, the "Outstanding Series").

Applicant requests broad authority to assume obligations of the Refunding Bonds in order to obtain the most favorable terms and conditions at the time of their issuance. Applicant therefore proposes that the Refunding bonds may be sold in one or more underwritten public offerings, negotiated sales, or private placement transactions. Applicant also proposes that the maturity date(s), interest rate(s), redemption provisions, and other terms and provisions of the Refunding Bonds be determined under prevailing market conditions at the time of issuance based on negotiations among Applicant, Mercer County, and the purchasers of the bonds.

The Company's obligations to Mercer County for the Refunding Bonds will be set forth primarily in one or more loan agreements. In conjunction with the loan agreement(s), the Company may enter into one or more guarantee agreements to guarantee repayment of all or any part of the obligations associated with the Refunding Bonds. Alternatively, the Company may issue a like amount of secured or unsecured notes or bonds to further secure its payment obligations for the Refunding Bonds.

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 through the period ending April 30, 2001:

(a) enter into one or more loan agreements with Mercer County, Kentucky, to assume obligations for the payment of principal, interest, and other costs associated with the issuance of up to $13.4 million of tax-exempt Refunding Bonds at a fixed or variable rate;

(b) use the proceeds of the Refunding Bonds to redeem the outstanding principal of the Existing Bonds and pay related costs to accomplish such redemption;

(c) issue one or more guarantees for the repayment of all obligations under the Refunding Bonds or issue a like amount of Company notes or bonds to secure Applicant's payment obligations under the Refunding Bonds; and

(d) enter into one or more liquidity and/or credit support facilities for Refunding Bonds that are issued at a variable rate.

2) Applicant shall submit a Preliminary Report of Action within ten (10) 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 cost/benefit analysis for any outstanding 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., Credit Facility agreements, remarketing agreements, 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. PUF000009
MAY 5, 2000

APPLICATION OF
SHENANDOAH TELEPHONE COMPANY
and
SHENANDOAH TELECOMMUNICATIONS COMPANY

For authority to borrow and lend funds with an affiliate

ORDER GRANTING AUTHORITY

On March 21, 2000, Shenandoah Telephone Company ("Shenandoah" or "Applicant"), filed an application under Chapter 4 of Title 56 of the Code of Virginia requesting authority to borrow and lend funds with an affiliate, Shenandoah Telecommunications Company ("Shentel"), Shenandoah's parent.

Shenandoah proposes to borrow short-term funds from Shentel or lend short-term or long-term funds to Shentel as necessary up to a maximum outstanding amount of $2,000,000 through December 31, 2000. Shenandoah represents that the proposed transactions may occur when either entity has excess funds and the other entity has the need for funds. Applicant indicates that any such loans would be evidenced by promissory notes and may be called upon demand. Promissory notes with maturities of less than twelve months from the date of issuance will bear interest payable monthly at a rate no less than the New York prime rate as published in the Wall Street Journal. Promissory notes issued by Shentel to Shenandoah with maturities of more than twelve months will bear an interest rate no less than the yield on a comparable maturity United States Treasury security at the time of issuance.

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 is hereby authorized to make short-term or long-term loans to Shentel up to a maximum outstanding amount of $2,000,000 through December 31, 2000, under the terms and conditions and for the purposes set forth in the application.

2) Shenandoah is hereby authorized to borrow short-term funds from Shentel up to a maximum outstanding amount of $2,000,000 through December 31, 2000, under the terms and conditions and for the purposes set forth in the application.

3) Approval of this application shall have no implications for ratemaking purposes.

4) The authority granted herein shall not preclude the Commission from applying the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

5) The Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to § 56-79 of the Code of Virginia.

6) On or before March 1, 2001, Shenandoah shall file with the Commission a final report pursuant to this Order to include: a schedule of each loan made between itself and Shentel during the previous calendar year with the date of the note, amount, maturity, actual interest rate, comparable prime rate, the use of loan proceeds, and a copy of the promissory notes.

7) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF000010
APRIL 12, 2000

APPLICATION OF
MECKLENBURG ELECTRIC COOPERATIVE

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On March 20, 2000, Mecklenburg Electric Cooperative ("Mecklenburg" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to incur long-term debt. Applicant has paid the requisite fee of $25.

Mecklenburg requests authority to incur indebtedness in the amount of $250,000 from the United States of America through the Rural Utilities Service ("RUS") under the Rural Economic Development Loan and Grant Program. Mecklenburg will then loan the proceeds to Capps Shoe Company.

The loan from RUS will be in the form of a zero interest promissory note ("Note") and will be secured by an irrevocable letter of credit or other form of guarantee. The Note is likely to be issued in the second quarter of 2000 with a ten-year maturity. Repayment terms specify that the principal amount be repaid without interest in monthly installments beginning two years after the Note is executed.

Mecklenburg's loan to Capps Shoe Company will be made under the same terms and conditions as the Note. That loan will also be evidenced by a promissory note secured by a $250,000, 13-month rolling letter of credit from Wachovia Bank N.A.

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 $250,000 from the RUS and subsequently lend the proceeds to Capps Shoe Company, under the terms and conditions and for the purposes set forth in the application.

2) Applicant shall file directly with the Division of Economics and Finance a copy of each annual project performance report as required in Part 2.i. of the Rural Development Loan Agreement.

3) Approval of this application shall have no implications for ratemaking purposes.

4) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUF000011
MAY 5, 2000

APPLICATION OF
DELMARVA POWER & LIGHT COMPANY

For authority to issue up to $50 million of tax-exempt refunding bonds

ORDER GRANTING AUTHORITY

On April 13, 2000, Delmarva Power and Light Company, ("Delmarva" or "Applicant") filed an application for authority under Chapter 3 of Title 56 of the Code of Virginia to assume certain obligations in connection with the proposed issuance of up to $50,000,000 of tax-exempt Delaware Economic Development Authority bonds ("Refunding Bonds"). Applicant paid the requisite fee of $250.

Applicant requests authority to borrow the proceeds of up to $50,000,000 of the Refunding Bonds to refinance $18,760,000 of 7.6% Gas Facilities Revenue Bonds due March 1, 2020, $16,240,000 of 7.6% Pollution Control Revenue Bonds due March 1, 2020, and $15,000,000 of 7.3% Pollution Control Revenue Bonds due March 1, 2014 (collectively, the "Outstanding Series").

Applicant requests broad authority to assume obligations of the Refunding Bonds in order to obtain the most favorable terms and conditions at the time of issuance. Applicant therefore proposes that the Refunding bonds may be sold in one or more underwritten public offerings, negotiated sales, or private placement transactions. Applicant also proposes that the maturity date(s), interest rate(s), redemption provisions, and other terms and provisions of the Refunding Bonds be determined under prevailing market conditions at the time of issuance based on negotiations among Applicant, Delaware Economic Development Authority, and the purchasers of the bonds.

The Company's obligations to the Delaware Economic Development Authority for the Refunding Bonds will be set forth in one or more loan agreements. In conjunction with the loan agreement(s), the Company may enter into one or more guarantee agreements to guarantee repayment of all or any part of the obligations associated with the Refunding Bonds. Alternatively, the Company may issue a like amount of secured or unsecured notes or bonds to further secure its payment obligations for the Refunding Bonds. The Company may purchase insurance to provide credit enhancement to lower its effective interest cost.

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, through the period ending December 31, 2001:

(a) enter into one or more loan agreements with the Delaware Economic Development Authority to assume obligations for the payment of principal, interest, and other costs associated with the issuance of up to $50 million of tax-exempt Refunding Bonds at a fixed or variable rate;

(b) use the proceeds of the Refunding Bonds to redeem the outstanding principal of the Existing Bonds and pay related costs to accomplish such redemption;

(c) issue one or more guarantees for the repayment of all obligations under the Refunding Bonds or issue a like amount of Company notes or bonds to secure Applicant's payment obligations under the Refunding Bonds; and

(d) enter into one or more liquidity and/or credit support facilities for Refunding Bonds issued at a variable rate.

2) Applicant shall submit a Preliminary Report of Action within ten (10) 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 cost/benefit analysis for any outstanding 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., Credit Facility agreements, remarketing agreements, 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 February 28, 2002, 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. PUF000012
JUNE 12, 2000

APPLICATION OF
THE POTOMAC EDISON COMPANY d/b/a ALLEGHENY POWER

For continuing approval of money pool agreement with affiliates

ORDER GRANTING APPROVAL

On April 19, 2000, The Potomac Edison Company d/b/a Allegheny Power ("Applicant") filed an application with the Commission under Chapter 4 of Title 56 of the Code of Virginia. Applicant requests continuing approval to borrow and lend funds ("the Money Pool") to companies with affiliated interests through a revised Money Pool Agreement.

Applicant most recently received Commission approval to participate in the Money Pool in Case No. PUF970032, by Order dated November 18, 1997. According to ordering paragraph 2 of that Order, Applicant is required to seek subsequent approval from the Commission if terms and conditions of the Money Pool Agreement should change. The instant application states that certain terms and conditions of the Agreement have changed. The requested changes renames the Money Pool, adds Allegheny Energy Supply Inc, LLC ("Genco"), as a borrower and lender in the Money Pool, gives borrowing priority to the regulated distribution utilities ahead of Genco's borrowing needs, and expands the investment instrument choices available should the Money Pool have excess funds to invest.

The Commission, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby granted approval to participate as a borrower and lender of funds through the Money Pool under the revised Money Pool Agreement, all in a manner, under the terms and conditions and for the purposes as set forth in the application.

2) Applicant shall seek subsequent approval from the Commission if the terms and conditions of the Money Pool Agreement approved herein should change.

3) The approval granted herein shall not preclude the Commission from exercising the provisions of § 56-78 and § 56-80 of the Code of Virginia hereafter.

4) The Commission reserves the right to examine the books and records of any affiliate in connection with the authority granted herein, whether or not such affiliate is regulated by this Commission pursuant to § 56-79 of the Code of Virginia.

5) The approval of this application shall have no implications for ratemaking.

6) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUF000013
MAY 26, 2000

APPLICATION OF
BARC ELECTRIC COOPERATIVE

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On May 3, 2000, 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"). Applicant has paid the requisite fee of $25.

Applicant requests authority to borrow $5,100,000 from FFB. The FFB loan will be guaranteed by the Rural Utilities Services ("RUS"). The loan proceeds will be used to finance Applicant's newest two-year construction plan approved by the RUS in November of 1999. The FFB loan will mature on December 31, 2034. The loan can be drawn down over a period of four years, and repayment terms will be interest only for the first two years. 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 each 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 $5,100,000 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 each 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. PUF000014
MAY 26, 2000

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to lease rail equipment

ORDER GRANTING AUTHORITY

On May 3, 2000, 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 lease approximately 110 used, steel rapid-discharge railcars. Applicant has paid the requisite fee of $250.

The railcars, which each has a gross transport capacity of 274,000 pounds, will be leased from Joseph Transportation Services, Inc. The term of the lease is 3 years. The lease will require monthly lease payments in advance of $240 per car. The lease will be a full service lease wherein the lessor will be required to pay for all normal maintenance, licensing, registration, and taxes associated with the ownership, delivery, use, and operation of the railcars. Virginia Power has included an analysis in its application that indicates net fuel savings of $661,320 million annually, as a result of the proposed lease.

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 execute the lease for the railcars under the terms and conditions and for the purposes stated in the application.

2) Approval of this application shall have no implications for ratemaking purposes.

3) There being nothing further to be done, this matter is hereby dismissed.

CASE NO. PUF000015
MAY 26, 2000

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to establish credit facility

ORDER GRANTING AUTHORITY

On May 5, 2000, Virginia Electric and Power Company ("Virginia Power" or "Applicant") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia requesting authority to establish a revolving credit and competitive loan facility. Applicant paid the requisite fee of $250.

In its application, Virginia Power, along with its parent, Dominion Resources, Inc. ("Dominion"), and affiliate, Consolidated Natural Gas Company ("CNG"), propose to establish a $1.75 billion syndicated revolving credit and competitive loan facility ("facility"). The Chase Manhattan Bank will act as administrative agent and Chase Securities, Inc., will act as arranger for the facility. The facility will have a term of 364 days from the date of execution, which is planned for June 1, 2000.

Virginia Power's use of the facility will be for general corporate purposes, including commercial paper liquidity back-up. The following maximum amounts will be available to each borrower, subject to an overall maximum of $1.75 billion: Virginia Power - $1.75 billion, CNG - $1.75 billion, and Dominion - $750 million. The proposed facility will replace Virginia Power's current 364-day, $200 million revolving credit facility and a total of $1.7 billion of credit agreements of Dominion, Dominion Energy, Inc., and CNG.

The revolving credit feature of the facility represents funds that will be provided on a committed basis. The competitive loan feature of the facility represents funds that may be provided on an uncommitted basis through an auction mechanism conducted at the request of the borrower. Loans under the revolving credit facility will bear interest at one of the following rates, depending on the borrower's election, plus a margin based on the credit rating of the borrower: 1) the higher of prime rate or the fed funds rate plus 0.5%, or 2) the rate for eurodollar deposits. Loans under the competitive loan facility will be bid out at either an absolute rate or a margin above the eurodollar rate.

The application indicates that Virginia Power and CNG will be equally responsible (50% each) for paying an 8 basis point facility fee based on the full amount of the credit facility. Thus, Virginia Power will be legally responsible for approximately $700,000 of the total facility fees. However, this fee will be reallocated internally among the three borrowers based on each company's borrowing capacity. This proposed reallocation would imply that Virginia Power would pay for capacity of $718 million.

The borrowers may prepay the facility or permanently reduce the unused potion of the facility in amounts to be agreed upon provided that the borrowings under the competitive loan facility may not be prepaid without the consent of the relevant lender. Any loans or drawn amounts outstanding under the facility must be repaid in full at the end of the term.

Staff has advised the Commission of its concern over the greatly increased short-term capacity allocated to Virginia Power under the facility. Virginia Power has not provided support in the form of pro forma financial statements or other projections for its cash needs to increase from the $200 million revolving credit facility expiring in June of 2000, to the $718 million upon which allocated facility fees are based under the proposal. Staff has also advised us that the uncertainties associated with the three borrowers' future use of the facility and possible future corporate changes associated with functional separation may require a closer review of future cash needs. As such, Staff recommends that approval of this application be granted for a limited one-year period.

THE COMMISSION, upon consideration of the application, subsequent information provided by Applicant, and the advice of its Staff, is of the opinion and finds that approval of the application as modified herein will not be detrimental to the public interest. However, the Commission is of the further opinion and finds that such authority should be granted for a one-year period. If at the end of the one-year period Applicant applies for an extension of such authority, it should provide in its application back-up support for its short-term borrowing needs. The Commission will reevaluate the allocation of the facility fees at that time. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to establish a $1.75 billion syndicated revolving credit and competitive loan facility with its parent, Dominion, and its affiliate, CNG, for one calendar year beginning with the execution of the facility agreement, under the terms and conditions and for the purposes set forth in the application, as modified herein.

2) Applicant shall file a copy of the executed credit agreement promptly after it becomes available.

3) Applicant shall pay facility fees, after internal allocations, based on an implied borrowing capacity of $200 million, rather than the $718 million proposed by Applicant. Such allocation shall be made in accordance with the Commission's Order in Case No. PUA990068.

4) Applicant shall file within 60 days of the end of each calendar quarter commencing on August 31, 2000, a report detailing use of the facility to include the date, amount, applicable interest rate of each loan segregated by borrower, and the use of the proceeds. In addition, such report shall include a separate accounting by Virginia Power of its daily short-term debt balance and the source of the borrowings.

5) 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.

6) 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.

7) The authority granted herein shall have no implications for ratemaking purposes.

8) This matter shall remain under the continued review, audit, and appropriate directive of the Commission.

CASE NO. PUF000016
MAY 26, 2000

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to issue securities and to establish a trust preferred financing facility

ORDER GRANTING AUTHORITY

On May 5, 2000, Virginia Electric and Power Company ("Virginia Power" or "Applicant") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia requesting authority to issue debt and preferred securities and to establish a financing facility for the issuance of trust preferred securities. Applicant paid the requisite fee of $250.

In its application, Virginia Power proposes to issue and sell up to $1.5 billion aggregate principal amount of its First and Refunding Mortgage Bonds, unsecured Senior Notes, unsecured Junior Subordinated Notes, and Preferred Stock (collectively, the "Securities"). The Securities will be registered with the Securities and Exchange Commission.

Virginia Power also proposes to establish a statutory business trust, Virginia Power Capital Trust II (the "Trust"). The Trust shall exist only for the purposes of issuing its own preferred and common securities, investing the proceeds from the sales in Virginia Power's Junior Subordinated Notes, and conducting other incidental activities. The interest rate of the Junior Subordinated Notes will be set equal to the dividend rate on the Trust's preferred securities. Applicant will guarantee certain payment obligations of the Trust. By issuing securities through the trust preferred financing facility and refunding existing Virginia Power preferred stock, Applicant indicates that it may lower its cost of money due to the tax deductibility of the interest payments on the Junior Subordinated Notes.

Virginia Power indicates that the terms and conditions of the Securities will be established on the basis of market conditions at the time of issuance. Each series of Virginia Power's Securities will bear interest at a rate or rates determined in accordance with their respective maturities and other features and conditions in the financial markets at the time of the sale. The interest rate on the Bonds or the Junior Subordinated Notes will be fixed. The interest rate on the Senior Notes may be fixed or floating. The dividend rate on each series of the Preferred Stock will be a fixed rate.

The Bonds may have maturities from 1 to 40 years. The Senior Notes and Junior Subordinated Notes are not limited with regard to maturity. Applicant will determine at or prior to the sale of each series of Preferred Stock whether it will be a perpetual security or provide for mandatory or optional redemption.

The proceeds from the sale of the Securities will be used for meeting a portion of Applicant's capital requirements. Such capital requirements consist of construction, upgrading 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. The Commission is aware that Virginia Power currently has authority granted in Case No. PUF970001 to issue $400 million in Junior Subordinated Notes through February 28, 2001. It appears that Applicant intends to use the Securities proposed in this case instead of the authority previously granted. As such, the authority granted in this case shall supercede and terminate the authority granted in Case No. PUF970001. The Commission is of the further opinion and finds that the authority should be granted for a limited period through June 30, 2003. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue $1.5 billion in debt and preferred securities and to establish a financing facility for the issuance of trust preferred securities through June 30, 2003, under the terms and conditions and for the purposes set forth in the application, provided that any refinancings result in demonstrated savings to Virginia Power.

2) Applicant shall submit a preliminary report of action within ten (10) days after the issuance of any Securities pursuant to this Order including the type of security, the date issued, the amount of the issue, the applicable interest or dividend rate, the maturity date, and net proceeds to Applicant.

3) Within sixty (60) days of the end of a calendar quarter in which Securities are issued, Applicant shall file a more detailed report to include the information required in Ordering Paragraph (2), as well as an itemized list of actual expenses to date associated with the Securities issuances, a comparison of the effective rate of Securities issued and any refunded securities, use of the proceeds, and a balance sheet reflecting the actions taken.

4) Applicant shall file a final report of action on or before August 31, 2003, to include all information required in Ordering Paragraph (3) which incorporates then-current actual expenses and fees paid for the proposed Securities issuances with an explanation of any variances from the estimated expenses contained in the Financing Summary attached to Virginia Power's application.

5) The authority granted herein shall supercede and terminate the authority granted in Case No. PUF970001.

6) The authority granted herein shall not preclude the Commission from applying the provisions of § 56-78 and § 56-80 of the Code of Virginia hereafter.

7) The Commission reserves the right, 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.

8) The authority granted herein shall have no implications for ratemaking purposes.

9) This matter shall remain under the continued review, audit, and appropriate directive of the Commission.

CASE NO. PUF000017
JUNE 23, 2000

APPLICATION OF
KENTUCKY UTILITIES COMPANY D/B/A OLD DOMINION POWER COMPANY

For authority to use and assume obligations associated with financial derivative instruments

ORDER GRANTING AUTHORITY

On May 15, 2000, Kentucky Utilities Company, d/b/a Old Dominion Power Company ("Applicant" or the "Company"), filed an application for authority under Chapter 3 of Title 56 of the Code of Virginia to use and assume certain obligations associated with the use of financial derivative instruments ("Derivatives") from time to time through the calendar year ended 2002. By letter dated June 12, 2000, Applicant amended its application. Applicant paid the requisite fee of $250.

Applicant requests authority to have the option of using Derivatives in conjunction with any underlying securities that already have been authorized or that may be authorized and issued through the 2002 calendar year. Applicant states that the aggregate notional amount of all Derivatives used pursuant to the authority requested herein, shall not exceed $400,000,000 at any time through the 2002 calendar year.

Applicant represents that the use of Derivatives can both lower interest rates and diminish financial risk and thereby facilitate the prudent discharge of its obligations. Applicant requests authority for the option of using Derivatives in the form of interest rate swaps and interest rate caps, floors, and collars with respect to the outstanding fixed or variable rate debt. Applicant also requests authority to use Derivatives in the form of forward looking interest rate swaps and treasury locks to lock in interest rates on any debt that may be subsequently issued through the 2002 calendar year. Applicant states, however, that it will file for separate and distinct approval for any future issuance of debt that may underlie a Derivative transaction by the Company.

Applicant stipulated to certain restrictions on its use of Derivatives to facilitate approval of the requested authority. Among other things, Applicant states that it will not enter into any Derivative transaction that, at the time the transaction is entered, will cause Applicant's estimated annualized net payment obligation[1] for all such Derivatives to exceed $100,000,000. By letter dated June 12, 2000, Applicant amended its application to reduce the limit of its net payment obligation from $100,000,000 to $20,000,000.

Additionally, Applicant states that it will not enter into any Derivative with counterparties having credit ratings of less than investment grade, and Applicant shall only use liquid and widely quoted standard money indices as reference indices for Derivative transactions.

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 enter into Derivatives under the terms and conditions and for the purposes set forth in the application as amended, through the period ending December 31, 2002.

2) Applicant shall not enter into any Derivative transaction that at the time such transaction is entered into will cause Applicant's estimated annualized net payment obligation to exceed $20,000,000 through the calendar year ended 2002.

3) Applicant shall strive to maintain its net payment obligation below $20,000,000. However, if Applicant's annualized net payment obligation should at any time exceed $25,000,000, Applicant shall (a) file with the Division of Economics and Finance a report on the appropriate action, if any, to be taken in order to reduce the Company's net payment obligation to an amount not to exceed $20,000,000; and (b) not enter into any additional Derivative transaction without prior Commission approval.

4) The aggregate notional amount of all Derivatives pursuant to this Order shall not exceed $400,000,000 outstanding at any one time through the calendar year ended 2002.

5) Applicant shall not enter into any Derivative transaction involving counterparties having credit ratings of less than investment grade.

6) Applicant shall submit a confidential Preliminary Report of Action to the Commission's Division of Economics and Finance within ten (10) business days following the execution of any transaction involving the used of Derivatives with such report to include a description of the transaction, including the notional amount, the term of the agreement, the credit rating of the counterparty, and the net payments to or from Applicant.

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[1] Applicant defined its annualized net payment obligation to be (x) the difference in the total amounts of money owed collectively to all counterparties under all financial derivative agreements, less the total amounts of money to be received collectively from all counterparties under all financial derivative agreements, or (y) zero, whichever of (x) and (y) is greater.

7) Applicant shall file a Report of Action within sixty (60) days after the end of each calendar quarter through calendar quarter September 30, 2002, in which Applicant has had any outstanding transaction involving Derivatives, with such report to reflect the number of Derivative transactions it is or has been a party to, the total amount of money Applicant paid or owes collectively to all counterparties to such transactions, the total amount of money Applicant received or is to receive from all counterparties under the terms of such transactions.

8) Applicant shall file a Final Report on March 1, 2003, to include the information detailed in ordering paragraph seven (7) for the quarter ended December 31, 2002, along with a schedule that indicates the remaining term of each outstanding Derivative agreement.

9) Approval of the application shall have no implications for ratemaking purposes. However, during any period in which Applicant's rates are capped or frozen by regulatory or legislative action, the Company shall enter into Derivatives at its own risk.

10) The Commission may revoke or modify the authority granted herein at any point in the future if it believes such revocation and/or modification is in the public interest.

11) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF000018
JUNE 8, 2000

APPLICATION OF
ROANOKE GAS COMPANY

For authority to issue short-term debt

ORDER GRANTING AUTHORITY

On May 17, 2000, Roanoke Gas Company ("Roanoke" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to incur short-term indebtedness. The proposed amount of short-term debt exceeds twelve percent of capitalization as defined in §§ 56-65.1 of the Code of Virginia. Applicant has paid the requisite fee of $250.

In its application, Roanoke proposes to incur short-term indebtedness in an aggregate amount not to exceed $18,000,000, over a three year time period beginning July 1, 2000. The indebtedness will be either in the form of issued negotiable notes maturing twelve months or less from date of issuance, or temporary draws on its short-term line of credit. The terms of the short-term borrowings will depend on the instrument issued. If Roanoke issues short-term notes, the rate would be fixed for the period of the note at or below the published Prime rate with a term of either 30, 60, or 90 days. If, on the other hand, Roanoke uses its lines of credit, the rate would be the rate negotiated with its bank.

The proceeds from the short-term borrowings are expected to help fund Roanoke's capital expenditures temporarily until other forms of permanent capital are available. The proposed short-term debt will also be used to help meet the projected need for peak seasonal gas inventory. The issuance dates will be on an as needed basis but Applicant anticipates that the heaviest utilization would be associated with filling gas storage beginning in April of each year and peaking in November.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue up to $18,000,000 in short-term debt in excess of twelve percent of total capitalization from July 1, 2000, through June 30, 2003, under the terms and conditions and for the purposes set forth in the application.

2) On or before July 15 and January 15 of each year, Applicant shall file a Report of Action including a daily balance of short-term debt outstanding during the semi-annual period ending in June and December, respectively, and a schedule of issuances including the amount, date of issue, interest rate, maturity and lending institution.

3) On or before July 31, 2003, Applicant shall file a final Report of Action providing the information outlined in ordering paragraph (2).

4) Approval of this application shall have no implications for ratemaking purposes.

5) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF000018
DECEMBER 20, 2000

APPLICATION OF
ROANOKE GAS COMPANY

For authority to issue short-term debt

ORDER AMENDING AUTHORITY GRANTED

On July 19, 2000, the Commission issued an Order authorizing Roanoke Gas Company ("Roanoke" or "Applicant") to issue up to $18,000,000 in short-term debt in excess of twelve percent of total capitalization from July 1, 2000, through June 30, 2003.

By letter dated December 15, 2000 ("Letter"), Roanoke requested that its authority in this case be amended to increase the authorized level of short-term borrowing from $18,000,000 to $22,000,000. In support of its request, the Applicant states that the amount of short-term debt authority originally requested in this case was based on gas costs that were much lower than actually incurred. Since the Order in this case was issued, gas costs have risen rapidly. Roanoke further states in its Letter that the significant increase in gas costs and the currently unknown duration of these price increases will likely cause it to exceed its previously approved level of short-term borrowing.

THE COMMISSION, upon consideration of this information and having been advised by its Staff, is of the opinion and finds that an Order Amending Authority Granted should be issued.

Accordingly, IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue up to $22,000,000 in short-term debt in excess of twelve percent of total capitalization from the date of this Order through June 30, 2003, under the terms and conditions and for the purposes set forth in its application, as amended by its December 15, 2000, Letter.

2) All other provisions of the July 19, 2000, Order shall remain in full force and effect.

CASE NO. PUF000020
JULY 19, 2000

APPLICATION OF
ATMOS ENERGY CORPORATION

For authority to incur short-term indebtedness

ORDER GRANTING AUTHORITY

On June 29, 2000, 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. 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. Applicant has paid the requisite fee of $250.

Atmos requests authority to borrow up to $800,000,000 of short-term debt during the 12-month period beginning August 1, 2000. Applicant proposes to borrow the short-term funds by making draw-downs under existing credit facilities or through the use of its commercial paper program. Atmos anticipates that the short-term debt will be floating rate debt.

Applicant states that the funds will be used to fund the acquisition of the Louisiana operations of Louisiana Gas Service Company, refinance existing long-term debt that is being redeemed, and fund its normal working capital needs.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue short-term debt in excess of twelve percent of capitalization in an aggregate amount outstanding not to exceed $800,000,000 at any one time for the 12-month period ended August 1, 2001, under the terms and conditions and for the purposes set forth in the application.

2) Applicant shall file within 60 days of the end of each calendar quarter commencing on November 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.

3) The authority granted herein shall terminate and supercede the authority granted in Case No. PUF990034.

4) The authority granted herein shall have no implications for ratemaking purposes.

5) This matter shall remain under the continued review, audit, and appropriate directive of the Commission.

CASE NO. PUF000021
JULY 27, 2000

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority under Chapters 3, 4, and 5 of Title 56 of the Code of Virginia to participate in lease financing arrangements for construction of generation facilities, and for a declaration on non-jurisdiction

ORDER EXTENDING AUTHORITY

On July 5, 2000, Virginia Electric and Power Company ("Virginia Power" or "Company") filed an application for approval as required pursuant to Chapter 3 of Title 56 of the Code of Virginia for it to participate in lease financing arrangements of approximately $300 million for the construction of the generating facilities at its Possum Point Power Station.[1] Since the proposed financing arrangement will involve jurisdictional contracts or arrangements between itself and DEI Sub, an affiliate, the Company requests approval pursuant to Chapter 4 of Title 56. Virginia Power also requests approval pursuant to Chapter 5 of Title 56 for the transfer, by means of a ground lease, of real property at Possum Point on which the new facility will be constructed. Virginia Power will be acquiring the constructed facility and related real property through a sublease. In addition, Virginia Power requests the Commission to issue a declaration that it will not assert jurisdiction over other parties who will participate in the transaction only to serve as financing vehicles. Finally, Virginia Power seeks a declaration that § 56-234.3 does not require prior Commission approval for it to enter into certain agreements in connection with the proposed financing, or, in the alternative, that it be granted an exemption from, or approval of such agreements.[2]

On July 26, 2000, the Commission issued an Order Inviting Comments and Responses and Prescribing Notice in Case Nos. PUE000343 and PUF000021. In that Order, the Commission appointed a Hearing Examiner to receive comments on the applications, and, if necessary, convene a hearing on certain issues detailed therein. One of the threshold issues raised in both proceedings centers on whether the Rules Governing the Use of Bidding Programs to Purchase Electricity from Other Power Suppliers ("Bidding Rules") are applicable to the Project.

Pursuant to § 56-61, the Commission has twenty-five days to approve an application filed pursuant to Chapter 3. The Commission may extend that time period for "an additional thirty days" and if that "fifty-five days is not a sufficient time in which fully to investigate and determine" the matter, it may "by written order extend the time for a specified reasonable period, and in such order set forth the reasons for such extension ...."

NOW THE COMMISSION, having considered the above-referenced request pursuant to Chapter 3, is of the opinion that fifty-five days is not sufficient time in which to investigate and determine that such approval will not be detrimental to the public interest. Such application is inextricably linked to the Commission's determination of the issues arising from the application filed by the Company in Case No. PUE000343. We will, therefore, extend the period of review of issues, pursuant to § 56-61, until thirty (30) days after we have made a determination regarding the Bidding Rules and other threshold issues raised by the application docketed as Case No. PUE000343.

Accordingly, IT IS ORDERED THAT the period of review of issues governed by Chapter 3 of Title 56 of the Code of Virginia is hereby extended until thirty (30) days after the Commission's determination of the applicability of the Bidding Rules and other issues identified in our July 26 Order entered in Case No. PUE000343.

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[1] In a separate application docketed as PUE000343, the Company requests, among other things, approval of a proposed project at its Possum Point Power Station in Prince William County, Virginia (hereinafter referenced as "the Project"). The Company proposes to convert Units 3 and 4, which burn coal, to natural gas and to construct a new generating plant at that Station.

[2] The Company also made such request in its application docketed as PUE000343.

CASE NO. PUF000021
OCTOBER 3, 2000

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority under Chapters 3, 4, and 5 of Title 56 of the Code of Virginia to participate in lease financing for construction of generation facilities, and for a declaration of non-jurisdiction

ORDER

On July 5, 2000, Virginia Electric and Power Company (the "Company" or "Virginia Power") filed an application under Chapters 3, 4 and 5 of Title 56 of the Code of Virginia for authority to participate in lease financing arrangements, with an affiliate, for the construction of generating facilities. Additionally, the Company has requested a declaration that the Commission will not assert jurisdiction to regulate either the lessor or the sublessor to the transaction as public utilities.

The generating facilities proposed by Virginia Power are the subject of a separate proceeding with the Commission, docketed as Case No. PUE000343. In that case, which was filed on June 16, 2000, Virginia Power proposes to reconfigure its Possum Point Power Station ("Possum Point") by taking two existing oil-fired units out of service, converting two existing coal-fired units to natural gas, and having a new combined cycle generating unit constructed. This latter unit will also be powered with natural gas, and will have a rated capacity of 540 megawatts ("New Facility"). Construction of the New Facility is proposed to be undertaken by two grantor trusts acting as lessor, at the direction of the sublessor, which is an affiliate of Virginia Power. Following construction of the unit, the lessor will retain ownership, lease the facility to sublessor (DEI Sub), which in turn will sublease the facility for an

initial five-year term to Virginia Power. Virginia Power is said to "retain operational control of the New Facility" and to be deemed its record owner for federal income tax purposes.

Virginia Power proposes to acquire a financial interest of approximately $300 million in the New Facility through a synthetic lease financing arrangement. According to the Company, because these arrangements "may be considered to create an evidence of Virginia Power's indebtedness," it is seeking approval under Chapter 3 of Title 56 of the Code of Virginia. According to the Company, approval is also being sought under Chapter 4 because the transaction involves jurisdictional contracts or arrangements between Virginia Power and its affiliate, DEI Sub, specifically the sublease of the facility. Additionally, the Company states that, to the extent required, it seeks Chapter 5 approval because it will be transferring to DEI Sub, by means of a ground lease, the real property at Possum Point on which the New Facility will be constructed.

The Company represents that other parties to the transaction will own the New Facility "for financing purposes only," and so requests that we issue a declaration of non-jurisdiction over these parties. Further, Virginia Power seeks a declaration that § 56-234.3 of the Code of Virginia does not require prior Commission approval for Virginia Power to enter into certain arrangements in connection with the proposed financing, or in the alternative, Virginia Power seeks exemption from, or such approval as may be required under, that statute for the transactions described in its July 5, 2000, application.

On July 26, 2000, the Commission issued an Order Inviting Comments and Responses and Prescribing Notice in which it identified preliminary issues presented in Case Nos. PUF000021 and PUE000343, assigned a Hearing Examiner to make recommendations on those preliminary issues, and required public notice. These issues included: (1) whether the Bidding Rules[1] are applicable to the project, or in the alternative, if they do apply, whether the Commission should grant Virginia Power a waiver; (2) whether the Commission should approve the project exclusively under § 56-580 D of the Code, or under § 56-234.3 and § 56-265.2 as well; and (3) if § 56-234.3 of the Code applies to this project, whether the Company should be granted an exemption for that provision, or approval under it to make "at risk" financial expenditures in association with the New Facility. On September 1, 2000, the Hearing Examiner issued her report. These issues are now before us.

With regard to the transactions for which approval is sought in this matter, Case No. PUF000021, the Commission concludes that it is in the public interest, at this time, to approve only the Chapter 4-related aspect of the described transaction docketed in Case No. PUF000021, contingent upon the issuance by us of all further necessary certificates of public convenience and necessity, authorizations, and approvals. We will consider both the actual construction of the plant and its financing separately. Therefore, should we find in these separate rulings that the plant should be built, with the proposed financing, then the affiliate arrangement proposed herein does not appear to be contrary to the public interest. If we find the proposed construction of the New Facility, or the particular proposed mechanics of its financing, not to be in the public interest, the approval granted herein shall be modified accordingly, as provided by § 56-80 of the Code of Virginia.

NOW THE COMMISSION, upon consideration of the Company's application, the applicable statutes, and having been advised by its Staff, is of the opinion and finds that Virginia Power's request for authority to enter into a financial transaction with its affiliate, DEI Sub, should be approved, subject to the conditions and to the extent, discussed herein.

Accordingly, IT IS ORDERED THAT:

(1) The request by Virginia Power for authority to enter into a financial transaction with an affiliate is approved, pursuant to Chapter 4 of Title 56 of the Code of Virginia, contingent upon our subsequent issuance of all additional, required authorizations, approvals and certificates.

(2) All further aspects of this application, as discussed above, remain under review and subject to further orders of the Commission.

(3) The authority granted herein shall have no implications for ratemaking purposes.

(4) The arrangement approved herein shall remain subject to continued review, audit, appropriate findings, and further orders and directives of the Commission, as provided by § 56-80 of the Code of Virginia.

[1] Rules Governing the Use of Bidding Programs to Purchase Electricity from Other Power Suppliers, 20 VAC 5-301-10 et seq.

CASE NO. PUF000021
NOVEMBER 17, 2000

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority under Chapters 3, 4, and 5 of Title 56 of the Code of Virginia to participate in lease financing for construction of generation facilities, and for a declaration of non-jurisdiction

ORDER

On July 5, 2000, Virginia Electric and Power Company ("the Company" or "Virginia Power") filed an application under Chapters 3, 4, and 5 of Title 56 of the Code of Virginia for authority to participate in a lease financing arrangement with an affiliate, for the construction of generating facilities.[1] Virginia Power proposes to finance approximately $300 million, including interest and yield capitalized during construction, for the construction of generating facilities through a synthetic lease financing arrangement. Additionally, the Company has requested a declaration that the Commission will not

[1] By Commission Order dated October 3, 2000, in this case, the Commission authorized Virginia Power to enter into a financial transaction with its affiliate, DEI Sub ("DEI Sub"), pursuant to Chapter 4 of Title 56 of the Code of Virginia, contingent upon the Commission's subsequent issuance of all additional required authorizations, approvals, and certificates.

assert jurisdiction over certain parties to the transaction. Based on its representations that other parties to the transaction will own the generating facility for financing purposes only, Virginia Power requests that the Commission issue a declaration of non-jurisdiction over these parties. The Company has paid the requisite fee of $250 for its application.

On July 7, 2000, the Virginia Committee for Fair Utility Rates filed a Notice of Protest in this matter.

The generating facilities proposed by Virginia Power are the subject of a separate proceeding with the Commission, docketed as Case No. PUE000343. In Case No. PUE000343, filed on June 16, 2000, Virginia Power proposes to reconfigure the generating units at its Possum Point Power Station ("Possum Point") by taking two existing oil-fired units out of service, converting two existing coal-fired units to natural gas, and constructing a new combined cycle generating unit with a rated capacity of 540 megawatts ("New Facility").

On July 26, 2000, the Commission issued an Order Inviting Comments and Responses and Prescribing Notice in which it identified preliminary issues ("issues"), presented in Case Nos. PUF000021 and PUE000343, assigned a Hearing Examiner to make recommendations on the issues and required public notice. On September 1, 2000, the Hearing Examiner issued her report.

By Order dated July 27, 2000, entered in Case No. PUF000021, the Commission extended its authority to address the Chapter 3 aspect of this proceeding until thirty days after it decided the issues identified in the July 26, 2000 Order. On October 18, 2000, the Commission issued an Order For Notice And Hearing in which it decided the preliminary issues.

According to the captioned application, Dominion Energy, Inc. ("DEI"), an affiliate of Virginia Power, will form a new subsidiary corporation, DEI Sub, to act as construction agent for the project. Additionally, two grantor trusts ("Trusts") unaffiliated with Virginia Power have been created to acquire the generation equipment from General Electric ("GE"). The Trusts will be combined to serve as the lessor of the New Facility. The Trusts will, under a Ground Lease, acquire from Virginia Power the real property at Possum Point on which the New Facility is to be constructed, will acquire the generation equipment from GE, and will cause the New Facility to be constructed.

DEI Sub will enter into a Supervisory Agreement to act as construction agent for the Trusts in connection with the construction, and thus will control the design and construction of the New Facility. DEI Sub will also enter into a synthetic lease ("Lease") for the New Facility from the Trusts. DEI Sub's payments under the Lease will be guaranteed by Dominion Resources, Inc. ("DRI"), parent company of Virginia Power and DEI. The Lease will have an initial term commencing on August 22, 2000, the date the lease was signed, and ending on the earlier of completed construction or August 1, 2003, followed by a base term, for a total of five years.

As described in the Company's response to Question No. 19 of the Staff's Second Set of Interrogatories and Request for Production of Documents, at the end of the Lease's initial term, the lessee, i.e., DEI Sub, may purchase the New Facility for the lease balance, renew the lease, or terminate the lease and sell the New Facility to a third party subject to any residual value adjustment clause.

Virginia Power will acquire operating control of the New Facility from DEI Sub under a sublease ("Sublease"). As represented by Virginia Power, the Sublease will contain essentially the same terms and conditions as the Lease. One difference is that the Sublease will not be executed until the New Facility is operational. The Sublease is a "triple-net" lease requiring Virginia Power to pay all maintenance, insurance, taxes, and other costs arising out of use or ownership of the leased property. Virginia Power will have the option on any payment date during the Sublease term to purchase the New Facility for an amount equal to the outstanding debt and equity. Interest will be capitalized during the construction period and will be financed as part of the project cost.

The Lease and Sublease are intended to qualify as operating leases for financial reporting purposes. Although the Trusts will be the record owner of the New Facility, it is intended that Virginia Power will be deemed to have ownership of the New Facility for federal income tax purposes. According to the application, upon the expiration of the base term of the Sublease, Virginia Power will re-examine its permanent financing options in light of its overall capital structure and generation strategy.

Since Virginia Power will be permitted to acquire ownership of the New Facility at a fixed price, potential appreciation in the asset remains with Virginia Power. From a refinancing perspective, Virginia Power can buy or sell the New Facility or renew the synthetic lease upon its termination.

In light of the requested separation of Virginia Power's generation assets on January 1, 2002,[2] Virginia Power believes that it needs the flexibility afforded by synthetic lease financing. Further, Virginia Power's response to interrogatory No. 17 of the Staff's second set of interrogatories represents that the proposal for development of the New Facility will be affected by the transition to functional separation in the Company's November 1, 2000, Application for Approval of a Functional Separation Plan. This response indicated that the generating assets and functions proposed to be transferred to Dominion Generation include the New Facility. If the Functional Separation Plan is approved, upon completion of the construction another DRI subsidiary, Dominion Generation, would become the sublessee of the New Facility and operate the New Facility along with the other generating facilities proposed to be transferred to Dominion Generation under the Functional Separation Plan. Under this contingency, Virginia Power will not execute the Sublease.

NOW, upon consideration of the Company's application, representations by the Company,[3] the applicable statutes and rules, and having been advised by its Staff, the Commission is of the opinion and finds that approval of the application subject to the conditions set forth below will not be detrimental to the public interest.

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[2] On November 1, 2000, Virginia Power filed an Application for Approval of Functional Separation Plan ("Functional Separation Plan") filed as Document Control No. 001110046.

[3] We note that in the Company's response to interrogatory question No. 15 of the first set of Staff interrogatories that Virginia Power stated that there is no legal basis under the present definitional framework for fuel expenses to consider the sublease payments to DEI Sub to be costs recoverable through its fuel factor. In addition, the Company represents to Staff that it does not presently have any intention of seeking fuel factor recovery of the lease payments or seeking necessary changes, if any, that would be required to allow such recovery. It would be difficult for the Commission to find that the synthetic lease arrangement is in the public interest if it were to cause fuel rates to increase when conventional financing would not cause that result.

On page 4 of the captioned application, Virginia Power states that the "primary purpose of the Possum Point project is to bring about environmental improvement while fulfilling the need to provide customers with adequate and reliable service in a cost-effective manner." Section 56-90 requires that the Commission find that "adequate service to the public at just and reasonable rates will not be impaired or jeopardized by granting" any request for authority to acquire or transfer a utility asset. The Company represents that its acquisition of the New Facility, whose construction is proposed in Case No. PUE000343, is necessary and in the public interest to enable it to meet the obligation that it now has to provide adequate service to its customers at just and reasonable rates. We recognize, of course, that the Company's obligations are evolving under the law and that it has proposed that the supply of generation service, including the New Facility, should be transferred to Dominion Generation as part of the Company's plan of functional separation. This transfer issue related to the New Facility is, according to the Company, to be decided in the Functional Separation case it has filed.

A review of the relevant documents supporting the application in this case creates a concern that the Lease and Sublease may not clearly provide that the Company has the right to enter into the Sublease and thereby acquire control of the New Facility to the same extent as DEI Sub. Under the terms of the Lease and Sublease, DEI Sub will lease, develop, and control the New Facility until it becomes operational. It is unclear under the Lease and Sublease whether Virginia Power can maintain control over the New Facility under all stages of its development, i.e., in the same manner that it could if it were to finance and construct the New Facility by using traditional methods. We believe the Company needs assurance, given that the New Facility is said to be vital to its provision of service, that it will in fact be able to acquire and retain control of the New Facility upon its construction. Therefore, we will approve the application upon the reformation of the Sublease to the extent necessary to assure that Virginia Power can maintain, to the extent practicable, the same control of the New Facility as DEI Sub may enjoy under the Lease. Obviously, such control need only continue until a further order is issued by the Commission finally adjudicating the issues presented in the Functional Separation Plan or in any other application regarding the facility. Since one of the purposes of this financing vehicle is to assure the completion of the New Facility to provide reliability to Virginia Power's system, then Virginia Power must be assured of continuing control over the New Facility and must be allowed to sign the Sublease.

We impose the conditions below simply to avoid what appears to be a slight possibility that the New Facility could be transferred from Virginia Power's control under circumstances that might jeopardize the Company's ability to provide adequate service to the public. This possibility is nowhere broached in the application or supporting materials, and indeed, it appears that the interests of DEI Sub and Virginia Power are now aligned.

Nonetheless, we direct Virginia Power to: (1) take all actions necessary to ensure that it will have the right to acquire control of the New Facility through the Sublease upon completion of construction; (2) reform the Sublease to the extent necessary to assure that Virginia Power can maintain, to the extent practicable, the same control of the New Facility as DEI Sub may enjoy under the Lease; (3) take all steps necessary to obtain and assure the Company's continuing control over the New Facility under the Sublease as reformed, pending subsequent order of the Commission; and (4) obtain Commission authority before transferring control of the New Facility to any other entity. We anticipate, as does the Company, that the issue of transfer of control of the New Facility will be addressed as part of Virginia Power's pending Functional Separation Plan.

In order to assure the availability of the New Facility,[4] we find the following conditions necessary, at this time: (1) the determination regarding whether DEI Sub or other parties to this transaction are public utilities requiring certificates of public convenience and necessity shall be considered as part of Case No. PUE000343; (2) pending the resolution of the issue raised in condition (1) above, DEI Sub may not divest Virginia Power of control of the facility without Commission authorization to do so; (3) the real property subject to the ground lease approved herein may only be used to accommodate construction of the New Facility; (4) the approval granted herein is subject to further authorizations and conditions, and the issuance of appropriate certificates in Case No. PUE000343; and (5) the approval granted herein does not decide the issue of whether the New Facility is needed by Virginia Power. The issue of need identified in condition (5) herein will be determined in Case No. PUE000343, as part of our determination made under § 56-234.3 of the Code of Virginia.

Accordingly,

IT IS ORDERED THAT:

1) Virginia Power is hereby authorized to enter into the lease financing arrangement as described in its July 5, 2000 application, provided its supporting documents are modified as directed herein and are further subject to the conditions set out above.

2) Virginia Power shall take all necessary actions to ensure that it will have the right to acquire control of the New Facility through the Sublease upon completion of construction.

3) Virginia Power is directed to take all actions necessary to obtain and maintain control over the New Facility until ordered otherwise by the Commission.

4) The authority granted herein shall have no implications for ratemaking purposes.

5) The authority granted herein shall have no implications for the issues to be determined in the Company's pending Functional Separation Plan.

6) On or before December 4, 2000, Virginia Power shall file a copy of its modified Sublease and evidence of the requisite assurances set out in Ordering Paragraph 2) above with the Division of Economics and Finance.

7) This matter shall remain under the continued review, audit, and appropriate directives of the Commission.

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[4] The issue of whether the New Facility should be constructed will be addressed in pending Case No. PUE000343. Consequently, we take no position relative to the issues presented by that case in this one.

CASE NO. PUF000022
JULY 26, 2000

APPLICATION OF
CFW COMMUNICATIONS COMPANY
and
CFW TELEPHONE, INC.

For authority to guarantee obligations of an affiliate

ORDER GRANTING AUTHORITY

On July 25, 2000, CFW Communications Company ("CFW"), CFW Telephone, Inc. ("CFW Telephone"), and CFW Network Inc., (collectively, "Applicants") filed an application with the Commission under Chapters 3 and 4 of Title 56 of the Code of Virginia for approval of CFW Telephone and CFW Network Inc. to guarantee certain obligations of CFW. By letter telefaxed from counsel dated July 25, 2000, the application was amended to remove CFW Network Inc. as a party requesting approval. Applicants paid the requisite fee of $250.

CFW Telephone is a Virginia public service corporation that provides incumbent local exchange telephone service. CFW Telephone is a wholly owned subsidiary of CFW. CFW intends to enter into a series of transactions that will expand and focus its telecommunications business. In order to finance a portion of those transactions, CFW wishes to execute a $325,000,000 credit agreement with a group of financial institutions to provide a comprehensive package of debt financing for an eight-year period ("Credit Agreement").

To support the Credit Agreement, all subsidiaries of CFW are required to be guarantors to the Security Agreement. The Credit Agreement will be in the form of an eight-year, $100,000,000 revolving credit facility and $225,000,000 in term loans and term loan commitments that can be drawn during the next 12 months. The proceeds will be used by CFW to refinance existing senior debt, to acquire the personal communication service business of PrimeCo PCS, L. P., and to maintain and improve regulated telephone services. According to the application, CFW Telephone may also benefit from future access to borrowing under the Credit Facility.

CFW has also announced its intention to acquire control of R&B Communications, Inc. The Commission is considering that matter in Case No. PUA000056.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion that approval of the authority requested will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) CFW Telephone is hereby authorized to guarantee loans up to $325,000,000 by CFW through the Credit Agreement and participate as a guarantor in the Security Agreement, under the terms and conditions, and for the purposes as set forth in the application.

2) Approval of the application shall have no implications for ratemaking purposes.

3) Should CFW Telephone need to borrow any of the monies subject to this application, CFW Telephone shall seek prior approval under Chapter 3 before making such borrowings.

4) Any subsequent financing arrangements with affiliates or other affiliate agreements shall require separate authority, which shall not be implied by approval of the application herein.

5) Approval of the application shall not preclude the Commission from applying the provisions of § 56-78 and § 56-80 of the Code of Virginia hereafter.

6) The Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein, pursuant to § 56-79 of the Code of Virginia.

7) There appearing nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUF000023
AUGUST 21, 2000

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to issue short-term debt and sell commercial paper to affiliates

ORDER GRANTING AUTHORITY

On August 1, 2000, 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 to sell a portion of those debt securities to certain affiliates. The proposed amount of short-term debt is in excess of twelve percent of total 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 period October 1, 2000, through September 30, 2001. Applicant also requests authority to sell a portion of its commercial paper, up to $20 million outstanding at any one time, to two of its affiliates, Crab Run Gas Company and Hampshire Gas Company (the "Affiliates").

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 debt sold to Affiliates will be the same rate that WGL would pay to other purchasers of its commercial paper of the same maturity and denomination, excluding any commission. The proceeds from the short-term debt issued will be used to finance seasonal requirements and increases in WGL's working capital.

THE COMMISSION, upon consideration of the application and representations of WGL 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, 2000, through September 30, 2001, 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, 2001, showing WGL's daily short-term debt activity from October 1, 2000, through September 31, 2001. Such report shall include the type, amount, issuance date, maturity, and interest rate on 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, 2001.

7) This matter shall be continued subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF000024
AUGUST 24, 2000

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to issue tax-exempt debt securities

ORDER GRANTING AUTHORITY

On August 2, 2000, Virginia Electric and Power Company ("Virginia Power", "the Company") filed an application under Chapter 3 of Title 56 of the Code of Virginia for the issuance of up to $80 million of tax-exempt Solid Waste and Sewage Disposal Revenue Bonds ("the Bonds"). The requisite $250 fee has been paid.

The Bonds will be issued through the Industrial Development Authority of the Town of Louisa, Virginia. The proceeds will be used to reimburse Virginia Power for the cost of previously constructed pollution control facilities at the North Anna Nuclear Power Plant.

The Company proposes to issue up to $80,000,000 in Bonds in one or more series, from time to time, on or before June 30, 2003. The interest rate will be determined in the capital markets at the time of issuance. Several interest rate options will be available to the Company when issuing the Bonds. Initially, the Bonds are expected to carry a fixed rate. Thereafter, the Company may select either fixed or variable interest rates for varying periods of time. The final maturity date of the Bonds will be limited to the useful life of the facilities.

The Commission, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Virginia Power is hereby authorized to enter into transactions relating to the issuance of up to $80 million of tax-exempt Solid Waste and Sewage Disposal Revenue Bonds through June 30, 2003, for the purposes and under the terms and conditions as described in the application.

2) Within ten days after any debt is issued pursuant to this Order, the Company shall file a preliminary Report of Action containing the issue and maturity dates, amount issued, price to public, interest rate, interest rate term, and net proceeds to Applicant.

3) On or before August 31, 2003, the Company shall file a Final Report of Action containing the issue and maturity dates, amount issued, interest rate, redemption provisions, underwriters' fees and other issuance expenses to date, a list describing all filings, contracts, or agreements in conjunction with the issuance, and a balance sheet reflecting the actions taken.

4) Approval of this application shall have no implications for ratemaking purposes.

5) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF000025
SEPTEMBER 25, 2000

APPLICATION OF
VIRGINIA NATURAL GAS, INC., AGL RESOURCES INC.,
and
AGL SERVICES COMPANY

For authority to issue short-term debt, long-term debt, and common stock to an affiliate

ORDER GRANTING AUTHORITY

On September 1, 2000, Virginia Natural Gas, Inc. ("VNG"), AGL Resources, Inc., ("AGLR"), and AGL Services Company ("AGL Services") (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 an AGLR System Money Pool ("Money Pool") and to issue and sell common stock and long-term debt to an affiliate. 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, AGLR, and AGL Services request authorization for VNG to: 1) issue short-term debt up to $100 million through participation in a Money Pool to be established by AGLR and administered by AGL Services; 2) issue long-term debt to AGLR in an amount not to exceed $265 million; and 3) issue and sell common stock to AGLR in an amount not to exceed $385 million, all through August 31, 2001.

The Applicants indicate that the proposed AGLR System Money Pool will be similar to the CNG Money Pool that VNG previously used to finance its working capital needs. The Applicants note that the proposed dollar limit of $100 million in this case is the same as the limit approved in the last VNG/CNG Money Pool case.

The terms of the various issuances are as follows. First, Money Pool loans to participants will be made in the form of open account advances for periods of less than 12 months. Interest will be paid monthly at the same effective rate of interest as AGLR's weighted average effective rate of interest on commercial paper and/or revolving credit borrowings. If no such borrowings are outstanding, interest will be paid at the daily composite Federal Funds rate. The Money Pool will be administered on behalf of AGLR and certain of its subsidiaries by AGL Services.

Second, VNG's long-term debt terms and conditions will mirror those of AGLR's issuances. If AGLR does not issue long-term debt within one year from the date of the proposed financings, the rate of interest will be determined utilizing Lehman Brothers Long Treasury Bond rate as quoted in the Wall Street Journal dated nearest to the time of the loan takedown under this application, plus the appropriate credit spread for AGLR's existing long term debt rating. However, such rate will be adjusted to match AGLR's cost of borrowing if AGLR subsequently issues long-term debt within one year after the loan takedown under this application.

Finally, up to 4,727 shares of common stock without par of VNG will be issued to AGLR. If all additional shares of common stock are issued pursuant to this request, the total number of common shares outstanding would be 10,000. This is equal to the number of shares authorized.

The proposed long-term debt and common equity will be used for two purposes: 1) to recapitalize VNG's balance sheet after all outstanding borrowings are repaid upon the closing of the acquisition transaction, and 2) to reduce borrowings under the AGLR System Money Pool, to fund distribution system improvements, to pay or refinance other obligations of VNG, or to accomplish VNG's other public utility 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. 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 million, through August 31, 2001, under the terms and conditions and for the purposes set forth in the application.

2) VNG is hereby authorized to issue long-term debt to AGLR in an amount not to exceed $265 million and issue and sell common stock to AGLR in an amount not to exceed $385 million, through August 31, 2001, under the terms and conditions and for the purposes set forth in the application.

3) Approval of this application shall have no implications for ratemaking purposes.

4) Approval of this application does not preclude the Commission from applying the provisions of § 56-78 and § 56-80 of the Code of Virginia hereafter.

5) The Commission, 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) Applicants shall, pursuant to the authority granted herein, file a report of action regarding the Money Pool activity, on or before October 31, 2001. Such report shall include a schedule of all advances from and loans to the Money Pool for the prior one-year period ended August 31, 2001, for each participant, 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.

7) Applicants 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.

8) Applicants 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 (7), 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.

9) Applicants shall file their final report of action on or before October 31, 2001, to include all of the information outlined in Ordering Paragraph (8), summarizing the financings entered into pursuant to Ordering Paragraph (2) during the third quarter of 2001.

10) This matter shall be continued subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF000026
OCTOBER 23, 2000

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to engage in affiliate transactions through a Money Pool

ORDER GRANTING AUTHORITY

On September 1, 2000, Washington Gas Light Company ("WGL" or "Applicant") filed an application pursuant to Chapter 4 of Title 56 of the Code of Virginia for authority to participate in a holding company system money pool ("Money Pool"). Applicant amended its application on September 18, 2000, to modify the cost allocation terms of the Money Pool Agreement.

Applicant represents that Chapter 3 authority is neither requested nor necessary since its short-term borrowings under the proposed Money Pool will not exceed the statutory threshold of twelve percent of total capitalization under Virginia Code § 56-65.1. Applicant states that it will file separately for such authority if and when it is needed.

The system Money Pool described in WGL's application is intended to be created following the formation of the holding company structure authorized by Commission Order dated May 11, 2000, in Case No. PUA000010. The new holding company will be named WGL Holdings, Inc. ("WGL Holdings"), and will become the parent company of WGL.

Participants in the Money Pool will be WGL Holdings, WGL, and the affiliates of WGL named in the Money Pool Agreement attached to the application. The purpose of the money pool is to provide Participants with a means to borrow and to lend surplus funds to each other on a short-term basis. WGL Holdings may lend funds to the Money Pool, but it may not borrow from the Money Pool pursuant to the restrictions imposed by the Public Utility Holding Company Act of 1935. WGL Holdings will be administrator of the Money Pool.

Funds for the money pool will be provided from surplus funds invested by the Participants ("Internal Funds") and proceeds from bank borrowings and/or commercial paper sales by the Participants ("External Funds"). The Money Pool borrowing rate will be based on a composite rate equal to the weighted average of the cost of Internal and External funds. If Money Pool Funds are solely comprised of Internal Funds, the applicable borrowing rate will be based on the rate for high-grade, unsecured 30-day commercial paper as quoted in the *Wall Street Journal*. The rate for External Funds will equal the weighted average of the cost incurred by the Participant providing such funds.

THE COMMISSION, upon consideration of the application and having been advised by Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is authorized to enter into the WGL Holdings System Money Pool Agreement for participation in the proposed Money Pool, under the terms and conditions and for the purposes set forth in the application.

2) Applicant's borrowings under the Money Pool shall be limited to funds that can be borrowed at rates equal to or lower than what WGL could obtain on its own behalf outside of the Money Pool.

3) Prior to any changes in terms and conditions of the Money Pool Agreement, Applicant shall file for amended authority to participate in the Money Pool.

4) Applicant shall file for separate authority to have aggregate short-term debt, both money pool and non-money pool borrowings, to exceed twelve percent of total capitalization.

5) The approval granted herein for participation in the Money Pool shall not preclude the Commission from exercising its authority under the provisions of §§ 56-78 through 56-80 of the Code of Virginia hereafter.

6) The Commission reserves the right to examine the books and records of any affiliate, whether or not such affiliate is regulated by this Commission, in connection with the authority granted herein.

7) There being nothing further to consider in this matter, it shall be, and hereby is, dismissed.

CASE NO. PUF000027
OCTOBER 20, 2000

APPLICATION OF
APPALACHIAN POWER COMPANY d/b/a AMERICAN ELECTRIC POWER

For authority to factor its accounts receivables to an affiliate

ORDER GRANTING AUTHORITY

On August 30, 2000 Appalachian Power Company d/b/a American Electric Power Company ("AEP-VA" or "the Company") filed an application under Chapter 4 of Title 56 of the Code of Virginia. In its application, AEP-VA proposes to factor its accounts receivables to an affiliate, currently named CSW Credit, Inc. ("Credit"). According to the application, Credit will be renamed.

AEP-VA proposes to sell its accounts receivables to Credit on a daily basis. AEP-VA will act as a collection agent for the receipt of customer payments and remit these payments to Credit. According to the Company, this process will allow AEP-VA to finance its accounts receivable at a lower cost of capital than it could otherwise.

The receivables will be purchased based on a discount rate. The discount rate is based upon three different costs: a cost of capital component, an agency fee, and a bad debt expense. The cost of capital component to AEP-VA is determined by using a capital structure of 95% debt and 5% equity. The cost of debt is based on Credit's actual incurred debt costs, and the equity component will be based on the latest allowed return on equity for AEP-VA. According to the Company, this will result in a much lower overall cost of financing than would otherwise be incurred if the capital structure of AEP-VA was used as a basis for financing these assets.

The agency fee component is not recorded as a factoring expense. It is recorded as a receivable from Credit. When the purchased accounts are collected, AEP will remit the collections less 2%, which offsets the previously recorded receivable from Credit. Historic bad debt expense will also affect the determination of the overall discount factor at the time receivables are purchased.

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 limiting the authority granted herein to a period ending March 29, 2002. Accordingly,

IT IS ORDERED THAT:

1) AEP-VA is authorized to sell its accounts receivables to Credit, or a successor company, under the terms and conditions and for the purposes as detailed in its application.

2) The authority granted herein shall expire on March 29, 2002, unless extended by the Commission.

3) The authority granted herein shall have no implications for ratemaking purposes.

4) Approval of the application shall not preclude the Commission from applying the provisions of § 56-78 and § 56-80 of the Code of Virginia hereafter.

5) The Commission reserves the right to examine the books and records of any affiliate, in connection with the authority granted herein, whether or not such affiliate is regulated by this Commission.

6) On or before February 28, 2002, AEP-VA shall submit an report of action detailing, on a monthly basis, the amount of accounts receivables it has sold to Credit, the average discount factor, and its average cost of short-term debt for the calendar year 2001.

7) This matter shall be continued generally subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF000028
OCTOBER 24, 2000

APPLICATION OF
APPALACHIAN POWER COMPANY d/b/a AMERICAN ELECTRIC POWER

For authority to participate in an inter-company money pool

ORDER GRANTING AUTHORITY

On August 30, 2000, Appalachian Power Company d/b/a American Electric Power Company ("AEP-VA" or "the Company") filed an application under Chapter 4 of Title 56 of the Code of Virginia. In its application, AEP-VA proposes to participate in the American Electric Power Company, Inc. ("AEP") inter-company money pool ("AEP Money Pool").

On June 15, 2000, AEP completed its acquisition of Central and South West Corporation ("CSW"). As a result of the merger, CSW is a wholly owned subsidiary of AEP. Most of the direct subsidiaries of CSW, including CSW's four operating utilities, remain direct subsidiaries of CSW and, therefore, indirect subsidiaries of AEP.

Prior to the merger, CSW, CSW's utility subsidiaries and Central and South West Services, Inc. ("CSWS"), participated in the CSW System Money Pool. Upon consummation of the Merger, the CSW Money Pool became the AEP Money Pool, and AEP and American Electric Power Company Service Corporation ("AEPSC") have either partially supplanted or will supplant CSW and CSWS within the Money Pool and perform the functions previously performed by CSW and CSWS, respectively.

AEP-VA now proposes to participate in the AEP Money Pool. The operation of the money pool is designed to match, on a daily basis, the available cash and borrowing requirements of each participant, thereby minimizing the need for borrowings from external sources. The daily cash positions of each participant will be netted and, if there is a net deficiency in cash, AEP will raise funds through its external borrowing. If there is a net excess in cash, external borrowings will be paid down or, if there are no external borrowings maturing, the excess funds will be invested.

The interest rate applicable to outstanding loans through the AEP Money Pool and funds advanced to the Money Pool will be the daily weighted average effective cost incurred by AEP for short-term borrowings from external sources, primarily commercial paper.

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.

IT IS ORDERED THAT:

1) AEP-VA is hereby authorized to participate in the AEP Money Pool under the terms and conditions and for the purposes as detailed in its application.

2) Prior to any changes in terms and conditions of the AEP Money Pool, AEP-VA shall file for authority to continue to participate in the AEP Money Pool.

3) The authority granted herein shall have no implications for ratemaking purposes.

4) Approval of the application shall not preclude the Commission from applying the provisions of § 56-78 and § 56-80 of the Code of Virginia hereafter.

5) The Commission reserves the right to examine the books and records of any affiliate in connection with the authority granted herein, whether or not such affiliate is regulated by this Commission.

6) AEP-VA shall file for separate authority to have aggregate borrowings short-term debt in excess of twelve percent of total capitalization.

7) There being nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUF000029
OCTOBER 10, 2000

APPLICATION OF
ATMOS ENERGY CORPORATION

For authority to issue common stock

ORDER GRANTING AUTHORITY

On September 15, 2000, Atmos Energy Corporation ("Atmos" or "Applicant") filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia requesting authority to issue common stock. Applicant paid the requisite fee of $250.

In its application, Atmos proposes to issue up to a maximum of 1,655,740 shares of common stock to Woodward Marketing, Inc. ("WMI"), for WMI's 55% ownership interest in Woodward Marketing LLC ("Woodward"). Atmos Energy Marketing, LLC ("Energy"), a wholly owned subsidiary of

Atmos, currently owns the remaining 45% interest in Woodward Marketing. Following the closing of the transaction between WMI and Atmos, Woodward will be a wholly owned subsidiary of Energy.

The proposed shares of common stock will be issued pursuant to an Asset Purchase Agreement ("Agreement") between Atmos, Energy, and WMI. Atmos states that the sale by WMI of its 55% interest in Woodward to Energy, coupled with WMI's liquidation and dissolution, will constitute a reorganization under Section 368(a) of the Internal Revenue Code of 1986, as amended. The Company further asserts that, as a result of the reorganization, no direct capital contribution or issuance of shares must be made by Atmos to Energy for purposes of effecting Energy's acquisition of WMI's 55% interest in Woodward.

The Agreement describes the method for issuing the proposed shares to WMI. Initially, 463,193 shares of common stock (the "Cumulative Shares") and 960,000 shares (the "Base Shares") will be issued to WMI. However, if during the four-year period beginning one year after the date of the closing of the acquisition transaction, Atmos stock fails to reach a closing price per share of $25 or greater, then Atmos will issue up to 232,547 additional shares to WMI in accordance with the Agreement.

The number of additional shares to be issued will be equal to the amount (i) by which the average closing price for a specified 10-day trading period is less than $25, (ii) multiplied by the number of Base Shares (960,000), and (iii) divided by such average closing price, up to a maximum of 232,547 additional shares.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue up to a maximum of 1,655,740 shares of common stock to Woodward Marketing, Inc., under the terms and conditions and for the purposes set forth in the application and subject to the provisions of this Order.

2) Approval of this application shall have no implications for ratemaking purposes.

3) 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.

4) The Commission reserves the right to examine the books and records of any affiliate in connection with the authority granted herein, whether or not such affiliate is regulated by this Commission.

5) Applicant shall, pursuant to the authority granted herein, file annual report of action regarding the issuance of common stock on or before October 31 of each year, 2001 through 2004. Such report shall include the number of shares issued to WMI during the previous one-year period along with a calculation of the number of any additional shares issued after the closing of the acquisition transaction.

6) Applicant shall file their final report of action on or before October 31, 2005, to include the information outlined in Ordering Paragraph (5) and the total number of shares of common stock issued pursuant to the authority granted herein.

7) This matter shall be continued subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF000031
OCTOBER 24, 2000

APPLICATION OF
WASHINGTON GAS LIGHT COMPANY

For authority to issue long-term debt, preferred stock, and common equity

ORDER GRANTING AUTHORITY

On September 29, 2000, Washington Gas Light Company ("Washington Gas" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue long-term debt, preferred stock, and common stock. Applicant paid the requisite fee of $250.

In its application, WGL proposes to issue up to $250.5 million of common stock, preferred stock, or long-term debt, or any combination thereof during the period beginning January 1, 2001 and ending December 31, 2002. The proposed debt securities will be in the form of first mortgage notes, debentures, loans, medium-term notes, or other forms of long-term debt, and will have a maturity of one year or more. The Company requests the authority to replace up to the amount of any debt securities that are issued and mature during the two-year authorization period.

The proposed preferred stock may take the form of fixed rate, adjustable rate, auction rate, perpetual, or other forms of preferred stock.

The authority requested for common stock includes up to 2,000,000 additional shares of common stock to be issued on an ongoing basis through the Company stock plans. This number of additional shares represents 1,000,000 for WGL's Dividend and Reinvestment and Common Stock Purchase Plan and 1,000,000 for stock programs involving the potential rewarding of shares and stock options to outside directors and employees. The authority related to common stock issuances is for the period beginning January 1, 2001, and continuing until such time that WGL Holdings, Inc., the holding company for WGL and its affiliates, is formed.

The use of the proceeds from the proposed financings includes refunding of maturing long-term debt, advance refunding of long-term debt as market conditions permit, and general 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. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue up to $250.5 million of common stock, preferred stock, or long-term debt, or any combination thereof during the period beginning January 1, 2001, and ending December 31, 2002, except that the authority to issue common stock shall cease upon Applicant's reorganization under a holding company, under the terms and conditions and for the purposes set forth in the application, provided that any refinancings result in demonstrated savings.

2) Applicant shall submit a preliminary report of action within ten (10) days after the issuance of any long-term debt or preferred securities pursuant to this Order including the type of security, the date issued, the amount of the issue, the applicable interest or dividend rate, the maturity date, and net proceeds to Applicant.

3) Within sixty (60) days of the end of a calendar quarter in which securities are issued, Applicant shall file a more detailed report to include the information required in Ordering Paragraph (2), as well as an itemized list of actual expenses to date associated with the securities issuances, a comparison of the effective rate of securities issued and any refunded securities, use of the proceeds, and a balance sheet reflecting the actions taken.

4) Applicant shall file a final report of action on or before February 28, 2003, to include all information required in Ordering Paragraph (3). Such report shall incorporate then-current actual expenses and fees paid for the proposed securities issuances.

5) The authority granted herein shall have no implications for ratemaking purposes.

6) This matter shall remain under the continued review, audit, and appropriate directive of the Commission.

CASE NO. PUF000032
OCTOBER 24, 2000

APPLICATION OF
DALE SERVICE CORPORATION

For authority to issue securities and to establish a trust preferred financing facility

ORDER GRANTING AUTHORITY

On September 29, 2000, Dale Service Corporation ("Dale Service" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue long-term debt. Applicant paid the requisite fee of $250.

In its application, Dale Service proposes to issue $10,000,000 of private activity bonds and to enter into a $13,000,000 bank loan agreement to finance improvements to its wastewater system. The Company plans to issue the bonds on October 31, 2000. They will be sold to the public through First Union National Bank ("First Union"). The bonds will mature on October 31, 2020. The Prince William Industrial Development Authority and the Board of Supervisors for Prince William County have previously approved the bond issuance.

The $13,000,000 bank loan from First Union will begin as a construction loan but will roll over into a 20-year permanent loan upon completion of construction. During the construction loan period, the interest rate on the loan will be fixed at LIBOR plus 2.75% effective the date of the closing of the construction loan. The permanent loan will carry a fixed interest rate of LIBOR plus 2.75% effective the first day of the permanent loan period. As part of the security for the loan, the Company must place $3,000,000 in escrow pending a final order of this Commission approving sufficient rates related to the costs of the system improvements.

The Company asserts that improvements to two of its wastewater treatment plants are required for compliance under the Commonwealth of Virginia's authority to manage the U.S. EPA's National Pollutant Discharge Elimination System Program. The improvements are also required by the Department of Environmental Quality's implementation of the 1983 Chesapeake Bay Agreement and to provide treatment infrastructure needed to meet new, more stringent, effluent discharge limits that have come from the Virginia Potomac Tributary Strategy.

The total cost of the improvements is estimated to be approximately $32,000,000. The Company will use a combination of the proposed long-term debt, internal funding of approximately $5,000,000, and two grants from the Commonwealth totaling approximately $4,000,000 to finance the construction program.

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 the Applicant and its lender are concerned about the future recovery of the proposed costs of system improvements in rates. While we cannot by law guarantee that a utility will earn a particular level of profit, a fundamental principal of rate base/rate of return regulation is that a utility is given the opportunity to recover its cost of service, including interest expense, plus a reasonable return. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue $10,000,000 of private activity bonds and to enter into a $13,000,000 bank loan agreement, under the terms and conditions and for the purposes set forth in the application.

2) Applicant shall submit a report of action on or before December 29, 2000, to include the types of securities issued, the date(s) issued, the amount of the issues, the applicable interest rate, the maturity date, net proceeds to Applicant, an itemized list of actual expenses to date associated with the securities issuances, and a balance sheet reflecting the actions taken.

3) Within thirty (30) days of the date that the bank loan rolls over into a permanent loan, Applicant shall file directly with the Commission's Division of Economics and Finance a Report of Action that shall include the total amount of the loan, the interest rate, and an interest coverage calculation.

4) This matter shall remain under the continued review, audit, and appropriate directive of the Commission.

CASE NO. PUF000033
OCTOBER 24, 2000

APPLICATION OF
NORTHERN NECK ELECTRIC COOPERATIVE

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On October 2, 2000, 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"). Applicant has paid the requisite fee of $25.

Applicant requests authority to borrow $6,800,000 from FFB. The FFB loan will be guaranteed by the Rural Utilities Services ("RUS"). The loan proceeds will be used to finance Applicant's recent three-year construction plan approved by the RUS in September of 2000. The FFB loan will have a thirty-five year maturity. The loan can be drawn down over a period of four years, and repayment terms will be interest only for the first two years. The interest rate on the FFB loan will be based on a yield index of 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 each 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 $6,800,000 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 each advance of funds from 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. PUF000034
DECEMBER 12, 2000

APPLICATION OF
KENTUCKY UTILITIES COMPANY

For approval of an affiliate agreement with KU Receivables Corp.

ORDER GRANTING AUTHORITY

On October 11, 2000, Kentucky Utilities Company ("the Company" or "Kentucky Utilities") filed an application under Chapter 4 of Title 56 of the Code of Virginia for authority to enter into an affiliate agreement with an affiliate, KU Receivables LLC ("KUR"), for the purposes of facilitating the securitization of Kentucky Utilities' accounts receivables.

Under the terms of the agreement, KUR will purchase, at a discount, Kentucky Utilities' account receivables as they are generated and then sell them to unaffiliated, outside entities. Kentucky Utilities will contribute a small amount of accounts receivables to KUR as its initial capitalization. KUR will enter into purchase and sale agreements with one or more purchasers under which the purchaser may buy fractional, undivided ownership interests expressed as a percentage of the accounts receivables of Kentucky Utilities ("Ownership Interest") and certain other related assets, including any security or guaranty for Kentucky Utilities' accounts receivables, all collections thereon, and related records.

The Ownership Interest will be calculated from time to time according to a formula, which will include reserves based on the past performance of the accounts receivables portfolio, carrying costs, and other costs associated with the agreements. The formula will also take into account the cost of servicing. The collection fee component will be paid to the servicer of the accounts receivables. Kentucky Utilities will act as the servicer of the receivables until a services company is created following the consummation of the Powergen merger.

KUR will pay Kentucky Utilities for its accounts receivables using proceeds from the sale of the receivable interests. In addition, a note will be issued to Kentucky Utilities and repaid as cash becomes available from the payment of the accounts receivables.

KUR and the ultimate purchasers will bear the risk of the uncollectibility of Kentucky Utilities' accounts receivables, but will retain limited recourse against Kentucky Utilities. Such recourse claims would include liability for: (i) failure to transfer first priority ownership interests in the underlying assets; (ii) transferor's breach of its representations, warranties, and covenants; and (iii) certain indemnity obligations. To secure any remedies stemming from such claims, the transferees would be granted security interests in the bank accounts into which payments on the receivables are to be deposited.

The receivables program will be structured so as to meet the requirements of Statement of Financial Accounting Standards No. 125, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities, issued in June 1996, by the Financial Accounting Standards Board ("FAS 125"). According the application, the sale to KUR, an affiliate, is necessary in order for the transactions to meet FAS 125 criteria. Specifically, FAS 125 requires that the sale of Kentucky Utilities' accounts receivables be accomplished through an affiliate with limited recourse to the utility by either the affiliate or the ultimate purchaser in order for the sale to qualify as an off-balance sheet transaction. Kentucky Utilities has established KUR for this purpose.

KUR will not engage in any activities other than acting as a conduit for Kentucky Utilities' receivables. It will not have any employees or assets except the receivables, and will not retain any profits from its transactions with Kentucky Utilities. The relationship between Kentucky Utilities and KUR is designed so that Kentucky Utilities receives all of the benefits from the receivables program.

In the event that KUR does not have sufficient funds available at any specific time to match the cost of the receivables that it is purchasing from Kentucky Utilities, either KUR will pay the purchase price in part in cash and in part evidenced by an inter-company note, or Kentucky Utilities will make a capital contribution to KUR in the form of the excess receivables. Any excess funds at KUR will be used to pay down the inter-company note or will be paid to Kentucky Utilities as a dividend.

THE COMMISSION, upon consideration of the Company's 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 limiting the authority granted herein to a period ending March 29, 2002.

Accordingly, IT IS ORDERED THAT:

1) Kentucky Utilities is authorized to participate in the agreement with KU Receivables LLC for the purpose of facilitating the securitization of its accounts receivables, under the terms and conditions and for the purposes as detailed in its application.

2) The authority granted herein shall have no implications for ratemaking purposes.

3) Approval of the application 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 in connection with the authority granted herein, whether or not such affiliate is regulated by this Commission.

5) On or before February 28, 2002, Kentucky Utilities shall submit a report of action directly to the Commission's Division of Economics and Finance detailing, on a monthly basis, the amount of accounts receivables it has sold to KU Receivables LLC, the average discount factor, and its average cost of short-term debt for the calendar year 2001.

6) Kentucky Utilities shall include the arrangement authorized herein in its Annual Report of Affiliate Transactions submitted to the Commission's Division of Public Utility Accounting.

7) There being nothing further to be done in this matter, it is hereby dismissed.

CASE NO. PUF000035
NOVEMBER 7, 2000

APPLICATION OF
PRINCE GEORGE ELECTRIC COOPERATIVE

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On October 17, 2000, 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 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 $7,000,000, 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 $7,000,000 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 and the terms of the interest rate selected.

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. PUF000036
NOVEMBER 9, 2000

APPLICATION OF
VIRGINIA ELECTRIC AND POWER COMPANY

For authority to establish a credit facility

ORDER GRANTING AUTHORITY

On October 19, 2000, 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 establish a revolving credit facility. Applicant paid the requisite fee of $250.

In its application, Virginia Power proposes to initially establish a $500 million syndicated revolving credit facility. This facility will replace fourteen of its existing credit facilities totaling $489 million with two credit facilities totaling $500 million. The new liquidity facilities will be comprised of $325 million at a term of 364 days and $175 million at a term of 3 years. The Applicant is also requesting authority to increase the facility by $50 million to meet its need for liquidity for tax-exempt variable rate bonds that may be issued in the future. Therefore, the Applicant is requesting authority to establish credit facilities totaling $550 million.

Loans under the revolving credit facility will bear interest at one of the following rates, depending on the borrower's election, plus a margin based on the credit rating of the borrower: 1) the higher of First Union's prime rate or fed funds rate plus 0.5%, or 2) the rate for eurodollar deposits. Facility fees will accrue and be payable based on the full amount of the credit facility. Virginia Power will be responsible for paying the facility fee. This fee will accrue at an annual rate based on the highest rating of the Applicant's senior unsecured long-term debt.

The proceeds of any borrowings by the Applicant under the credit facility will be used to purchase its tax-exempt variable rate securities in the event that the securities cannot be remarketed for any reason. Borrowings under the credit facility will be accounted for on the Applicant's books as short-term debt.

THE COMMISSION, upon consideration of the application and the advice of its Staff is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to establish a $500 million syndicated revolving credit facility that may be increased to a total of $550 million, under the terms and conditions and for the purposes set forth in the application.

2) Applicant shall file a copy of the executed credit facility agreement directly with the Division of Economics and Finance promptly after it becomes available.

3) The authority granted herein shall have no implications for ratemaking purposes.

4) There being nothing further to be done, this matter is hereby dismissed.

CASE NO. PUF000037
DECEMBER 14, 2000

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

For authority to incur short-term indebtedness and to lend short-term funds to affiliates

ORDER GRANTING AUTHORITY

On November 22, 2000, United Telephone-Southeast, Inc. ("Applicant" or "United"), completed an application with the Commission under Chapter 3 of Title 56 of the Code of Virginia for authority to incur up to $50,000,000 of short-term debt for calendar year 2001. 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 $60,000,000 in short-term funds on open account to Sprint Corporation ("Sprint") or an affiliate of Sprint during 2001. Applicant has paid the requisite fee of $250.

Applicant states that the borrowings will consist of advances from its parent company, 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.

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 note that $50,000,000 of short-term debt and $60,000,000 of short-term lending to an affiliate represents a significant portion of United's capital structure. Having this level of short-term debt/lending for extended periods of time exposes United to heightened interest rate risk. Based on documentation regarding potential money pool lending activity for 2001, we believe that a lending limit of $35 million is more appropriate for 2001. In order to limit future exposure to this risk, we will require United to provide rigorous documentation supporting the borrowing and lending limits requested in any subsequent application.

Accordingly, IT IS ORDERED THAT:

1) Applicant is hereby authorized to issue short-term debt in an aggregate amount not to exceed $50,000,000 at any one time to banks, Sprint, or Sprint affiliates from the date of this Order through the period ending December 31, 2001, 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 $35,000,000 on open account to Sprint or Sprint affiliates from the date of this Order through December 31, 2001, all in the manner, under the terms and conditions, and for the purposes as set forth in the application, except as modified herein.

3) Applicant shall file a report of action on or before September 4, 2001, concerning actions taken pursuant to this Order for the period ended June 30, 2001, 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; and a balance sheet (GAAP basis) as of the June 30, 2001.

4) Applicant shall file a final report of action on or before March 1, 2002, concerning actions taken for the six-month period ended December 31, 2001; such report shall include all information required in ordering paragraph (3).

5) Approval of this application shall have no implications for ratemaking purposes.

6) The Commission reserves the right, pursuant to § 56-80 of the Code of Virginia, to examine the books and records of any affiliate in conjunction with the approval granted herein, whether or not such affiliate is regulated by this Commission.

7) Any future requests for authority to incur short-term indebtedness as defined in § 56-65.1 of the Code of Virginia and any request to lend short-term funds to an affiliate for periods of time that overlap shall be filed as a single combined application.

8) Requests for authority referenced in ordering paragraph (7) for any future calendar year shall be filed on or before October 31 of the prior year and shall include the explanation detailed below.

9) Such explanation shall include the criteria Applicant believes is appropriate for the issuance of long-term debt as well as the reasons Applicant chose to request approval of short-term rather than long-term indebtedness. The explanation shall also include rigorous documentation supporting the need of the requested short-term borrowing limit and the requested short-term lending limit.

10) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF000038
DECEMBER 14, 2000

APPLICATION OF
CENTRAL TELEPHONE COMPANY OF VIRGINIA

For authority to incur short-term indebtedness and to lend short term funds to affiliates

ORDER GRANTING AUTHORITY

On November 22, 2000, Central Telephone Company of Virginia ("Applicant" or "Centel") completed an application with the Commission under Chapter 3 of Title 56 of the Code of Virginia for authority to incur up to $60,000,000 of short-term debt for calendar year 2001. 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 $60,000,000 in short-term funds on open account to Sprint Corporation ("Sprint") or an affiliate of Sprint during 2001. Applicant has paid the requisite fee of $250.

Applicant states that the borrowings will consist of advances from its parent company, 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.

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 note that $60,000,000 of short-term debt and short-term lending to an affiliate represents a significant portion of Applicant's capital structure. Having this level of short-term debt/lending for extended periods of time exposes Applicant to heightened interest rate risk. Based on documentation regarding potential money pool lending activity for 2001, we believe that a lending limit of $35 million is more appropriate for 2001. In order to limit future exposure to this risk, we will require Centel to provide rigorous documentation supporting the borrowing and lending limits requested in any subsequent application.

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, 2001, 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 $35,000,000 on open account to Sprint or Sprint affiliates from the date of this Order through the period ending December 31, 2001, all in the manner, under the terms and conditions, and for the purposes as set forth in the application, except as modified herein.

3) Applicant shall file report of action on or before September 4, 2001, concerning actions taken pursuant to this Order for the period June 30, 2001, 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; and a balance sheet (GAAP basis) as of June 30, 2001.

4) Applicant shall file a final report of action on or before March 1, 2002, concerning actions taken for the six-month period ended December 31, 2001; such report shall include all information required in ordering paragraph (3).

5) Approval of this application shall have no implications for ratemaking purposes.

6) Approval of this application shall not preclude the Commission from applying § 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 conjunction with the approval granted herein, whether or not such affiliate is regulated by this Commission.

8) Any future requests for authority to incur short-term indebtedness as defined in § 56-65.1 of the Code of Virginia and any request to lend short-term funds to an affiliate for periods of time that overlap, shall be filed as a single combined application.

9) Requests for authority referenced in ordering paragraph (8) for any future calendar year shall be filed on or before October 31 of the prior year and shall include the explanation detailed below.

10) Such explanation shall include the criteria Applicant believes is appropriate for the issuance of long-term debt as well as the reasons Applicant chose to request approval of short-term rather than long-term indebtedness. The explanation shall also include rigorous documentation supporting the need of the requested short-term borrowing limit and the requested short-term lending limit.

11) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF000039
DECEMBER 14, 2000

APPLICATION OF
UNITED TELEPHONE-SOUTHEAST, INC.

For authority to issue long-term indebtedness

ORDER GRANTING AUTHORITY

On November 22, 2000, United Telephone-Southeast, Inc. ("United Telephone" or "Applicant"), completed 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"). Applicant paid the requisite fee of $250.

United Telephone proposes to issue up to $40,000,000 in long-term debt to Sprint in the form of a promissory note (the "Note"). The Note will have a 10-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 10-year U.S. Treasury yield plus the credit spread for a single A rated telephone utility and an issuance cost increment. 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 over several years.

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) United Telephone hereby is authorized to issue up to $40,000,000 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) The Commission reserves the right, pursuant to § 56-80 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.

3) Approval of this application shall have no implications for ratemaking purposes.

4) United Telephone shall submit a report of action within ten days after the issuance of the Note. Such report shall include the date, amount, 10-year U. S. Treasury yield, calculated interest rate, and the proceeds received by United Telephone.

5) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF000040
NOVEMBER 22, 2000

APPLICATION OF
DALE SERVICE CORPORATION

For authority to enter into an interest rate swap agreement

ORDER GRANTING AUTHORITY

On November 1, 2000, Dale Service Corporation ("Dale Service" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to enter into an interest rate swap agreement. Applicant paid the requisite fee of $250.

By Commission Order dated October 24, 2000, in Case No. PUF000032, Dale Service was granted approval to issue $10,000,000 of private activity bonds and to enter into a $13,000,000 bank loan agreement to finance improvements to its wastewater system. The Company states that it issued the $10,000,000 of bonds on October 27, 2000. The effective interest rate on the bonds was expected to be a floating rate determined weekly; this rate was expected to fluctuate between 6.0% and 7.5% on an annual basis.

In the current application, Dale Service proposes to enter into an interest rate swap agreement in order to eliminate the risk of fluctuating interest rates associated with the entire $10,000,000 of private activity bonds. Dale Service is not allowed by the lender, First Union National Bank ("First Union"), to requisition any of the proceeds of the bonds until the interest rate swap is completed.

The initial weekly floating interest rate from the date of the issuance of the bonds through November 1, 2000, was 4.45%. This variable rate does not include letter of credit and remarketing fees that would be included in the effective rates quoted above.

The Company indicates that the precise fixed interest rate that this rate is swapped for will be "locked in" and put into effect shortly after the Commission approves the current application. However, Dale Service expects that the fixed interest rate will be approximately .9 – 1.0% above the current floating weekly interest rate. Therefore, the effective interest rate after the swap, including continuing fees, still will be within the 6.0% to 7.5% range projected in the application in Case No. PUF000032.

THE COMMISSION, upon consideration of the application and having been advised by its Staff, is of the opinion and finds that approval of the application will not be detrimental to the public interest. Accordingly,

IT IS ORDERED THAT:

1) Applicant is hereby authorized to enter into an interest rate swap agreement, under the terms and conditions and for the purposes set forth in the application.

2) The authority granted herein shall have no implications for ratemaking purposes.

3) There being nothing further to be done, this matter is hereby dismissed.

CASE NO. PUF000041
NOVEMBER 30, 2000

APPLICATION OF
APPALACHIAN POWER COMPANY

For authority to issue long-term debt

ORDER GRANTING AUTHORITY

On November 8, 2000, Appalachian Power Company ("Appalachian" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue long-term debt. Applicant paid the requisite fee of $250.

In its application, Appalachian requests authority to issue: 1) up to $400,000,000 in secured or unsecured promissory notes from time to time through December 31, 2001; 2) $10,000,000 in Mason County, West Virginia Pollution Control Revenue Bonds, Series L, on or before January 1, 2002; and 3) $17,500,000 in Russell County, Virginia Pollution Control Revenue Bonds, Series I, on or before January 1, 2002.

The $400,000,000 in notes may be issued in the form of either First Mortgage Bonds, Senior or Subordinated Debentures (including Junior Subordinated Debentures) or other unsecured promissory notes. The Company indicates that these notes will have maturities of not less than one year and not more than 50 years. The interest rate on the notes may be fixed or variable and will be sold through either competitive bidding, or negotiation with underwriters or agents, or by direct placement with a commercial bank or other institutional investor.

Appalachian indicates that it may enter into one or more interest rate hedging arrangements from time to time through December 31, 2001. Such arrangements may include, but are not limited to, treasury lock agreements, treasury put options, or interest rate collar agreements. These hedges will be used to protect against future interest rate movements in connection with the issuance of the notes. Each hedging agreement will correspond to one or more notes. The aggregate corresponding principal amounts of all hedging agreements will not exceed $400,000,000. The term of any hedge agreement will not exceed 90 days.

The proceeds from the sale of the notes, together with any other funds which may become available to Appalachian, will be used to redeem long-term debt or preferred stock, to repay short-term debt, to reimburse Appalachian's treasury for expenditures incurred in connection with its construction program, and for other corporate purposes.

The two series of pollution control bonds will be publicly issued. The proposed $10,000,000 Mason County, West Virginia Pollution Control Revenue Bonds, Series L, will be used to refund Appalachian's outstanding Mason County, West Virginia Pollution Control Revenue Bonds, Series H. The proposed $17,500,000 Russell County, Virginia Pollution Control Revenue Bonds, Series I, will be used to refund the Company's outstanding Russell County, Virginia Pollution Control Revenue Bonds, Series G. The interest rate on the new pollution control bonds may be fixed or variable and will be established by competitive bidding or through negotiation with underwriters or agents. The interest rate is not anticipated to exceed 8%. The maturity of the pollution control bonds may be up to 40 years, depending on market conditions at the time of the issuance.

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: 1) up to $400,000,000 in secured or unsecured promissory notes from time to time through December 31, 2001; 2) $10,000,000 in Mason County, West Virginia Pollution Control Revenue Bonds, Series L, on or before January 1, 2002; and 3) $17,500,000 in Russell County, Virginia Pollution Control Revenue Bonds, Series I, on or before January 1, 2002, all 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 is hereby authorized to enter into interest hedging agreements, under the terms and conditions and for the purposes set forth in the application.

3) Applicant shall submit a report of action on or before February 28, 2002, to include the types of securities issued, the date(s) issued, the amount of the issues, the applicable interest rate, the maturity date, net proceeds to Applicant, an itemized list of actual expenses to date associated with the securities issuances, and a balance sheet reflecting the actions taken. Such report shall also include a cost-benefit analysis for any securities issued for the purpose of refunding outstanding securities prior to maturity.

4) Approval of this application shall have no implications for ratemaking purposes.

5) This matter shall remain under the continued review, audit, and appropriate directive of the Commission.

CASE NO. PUF000042
DECEMBER 12, 2000

APPLICATION OF
VERIZON VIRGINIA INC.

For authority to incur short-term indebtedness

ORDER GRANTING AUTHORITY

On November 8, 2000, Verizon Virginia Inc. ("Verizon Virginia", 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 $600,000,000 in the aggregate through December 31, 2001. 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 promissory notes to Verizon Network Funding Corporation ("VNFC", formerly Bell Atlantic Network Funding Corporation), an affiliate. Applicant states that such affiliate borrowing is within the authority granted by Commission Order dated November 29, 1988, in Case No. PUA880050. VNFC provides short-term financing and cash management services on behalf of Applicant and other Verizon Operating Companies through bank borrowings and the issuance of commercial paper. Interest rates will vary monthly based on market conditions.

Applicant states that its short-term borrowings have been and will continue to be used for the acquisition, addition, extension, and improvement of Verizon Virginia's telephone facilities, and equipment and for the discharge of Applicant's obligations. Applicant's capital expenditures amounted to $599 million in 1999 and $598 million through the first nine months of 2000. Applicant represents that its construction program will be well in excess of $600 million in 2000.

Verizon Virginia states that higher capital investment and growth in other working capital requirements in 2000 caused Applicant's short-term debt to exceed the 12% limit during short periods in August, September, and October of this year. To prevent this from reoccuring, Applicant states that it will perform a detailed trend analysis of Verizon Virginia's short-term debt in the future to provide for advance filing for authority before inadvertently exceeding the 12% limit.

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 notes that Verizon Virginia has periodically exceeded the statutory limit for short-term debt since August of 2000. The Commission, however, is of the opinion that such borrowings were not detrimental to the public interest and that no enforcement actions pursuant to §§ 56-71, 56-73, and 56-85 of the Code of Virginia are warranted in this matter.

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 $600,000,000 at any one time through December 31, 2001, for the purposes and under the terms and conditions set forth in the application.

2) The Commission reserves the right, pursuant to § 56-80 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.

3) Approval of this application shall have no implications for ratemaking purposes.

4) On or before March 1, 2002, 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, 2001, through December 31, 2001; corresponding interest rates on all reported short-term debt transactions; and a balance sheet and statement of cash flows for Applicant as of December 31, 2001.

5) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF000043
DECEMBER 19, 2000

APPLICATION OF
VERIZON SOUTH INC.

For authority to incur short-term indebtedness

ORDER GRANTING AUTHORITY

On November 14, 2000, Verizon South, Inc. ("Verizon 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, 2001. 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. Applicant states that such affiliate borrowing is within the authority granted by Commission Order dated September 9, 1996, in Case No. PUF960010. GTE Funding Corporation provides short-term financing and cash management services on behalf of Applicant and several other Verizon Telephone Operating Companies that were formerly GTE Telephone Operating Companies. Interest rates will depend on market conditions at the time of issuance and may vary daily.

Applicant states that the short-term borrowings will be used to fund $200 million of expected refunds to Virginia customers, to fund ongoing operations and projected 2001 construction programs, to refund up to $18,800,000 of long-term debt, and to fund fluctuations in 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.

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 through December 31, 2001, for the purposes and under the terms and conditions set forth in the application.

2) The Commission reserves the right, pursuant to § 56-80 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.

3) Approval of this application shall have no implications for ratemaking purposes.

4) On or before March 1, 2002, 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, 2001, through December 31, 2001; corresponding interest rates on all reported short-term debt transactions; and a balance sheet and statement of cash flows for Applicant as of December 31, 2001.

5) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF000044
DECEMBER 5, 2000

APPLICATION OF
KENTUCKY UTILITIES COMPANY d/b/a OLD DOMINION POWER

For authority to receive cash capital contributions from an affiliate

ORDER GRANTING AUTHORITY

On November 13, 2000, Kentucky Utilities Company d/b/a Old Dominion Power ("KU" or "Applicant") filed an application under Chapter 4 of Title 56 of the Code of Virginia requesting authority to receive cash capital contributions from its parent, LG&E Energy Corp. ("LG&E Energy").

KU proposes to receive cash capital contributions totaling $120,000,000 from LG&E Energy subsequent to the closing of LG&E Energy's merger with Powergen plc. The merger was approved by this Commission in Case No. PUA000020. The proceeds from the proposed capital contributions will be applied by KU to its construction program, to repay short-term debt, and for other corporate purposes. LG&E Energy intends to infuse $50,000,000 in 2000 and $70,000,000 in 2001.

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 receive up to $120,000,000 in cash capital contributions from LG&E Energy, under the terms and conditions and for the purposes set forth in the application.

2) Applicant shall file a Report of Action within thirty days of the receipt of any cash capital contributions. Such report shall include the date(s) and amount(s) of any capital contributions made pursuant to this Order, the use of the proceeds, and an end-of-quarter capital structure reflecting the additional equity.

3) Applicant shall file a Final Report of Action on or before February 28, 2002, to include a summary of the dates and amounts of all capital contributions made pursuant to this Order, the use of the proceeds, and a final capital structure for the quarter ended December 31, 2001.

4) The Commission reserves the right to examine the books and records of any affiliate in connection with the authority granted herein, whether or not such affiliate is regulated by this Commission.

5) Approval of the application does not preclude the Commission from applying the provision of Sections 56-78 and 56-80 of the Code of Virginia hereafter.

6) This matter shall be continued, subject to the continuing review, audit, and appropriate directive of the Commission.

CASE NO. PUF000045
DECEMBER 15, 2000

APPLICATION OF
COLUMBIA GAS OF VIRGINIA, INC., COLUMBIA ENERGY GROUP, INC.,
and
NISOURCE FINANCE CORP.

For approval of intercompany financing for 2001

ORDER GRANTING AUTHORITY

On November 21, 2000, Columbia Gas of Virginia, Inc. ("CGV" or "Company"), the Columbia Energy Group, Inc. ("Columbia"), and NiSource Finance Corp. ("NFC"), (collectively, "Applicants"), filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia requesting authority to enter into intercompany financing arrangements during 2001 through the Intrasystem Money Pool ("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 also requests authority to lend short-term funds to other affiliated companies through the Money Pool during 2001. Applicants paid the requisite fee of $250.

CGV requests authority to enter into financing arrangements with Columbia and NFC during calendar year 2001: 1) to borrow up to $45,000,000 in short-term notes from the Money Pool; and 2) to invest temporary excess cash in the Money Pool without limitation. The short-term borrowing from the Money Pool will be used for peak short-term requirements such as gas purchases and related storage activities, to fund working capital needs, to fund CGV's ongoing construction program, and for other corporate 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, as modified herein, will not be detrimental to the public interest. We note that CGV's Money Pool transactions during 2000 appear to indicate that both borrowing and lending activity reasonably followed the projected activity CGV provided in Case No. PUF990038. We remain concerned, however, that CGV may still be converting its short-term seasonal borrowing into long-term debt resulting in large investment balances in the Money Pool. We, therefore, believe that it is in the public interest to establish a Money Pool lending limit, and we will establish that limit at $21,000,000 for the year 2001. If it appears that CGV needs a lending limit above $21,000,000, they should file an application requesting such additional authority and explain why the additional authority is needed. We will also require CGV to provide rigorous documentation supporting the borrowing and lending limits requested in any subsequent application.

Accordingly, IT IS ORDERED THAT:

1) CGV is hereby authorized to enter into financial transactions to borrow up to $45,000,000 through the Money Pool from Columbia, NFC, and/or other affiliates in excess of twelve percent of total capitalization, under the terms and conditions and for the purposes set forth in the application.

2) CGV is hereby authorized to invest temporary excess cash up to $21,000,000 in the Money Pool from January 1, 2001, through December 31, 2001, all in a manner and under the terms and conditions and for the purposes set forth in the application, except as modified herein.

3) Should Applicants wish to obtain authority beyond calendar year 2001, they shall file an application requesting such authority no later than November 20, 2001. Such application shall fully conform to the following: a) the Instructions for Filing Securities Applications dated June 30, 2000; and b) the Transaction Summary-Chapter 4 Applications dated October 21, 1994. The application shall also include a proforma sources and uses of funds schedule; a monthly projection of Money Pool borrowing and lending balances; and rigorous documentation supporting the need of the requested short-term borrowing limit and the requested short-term lending limit.

4) Should Applicants request any changes to the Money Pool from the Securities and Exchange Commission ("SEC"), Applicants shall file with the Commission's Division of Economics and Finance a copy of Form U-1A filed with the SEC within ten (10) days of filing with the SEC.

5) Approval of this application shall have no implications for ratemaking purposes.

6) The authority granted herein shall not preclude the Commission from applying the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

7) The Commission reserves the right, pursuant to § 56-80 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.

8) Applicants shall file quarterly reports of action within 60 days of the end of each calendar quarter following the date of this order, to include:

a) a monthly schedule of Money Pool borrowings, segmented by borrower (whether Columbia or affiliate);

b) monthly schedules that separately reflect interest expenses, each type of allocated fee, and an explanation of how both the interest rate and allocated fee have been calculated; and

c) monthly schedules of the Columbia's borrowings under any letter or line of credit agreement.

9) Applicants shall file a final report of action on or before February 28, 2002, to include data for the fourth quarter of 2001 as prescribed in ordering paragraph (8) herein.

10) This matter shall be continued, subject to the continued review, audit, and appropriate directive of the Commission.

CASE NO. PUF000046
DECEMBER 14, 2000

APPLICATION OF
ATMOS ENERGY CORPORATION

For authority to issue common stock

ORDER GRANTING AUTHORITY

On November 21, 2000, Atmos Energy Corporation ("Atmos" or "Applicant") filed an application under Chapter 3 of Title 56 of the Code of Virginia requesting authority to issue common stock. Applicant paid the requisite fee of $250.

In its application, Atmos requests authority to issue up to 1,000,000 additional shares through and pursuant to the Atmos Energy Corporation Employee Stock Ownership Plan and Trust ("ESOP"). Under the terms of the ESOP, Applicant will match every dollar invested by an employee in the ESOP up to a maximum of 4% of the employee's annual salary. The employee may invest up to 21% of his or her annual salary, up to $10,000, in the ESOP. The stock price will be the market price for Atmos stock at the date of issuance. The stock will be issued as needed under the ESOP.

Atmos represents that the issuance of the shares will ultimately increase its equity to debt ratio and further strengthen its strong position as a financially sound public utility and lower its cost of capital.

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 1,000,000 additional shares through and pursuant to the Atmos Energy Corporation Employee Stock Ownership Plan and Trust, under the terms and conditions and for the purposes set forth in the application.

2) There being nothing further to be done, this matter is hereby dismissed.

CASE NO. PUF000047
DECEMBER 19, 2000

APPLICATION OF
NORTHERN VIRGINIA ELECTRIC COOPERATIVE

For authority to guarantee the debt of an affiliate

ORDER GRANTING AUTHORITY

On December 4, 2000, Northern Virginia Electric Cooperative ("NOVEC" or "the Company")filed an application under Chapters 3 and 4 of Title 56 of the Code of Virginia for authority to guarantee the debt of an affiliate. On December 13, 2000, the Company completed the application with the filing of the $250 requisite fee.

NOVEC proposes to guarantee the short-term debt of its affiliate America's Energy Alliance, Inc. ("AEA" or "Alliance"). In its application, the Company represents that AEA has already filed application for licensure as a competitive service provider in Case No. PUE000479 and that the loan guarantee supports that application. The purpose of the loan guarantee is to support the financial requirements of AEA. Specifically, the guarantee will provide AEA with the financial creditworthiness to operate as a competitive service provider behind the local natural gas and electric distribution companies with customer choice pilot programs in Virginia. The guarantee will also support the financial requirements necessary for AEA to be able to undertake wholesale transactions with suppliers of natural gas and electricity for eventual sale to retail customers.

By letter dated October 19, 2000, submitted to the Commission in Case No. PUE000479, NOVEC provided a copy of a redacted version of its Board of Directors Resolution authorizing the corporate guarantee between AEA and NOVEC.

THE COMMISSION, upon consideration of the application, NOVEC's Board Resolution adopted in support of the loan guarantee, 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) NOVEC is authorized to guarantee the short-term debt of its affiliate Alliance, under the terms and conditions and for the purposes stated in its application.

2) The approval granted herein shall not preclude the Commission from exercising the provisions of §§ 56-78 and 56-80 of the Code of Virginia hereafter.

3) The Commission reserves the right to examine the books and records of any affiliate of NOVEC in connection with the authority granted herein whether or not the Commission regulates such affiliate.

4) Within 10 days of NOVEC having to act under the short-term debt guarantee, NOVEC shall submit a report of action to the Commission's Division of Economics and Finance to include the amount of the monies paid by NOVEC on Alliance's behalf, and the events occurring to cause such payment.

5) There appearing nothing further to be done in this matter, it hereby is, dismissed.

DIVISION OF SECURITIES AND RETAIL FRANCHISING

CASE NOS. SEC980033, SEC980034, and SEC980035
JANUARY 28, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FRED WOODBURY, NORMA HARDY
and
DAVID HARDY,
Defendants

ORDER OF DISMISSAL

This matter is before the Commission on the Staff Motion To Amend Rule to Show Cause filed by the Division of Securities and Retail Franchising dated October 29, 1999. The Motion requested leave to amend the Rule to Show Cause to include additional parties to the action and make certain additional allegations of statutory violations. The Commission received a Motion of Opposition from the named defendants dated November 9, 1999. In addition, the Commission received a Motion to Quash Service dated November 8, 1999 from Mutual Benefits Corporation, the company that the staff requested be added as a party to the action.

THE COMMISSION, upon consideration of this matter, is of the opinion and finds that that the Staff Motion to Amend Rule to Show Cause should be dismissed without prejudice. It is therefore,

ORDERED that this case is dismissed without prejudice from the Commission's docket and that the papers herein be placed in the file for ended cases.

CASE NO. SEC980058
FEBRUARY 29, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
LEVI E. WILLIS, SR.,
Defendant

DISMISSAL ORDER

By Rule To Show Cause dated August 20, 1998, the Commission, among other things, assigned this case to a Hearing Examiner to conduct further proceedings on behalf of the Commission. On February 25, 2000, the Hearing Examiner reported to the Commission that the defendant has produced subpoenaed documents to the Division of Securities and Retail Franchising (Division), and that the Division does not wish to proceed with this case. Accordingly,

IT IS ORDERED THAT:

(1) This case is hereby dismissed.

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

CASE NOS. SEC980066 and SEC980067
MAY 4, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
L'APRINA INTERNATIONAL, INC.
and
H. WAYNE VAN ENGELEN,
Defendant

FINAL ORDER

ON THIS DAY the Staff reported to the Commission that the Division of Securities and Retail Franchising does not intend to initiate further proceedings in these cases. Accordingly,

IT IS ORDERED THAT:

(1) All undertakings and provisions of a continuing nature set forth in prior orders entered in these cases remain in full force and effect.

(2) Entry of this Order shall not affect any duty or obligation to disclose the existence or nature of this matter, or of any order entered in these cases.

(3) These cases are dismissed.

(4) The papers herein shall be filed among the ended cases.

CASE NO. SEC980083
MARCH 10, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
D.H. BLAIR & CO., INC.,
Defendant

ORDER AMENDING AN AGREEMENT

On December 22, 1998, the Commission entered a Settlement Order in this case which, among other things, incorporated the terms of an Agreement (the Agreement) entered into by the defendant and a multi-state committee of securities regulatory authorities. In the Settlement Order, the Agreement was referred to as Exhibit A and set forth procedures for the resolution of certain investor claims against the defendant. The Staff has informed the Commission that the parties have agreed to make certain amendments to the Agreement, and that Commission Counsel and counsel for the defendant have agreed to entry of this order. Accordingly,

IT IS ORDERED THAT:

(1) The Agreement is hereby amended in accordance with Exhibit B attached hereto and incorporated herein by reference.

(2) All unamended terms of the Agreement and Settlement Order remain in full force and effect.

(3) This case is dismissed and the papers herein shall be filed among the ended cases.

NOTE: A copy of Exhibit B entitled "Amendment to Agreement" is on file and may be examined at the State Corporation Commission, Clerk's Office, Document Control Center, Tyler Building, First Floor, 1300 East Main Street, Richmond, Virginia.

CASE NO. SEC990033
JUNE 29, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
OBJECTIVE: INC.
and
CHARLES G. ROSS,
Defendant

FINAL ORDER AND JUDGMENT

By Rule to Show Cause dated May 18, 1999, and Amended Rule to Show Cause dated August 12, 1999, the Commission assigned this case to a Hearing Examiner to conduct a hearing for the Commission. Hearings were held on the Rule on June 29, 1999, and on the Amended Rule on October 7, 1999. The Chief Hearing Examiner issued her Report setting forth her recommended findings of fact and conclusions of law on March 9, 2000. Upon consideration of the Report and the record in this case, the Commission is of the opinion and finds as follows:

(1) Objective: Inc. (Objective) is or was, at all relevant times, a Colorado corporation that maintained its offices in Boulder, Colorado.

(2) Defendant Charles G. Ross (Ross) is a natural person residing in Virginia.

(3) The Rule to Show Cause and Amended Rule to Show Cause were duly served upon the defendants as required by law, and a copy of the Report of the Hearing Examiner was mailed to both defendants.

(4) Defendant Objective did not file a responsive pleading, appear or file comments on the Report.

(5) Defendant Ross filed a letter response to the Rule and appeared pro se, but filed no comments on the Report.

(6) During the period from November 1996 through February, 1997, Objective offered and sold shares of its stock in Virginia to two Virginia residents.

(7) The shares of stock so offered and sold were not registered under the Virginia Securities Act (the Act), § 13.1-501 et seq. of the Code of Virginia.

(8) The aforesaid acts of Objective constitute two violations of § 13.1-507 of the Act.

(9) While the Commission accepts the conclusion of the Chief Hearing Examiner that defendant Ross did not violate the Act in his dealings with the Virginia investors, the Commission's decision in this regard is limited to the particular facts of this case. The Commission is not finding hereby that in a case of this kind it is necessary that the evidence show that an alleged agent has received compensation for his or her efforts in effecting or seeking to effect the sale of securities, nor that considerations of procuring cause are relevant to a determination of whether or not a person acted as an agent under the Act.

Accordingly, IT IS ADJUDGED AND ORDERED THAT:

(1) Pursuant to § 13.1-521 of the Act, defendant Objective is penalized in the sum of ten thousand dollars ($10,000), which sum the Commonwealth shall recover from said defendant with interest at 9% per year until paid.

(2) Pursuant to § 13.1-519 of the Act, defendant Objective is hereby permanently enjoined from violation of § 13.1-507 of the Act.

(3) Pursuant to § 13.1-518 of the Act, defendant Objective is assessed with costs of investigation in the sum of two thousand dollars ($2,000), which sum the Commission shall recover from said defendant with interest at 9% per year until paid.

(4) This case is dismissed from the docket, and the papers herein shall be placed among the ended causes.

CASE NO. SEC990034
AUGUST 14, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
OPTIONS INVESTMENT CO., INC.,
RICHARD J. KUDA,
and
JOHN FRASZ,
Defendants

FINAL JUDGMENT ORDER

By Judgment and Continuance Order dated December 15, 1999, the Commission, among other things, suspended enforcement of part of the penalties imposed against the defendants in this case for a period of six months upon certain conditions. The Staff now has reported to the Commission that the defendants have failed to meet those conditions. Accordingly,

IT IS ORDERED THAT:

1. The full penalties and interest imposed under the December 15, 1999 Judgment and Continuance Order shall be enforced forthwith.

2. All other provisions of said order remain in full force and effect.

3. This case is dismissed and the papers herein shall be filed among the ended cases.

CASE NO. SEC990055
APRIL 4, 2000

WILL A. DEHAVEN,
Petitioner
v.
POOL AND SKI STOP, INC.,
Defendant

DISMISSAL AND CANCELLATION ORDER

ON THIS DAY the Staff reported to the Commission that the matters in controversy in this case have been settled by the parties. Upon consideration whereof, and the agreement of counsel for the parties,

IT IS ORDERED THAT:

(1) Registration of the mark designated "The Stop & Design", File No. 0174, to defendant Pool and Ski Stop, Inc., is hereby cancelled.

(2) This case is dismissed.

(3) The papers herein shall be placed among the ended cases.

CASE NOS. SEC990073 and SEC990074
JANUARY 19, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
JAMES HAROLD MALBAFF
and
THOMAS GREGORY COOK,
Defendants

SETTLEMENT ORDER

The Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of the Defendants, James Harold Malbaff ("Malbaff") and Thomas Gregory Cook ("Cook") 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) Malbaff and Cook omitted to state the risk of the investments which was a material fact in violation of § 13.1-502(2) of the Act, (ii) Malbaff and Cook failed to provide investors with material disclosures in violation of § 13.1-502(2) of the Act, (iii) Malbaff and Cook transacted business as unregistered broker-dealers in violation of § 13.1-504A of the Act,

(iv) Malbaff and Cook transacted business as unregistered agents in violation of § 13.1-504A of the Act, (v) Malbaff and Cook, as de facto partners, employed themselves as unregistered agents in violation of § 13.1-504B of the Act, and (vi) Malbaff and Cook sold numerous unregistered securities in violation of § 13.1-507 of the Act.

The Defendants have cooperated with the Division by, among other things, providing documentary evidence and other materials requested by the Division and providing the Division relevant facts relating to themselves and Malbaff & Cook, an entity.

As a proposal for the sole purpose of a complete and final settlement of all matters arising from the allegations made against them, the Defendants, without admitting or denying any such allegations, 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, Malbaff and Cook will send a written offer of rescission to each unpaid investor by certified mail, return receipt requested. Those investors who execute and accept such offer by mailing the notice by certified mail, return receipt requested to Malbaff and Cook on or before thirty (30) days after receipt thereof shall be reimbursed those funds provided by them to Malbaff and Cook for investment with simple interest at an annual rate of six percent on any outstanding balance calculated from the date of Malbaff and Cook's receipt of the funds. Within twenty-one (21) days of the date of this Settlement Order, Malbaff and Cook will each submit a separate affidavit attesting to the amount each investor invested, the date of the purchase, the amount that has already been refunded to each investor, the amount of principal still owed to each investor, the amount of interest owed to each investor, a copy of the offer of rescission mailed to each investor, the date and nature of each investor's response to the offer of rescission and 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 of this Settlement Order. A list of the names, addresses and outstanding principal amounts to be paid by the Defendants to each known investor who without their knowledge invested through Lytle Foglesong is attached to this Order. The following terms apply to the repayment schedule:

(i) The Defendants agree to make their first monthly payment thirty (30) days after the last day for return to them of the rescission offers by investors. Subsequent payments will be due each thirty (30) days thereafter in each succeeding month until all payments have been made.

(ii) In the event any monthly payment is not received by an investor within fifteen (15) days after it is due, 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, unless otherwise agreed to in writing by Malbaff and Cook and such investor.

(iii) Because of their fiduciary relationship with the investors, the Defendants agree that their payment obligations to investors who accept the offer of rescission as provided herein 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 January 1, 2001, January 1, 2002, and January 1, 2003. Such evidence will be in the form of an affidavit executed by Malbaff and a separate affidavit executed by Cook showing the name of each investor, the amount of principal paid to each investor for the preceding year, the amount of interest paid to each investor for the preceding year, and copies of checks evidencing all payments.

(3) Pursuant to § 13.1-519 of the Act, Malbaff and Cook will be enjoined from violating §§ 13.1-502(2), 13.1-504A, 13.1-504B, and 13.1-507 of the Act.

(4) Malbaff and Cook 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, Malbaff will pay to the Commonwealth a penalty in the sum of one million three hundred thousand dollars ($1,300,000), with interest thereon at the rate of nine percent per year until paid, provided that this penalty and interest will be suspended and remitted upon the condition that Malbaff complies with the provisions of paragraphs (1), (2), (3), and (4) above. Should Malbaff 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) Pursuant to § 13.1-521 of the Act, Cook will pay to the Commonwealth a penalty in the sum of one million two hundred seventy thousand dollars ($1,270,000), with interest thereon at the rate of nine percent per year until paid, provided that this penalty and interest will be suspended and remitted upon the condition that Cook complies with the provisions of paragraphs (1), (2), (3), and (4) above. Should Cook 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.

(7) Pursuant to § 13.1-518 A of the Act, Malbaff and Cook shall jointly pay to the Commission twelve thousand dollars ($12,000) to defray the cost of the investigation.

(8) 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, the exercise of which right will not be contested by the Defendants, 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.

The Division has recommended that the Defendants' 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 Defendants' offer of settlement is accepted.

(B) The Defendants shall fully comply with the aforesaid terms and undertakings of the settlement.

(C) Pursuant to § 13.1-521 of the Act, Malbaff will pay to the Commonwealth a penalty in the sum of one million three hundred thousand dollars ($1,300,000), with interest thereon at the rate of nine percent per year until paid, provided that this penalty and interest will be suspended and

remitted upon the condition that Malbaff complies with the provisions of paragraphs (1), (2), (3), and (4) above. Should Malbaff 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 § 13.1-521 of the Act, Cook will pay to the Commonwealth a penalty in the sum of one million two hundred seventy thousand dollars ($1,270,000), with interest thereon at the rate of nine percent per year until paid, provided that this penalty and interest will be suspended and remitted upon the condition that Cook complies with the provisions of paragraphs (1), (2), (3), and (4) above. Should Cook 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.

(E) Pursuant to § 13.1-518 A of the Act, Malbaff and Cook shall jointly pay to the Commission twelve thousand dollars ($12,000) to defray the cost of the investigation.

(F) The sum of twelve thousand dollars ($12,000) tendered by Malbaff and Cook contemporaneously with the entry of this Order is accepted in full satisfaction of Section E herein above.

(G) Pursuant to § 13.1-519 of the Act, Malbaff and Cook are hereby enjoined from violating §§ 13.1-502(2), 13.1-504A, 13.1-504B and 13.1-507 of the Act.

(H) 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.

(I) Entry of the Settlement Order shall not confer any right of action upon any investor, nor deprive such investor of any existing right of action. Acceptance by any investor of an offer of rescission made pursuant to this Order, however, shall bar the investor from seeking rescission or restitution other than that so accepted.

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

CASE NO. SEC000001
MAY 4, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
KEVIN JOSEPH CROCKER, d/b/a KCI INTERNATIONAL,
Defendant

JUDGMENT AND CONTINUANCE ORDER

By Rule to Show Cause dated January 6, 2000, 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 February 15, 2000, 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, January 7, 2000, along with notice that he had fifteen 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. Kevin Joseph Crocker d/b/a KCI International ("Defendant") did not file a responsive pleading or appear in this matter and, therefore, is in default.

3. Defendant was at all relevant times a sole proprietorship.

4. Defendant is a natural person.

5. Defendant sold a security in violation of § 13.1-507 of the Virginia Securities Act ("Act") § 13.1-501 et seq. of the Code of Virginia by issuing a promissory note to Thomas W. West.

6. Defendant acted as an unregistered agent in violation of § 13.1-504 A of the Act.

7. Defendant engaged in transactions that operated as a fraud or deceit upon Mr. West in violation of § 13.1-502(3) of the Act.

8. Defendant obtained money by means of untrue statements to Mr. West in violation of § 13.1-502(2) of Act.

9. The findings set out above establish that Defendant committed four violations of the Act, for which he should be sanctioned. Accordingly,

IT IS ORDERED THAT:

(1) Pursuant to § 13.1-521 of the Act, Defendant is penalized in the amount of $20,000, which sum the Commonwealth shall recover from the Defendant with interest at the rate of 9% per year until paid.

(2) The Commission will suspend $18,000 of said fine if:

(a) Defendant pays Thomas W. West $2500 plus 18% interest from the date of purchase of the said promissory note, June 12, 1995, within ninety (90) days of the date of this Order and

(b) Defendant pays Thomas W. West $6900 plus 9% interest from the November 11, 1996, within ninety (90) days of the date of this Order.

(3) Pursuant to § 13.1-519 of the Act, the Defendant is permanently enjoined from violating in the future any provision of the Act.

(4) This case is continued generally on the Commission's docket.

CASE NO. SEC000002
FEBRUARY 3, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
ERIC MARK FREIBERG,
Defendant

ORDER OF DISMISSAL

This matter is before the Commission on the Motion of the Division of Securities. The Commission has been advised by Staff counsel that the Staff requests the dismissal of this case without prejudice.

THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the request should be granted. It is therefore,

ORDERED that this case is dismissed without prejudice from the Commission's docket and that the papers herein be placed in the file for ended cases.

CASE NO. SEC000003
JANUARY 11, 2000

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

SETTLEMENT ORDER

The Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of the Defendant, ATM Capital Corporation ("ATM Capital"), 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 § 13.1-504(B) of the Act, ATM Capital employed an unregistered agent, and (ii) in violation of § 13.1-507 of the Act, ATM Capital offered for sale and sold unregistered securities, being in the form of its promissory notes.

The Defendant neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Settlement Order. As a proposal to settle all matters arising from the allegations made against it, the Defendant has offered, and agreed to comply with, the following terms and undertakings:

(1) Within thirty (30) days of the date of this Order, Defendant will make, or cause to be made, a written offer to rescind the sales of all outstanding promissory notes issued by ATM Capital to Virginia residents.

(2) The offer referred to in paragraph (1) above will provide for the refund of the consideration paid by each noteholder for the purchase of the promissory note, together with interest thereon at the annual rate of six percent (6%) from the date of the note until paid, less the amount of any income received on the note, and provide that each noteholder will have thirty (30) days from the date of receipt of the offer to either accept or reject the offer.

(3) The Defendant, if the offer is accepted, will make restitution within one hundred eighty (180) days from the date of this Order.

(4) ATM Capital will mail a copy of this Settlement Order to each noteholder referred to in paragraph (1).

(5) Evidence of compliance with the provisions of paragraph (1) through (4) will be filed with the Division by the Defendant no later than ninety (90) days from the date of this order. Such evidence will be in the form of an affidavit executed by Donald Lamb, President of ATM Capital containing the following information: a statement affirming that a copy of this order was sent, and a written offer of rescission was made, to all holders of outstanding promissory notes issued by ATM Capital; the names and addresses of the noteholders who were sent the offer of rescission referred to in

paragraph (1) above; and the date of mailing the rescission offer, the amount of restitution made, or to be made, to each noteholder and the date such restitution was or is to be made.

(6) ATM Capital will be permanently enjoined from future violations of the Virginia Securities Act.

(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 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) That pursuant to § 13.1-519 of the Code of Virginia, ATM Capital Corporation be, and hereby is, permanently enjoined from violating the provisions of the Securities Act of Virginia; and

(4) 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. SEC000004
JANUARY 11, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
SONORA INVESTMENT GROUP, INC.,
Defendant

SETTLEMENT ORDER

The Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of the Defendant, Sonora Investment Group, Inc. ("Sonora"), 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 § 13.1-504(B) of the Act, Sonora employed an unregistered agent, and (ii) in violation of § 13.1-507 of the Act, Sonora offered for sale and sold unregistered securities, being in the form of its shares of preferred stock.

The Defendant neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Settlement Order. As a proposal to settle all matters arising from the allegations made against it, the Defendant has offered, and agreed to comply with, the following terms and undertakings:

(1) Within thirty (30) days of the date of this Order, Defendant will make, or cause to be made, a written offer to rescind the sales of all shares of stock issued by Sonora to Virginia residents.

(2) The offer referred to in paragraph (1) above will provide for the refund of the consideration paid by each person for the purchase of the shares, together with interest thereon at the annual rate of six percent (6%) from the date of the note until paid, less the amount of any income received on the note, and provide that each stockholder will have thirty (30) days from the date of receipt of the offer to either accept or reject the offer.

(3) The Defendant, if the offer is accepted, will make restitution within one hundred eighty (180) days from the date of this Order.

(4) Sonora will mail a copy of this Settlement Order to each stockholder referred to in paragraph (1).

(5) Evidence of compliance with the provisions of paragraph (1) through (4) will be filed with the Division by the Defendant no later than ninety (90) days from the date of this Order. Such evidence will be in the form of an affidavit executed by Donald Lamb, President of Sonora, containing the following information: a statement affirming that a copy of this order was sent, and a written offer of rescission was made, to all holders of preferred shares of stock issued by Sonora Investment Group, Inc.; the names and addresses of the stockholders who were sent the offer of rescission referred to in paragraph (1) above; and the date of mailing the rescission offer, the amount of restitution made, or to be made, to each stockholder and the date such restitution was or is to be made.

(6) Sonora will be permanently enjoined from future violations of the Virginia Securities Act.

(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 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) That pursuant to § 13.1-519 of the Code of Virginia, Sonora Investment Group, Inc. be, and hereby is, permanently enjoined from violating the provisions of the Securities Act of Virginia; and

(4) 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. SEC000008
MAY 12, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
NORMA HARDY,
Defendant

ORDER OF DISMISSAL

This matter is before the Commission on an Amended Rule to Show Cause of the Division of Securities and Retail Franchising. The Commission has been advised by Staff counsel that the Staff requests the dismissal of this case against the above-named defendant, Norma Hardy, without prejudice.

The Commission, upon consideration of this matter, is of the opinion and finds that the request should be granted. It is therefore,

ORDERED that this case is dismissed without prejudice from the Commission's docket and that the papers herein be placed in the file for ended cases.

CASE NO. SEC000013
JANUARY 19, 2000

APPLICATION OF
BEACON CAPITAL MANAGEMENT, INC.

For an official interpretation pursuant to the Virginia Securities Act § 13.1-525

OFFICIAL INTERPRETATION

THIS MATTER came before the Commission for consideration upon the letter-application of Beacon Capital Management, Inc. ("Applicant") dated September 9, 1999, as supplemented on November 30, 1999, filed under § 13.1-525 of the Virginia Securities Act, § 13.1-501 et seq. of the Code of Virginia ("Act"), by its counsel and upon payment of the requisite fee. Applicant has requested a determination as to whether or not certain persons participating in a referral-fee arrangement involving investment advisory services must register pursuant to § 13.1-504 A(ii) of the Act, as investment advisors or investment advisor representatives. The pertinent information contained in the application is summarized as follows:

Applicant, a registered investment advisor, provides fee-only investment management and advisory services to its clients in Virginia. Applicant plans to enter into a referral-fee arrangement with Bank of McKenney, located in Dinwiddie County, Virginia ("Bank") in hopes of expanding its client base while enabling the Bank to provide its customers with additional financial services.

The Bank will refer customers to Applicant, and in return Applicant will compensate the Bank by paying to the Bank a portion of the investment management services fees received from those customers.

The Bank will advertise Applicant's services to its customers, and the Bank's employees will refer customers expressing interest in investment management services and financial planning to Applicant. The Bank will offer Applicant's brochures and other information to its customers summarizing the Applicant's services. The Bank's employees will only provide interested customers information sufficient to enable them to contact Applicant. The Bank's employees will not have the authority to advise customers on investments or express any opinions on the Applicant's services.

Section 13.1-504 A(ii) of the Act provides, in part:

> A. It shall be unlawful for any person to transact business in this Commonwealth as . . . (ii) an investment advisor or investment advisor representative unless he is so registered under this chapter. . . .

However, § 13.1-504.1 allows certain financial institutions to avoid registration if their employees perform only clerical and ministerial duties incident to the offer and sale of securities. Securities Rule 21 VAC 5-20-320 further explains and limits the exemption. While banks are not enumerated in the statute, they provide essentially the same services as those enumerated institutions. It appears that the language of § 13.1-504 A(ii) of the Act demonstrates legislative intent that employees of financial institutions providing only clerical and ministerial services to certain securities related businesses are not within the intent of the definition of investment advisor representative under § 13.1-501 of the Act.

THE COMMISSION, based upon the information supplied by Applicant, is of the opinion and finds that the foregoing proposed activities and services as limited by Securities Rule 21 VAC 5-20-320 will not require registration pursuant to § 13.1-504 A(ii) of the Act. It is, therefore,

ORDERED that the Bank's employees, whose activities are performed as described above, are not required to register as investment advisor representatives pursuant to § 13.1-504 A(ii) of the Act, provided they comply with the above-cited rule.

CASE NO. SEC000014
JANUARY 18, 2000

APPLICATION OF
BEREA BAPTIST CHURCH OF ROCKVILLE

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated November 9, 1999, with exhibits attached thereto, as subsequently amended, of Berea Baptist Church of Rockville, 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 certain members of Berea Baptist Church of Rockville 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: Berea Baptist Church of Rockville is an unincorporated Virginia organization operating not for private profit but exclusively for religious purposes; Berea Baptist Church of Rockville intends to offer and sell First Deed of Trust Bonds in an approximate aggregate amount of $850,000 on terms and conditions as more fully described in the Prospectus filed as a part of the application; said securities are to be offered and sold by a bond sales committee composed of members of Berea Baptist Church of Rockville who will not be compensated for their sales efforts; and said securities may also be offered and sold by broker-dealers so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by Berea Baptist Church of Rockville 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 bond sales committee be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC000015
JANUARY 24, 2000

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

SETTLEMENT ORDER

The Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of the Defendant, Internomics, Inc. ("Internomics"), 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 § 13.1-504(B) of the Act, Internomics employed an unregistered agent, and (ii) in violation of § 13.1-507 of the Act, Internomics offered for sale and sold unregistered securities, being in the form of its shares of common stock.

The Defendant neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Settlement Order. As a proposal to settle all matters arising from the allegations made against it, the Defendant has offered, and agreed to comply with, the following terms and undertakings:

(1) Within thirty (30) days of the date of this Order, Defendant will make, or cause to be made, a written offer to rescind the sales of all shares of stock issued by Internomics to Virginia residents.

(2) The offer referred to in paragraph (1) above will provide for the refund of the consideration paid by each person for the purchase of the shares, together with interest thereon at the annual rate of six percent (6%) from the date of the note until paid, less the amount of any income received on the note, and provide that each stockholder will have thirty (30) days from the date of receipt of the offer to either accept or reject the offer.

(3) The Defendant, if the offer is accepted, will make restitution within ninety (90) days from the date of this Order.

(4) Evidence of compliance with the provisions of paragraph (1) through (3) will be filed with the Division by the Defendant no later than ninety (90) days from the date of this Order. Such evidence will be in the form of an affidavit executed by Donald Poole, President of Internomics, containing the following information: a written offer of rescission was made to all holders of common shares of stock issued by Internomics, Inc.; the names and addresses of the stockholders who were sent the offer of rescission referred to in paragraph (1) above; and the date of mailing the rescission offer, the amount of restitution made, or to be made, to each stockholder and the date such restitution was or is to be made.

(5) Internomics will employ, for purposes of offering and selling securities in the Commonwealth, only agents who are registered under the Act or exempted therefrom.

(6) Internomics will offer and sell in the Commonwealth, whether directly or indirectly, only securities that are either registered under the Act or exempted therefrom.

(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 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; and

(3) 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. SEC000017
FEBRUARY 3, 2000

APPLICATION OF
CALIFORNIA BAPTIST FOUNDATION

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came on for consideration upon written application dated December 14, 1999, with exhibits attached thereto, of California Baptist Foundation, 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) pursuant to § 13.1-514.1 B of the Code of Virginia.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: California Baptist Foundation is a California corporation operating not for private profit but exclusively for religious, educational and benevolent purposes; California Baptist Foundation intends to offer and sell Church Loan Fund Collateralized Certificates of Participation 1999 Series A in an approximate aggregate amount of $10,000,000 on terms and conditions as more fully described in the Prospectus filed as a part of the application; and said securities will be offered and sold by broker-dealers so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by California Baptist Foundation 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.

CASE NOS. SEC000019 and SEC000020
FEBRUARY 4, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
BAY SAVER, INC.,
and
JOHN G. SENNETT,
Defendants

SETTLEMENT ORDER

The Commission's Division of Securities and Retail Franchising has instituted an investigation of the Defendants, Bay Saver, Inc. ("BSI"), and John G. Sennett ("SENNETT"), 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 this investigation, the Division alleges that (i) SENNETT transacted business in this Commonwealth as unregistered agent of BSI and thereby violated § 13.1-504A of the Act, (ii) BSI employed an unregistered agent, SENNETT, in violation of § 13.1-504B of the Act, (iii) BSI and SENNETT offered and sold unregistered securities in the form of investment contracts in violation of §13.1-507 of the Act and, (iv) BSI and SENNETT violated § 13.1-502(2) of the Act by omitting to state material facts necessary in order to make the statements made not misleading, by (a) failing to make full disclosure of the risks involved in the investment and, (b) failing to make full disclosure of BSI's financial condition prior to or at the time of the investment. The Defendants neither admit nor deny these allegations, but admit the Commission's jurisdiction and authority to enter this Settlement Order.

As a proposal to settle all matters arising from the allegations made against them, the Defendants have offered, and agreed to comply with, the following terms and undertakings:

(A) Defendants agree that if financially capable they would jointly make an offer of rescission to each investor and make restitution of the principal sum invested plus six percent interest accruing from the date of each investment, but affirm by sworn affidavit, to be attached hereto and incorporated herein as a part of this order, that they individually and jointly lack the financial capability to do so in whole or in part. Attached to each affidavit and incorporated by reference will be a Statement of Assets and Liabilities for BSI and Personal Statement of Assets and Liabilities for SENNETT, all as of December 31, 1999. Additionally, SENNETT will also provide a Personal Statement of Income and Expenses for the years 1998 and 1999 as attachments to his affidavit. Furthermore, each of the aforementioned statements is to be certified by Defendants to be true, correct and complete, under penalties of perjury.

(B) BSI and/or SENNETT will mail a copy of this Settlement Order with affidavits and all attachments to each investor referred to in paragraph A above.

(C) Defendants will be permanently enjoined from violating the provisions of the Virginia Securities Act in the future.

(D) Pursuant to § 13.1-518 of the Act, SENNETT will pay to the Commission the sum of five hundred dollars ($500) to help defray the costs of the investigation and that said sum be tendered within sixty (60) days of the date of this order.

(E) 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' 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 Defendants' offer of settlement is accepted;

(2) The Defendants fully comply with the aforesaid terms and undertakings of the settlement;

(3) Pursuant to § 13.1-518 of the Act, SENNETT pay to the Commission the sum of five hundred dollars ($500) to defray the costs of the investigation, and that the Commission recover from the Defendant said amount;

(4) The aforementioned affidavits tendered by the Defendants contemporaneously with the entry of this order are accepted;

(5) Pursuant to § 13.1-519 of the Act, Defendants are hereby permanently enjoined from violating the Act ;

(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, if the Defendants' fail to comply with the terms and undertakings of the settlement.

NOTE: A copy of the Attachments 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. SEC000022 and SEC000021
MARCH 13, 2000

COMMONWEALTH OF VIRGINIA ex rel.
STATE CORPORATION COMMISSION
v.
THE WILLIAMSBURG WINERY, LTD
and
PATRICK E. DUFFELER,
Defendants

SETTLEMENT ORDER

The Commission's Division of Securities and Retail Franchising ("Division") has conducted an investigation of Defendants The Williamsburg Winery, Ltd. ("WWinery") and Patrick E. Duffeler, ("Duffeler"), President of WWinery, 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:

(A) Defendants violated § 13.01-507 of the Act by selling unregistered, non-exempt securities in Virginia to forty-four (44) persons;

(B) WWinery employed an unregistered agent, Duffeler, in violation of § 13.1-504B; and

(C) Duffeler has violated § 13.1-504A of the Act by selling securities of WWinery, without registration.

Defendants neither admit nor deny the allegations made against them, but admit the Commission's jurisdiction and authority to enter this Settlement Order, Defendants have proposed and agree to comply with the following terms and undertakings:

(1) Defendants will refrain from any conduct which constitutes a violation of the Act or the Rules promulgated thereunder.

(2) Defendants will escrow five (5) shares of Williamsburg Winery, Ltd. stock for the case entitled Michael T. Mansfield v. Williamsburg Winery, Ltd. et al., Circuit Court for the City of Williamsburg and the County of James City, Chancery No. 12846 until the escrow agent receives (i) an order of such court or (ii) an order of the State Corporation Commission for the disposition of such securities pursuant to a settlement. The escrow agreement is attachment hereto and incorporated herein by reference.

(3) Defendants, pursuant to § 13.1-521 of the Act will pay a settlement penalty to the Commonwealth in the amount of twenty-thousand dollars ($20,000).

(4) Defendants, pursuant to § 13.1-518 of the Act, will pay to the Commission a sum of one thousand five hundred dollars ($,1500), as reimbursement for the costs of the Division's investigation.

The Division has recommended that Defendants' 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 THAT:

(1) Pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia, Defendants' offer of settlement is accepted;

(2) Defendants shall fully comply with the aforesaid terms and undertakings of the settlement;

(3) Pursuant to § 13.1-521 of the Act, Defendants shall pay a settlement penalty to the Commonwealth in the amount of twenty thousand dollars ($20,000) and the Commonwealth shall recover of and from Defendants said amount;

(4) Pursuant to § 13.1-518 of the Act, Defendants shall pay to the Commission the amount of one thousand five hundred dollars ($1500) for the cost of Division's investigation and the Commonwealth shall recover of and from Defendants said amount;

(5) The sum of twenty-one thousand five hundred dollars ($21,500) tendered by Defendants contemporaneously with the entry of this Order is accepted; and

(6) The Commission retains jurisdiction in this matter for all purposes including the institution of a show cause proceeding as described above, or taking such other action it deems appropriate, on account of Defendants' failure to comply with the terms and undertakings of the settlement.

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

CASE NO. SEC000023
FEBRUARY 18, 2000

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

SETTLEMENT ORDER

The Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of the Defendant, LCP Capital Corporation ("LCP Capital"), 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 Rule 5-20-280(A)(4) as promulgated under the Act, an agent formerly employed at LCP Capital executed a securities transaction on behalf of a Virginia customer without authority to do so.

The Defendant neither admits nor denies this allegation, but admits the Commission's jurisdiction and authority to enter this Settlement Order. As a proposal to settle all matters arising from the allegation made against it, the Defendant has offered, and agreed to comply with, the following terms and undertakings:

(1) Within thirty (30) days of the date of this Order, Defendant will make, or cause to be made, a written offer to rescind the sale to the Virginia client.

(2) The offer referred to in paragraph (1) above will provide for the refund of the consideration paid by the client for the purchase of the shares, together with interest thereon at the annual rate of six percent (6%) from the date of the sale until paid, less the amount of any income received, and provide that the client will have thirty (30) days from the date of receipt of the offer to either accept or reject the offer. If the security is no longer owned, the offer will provide for the refund of the loss to the client for the purchase of the shares, together with interest thereon at the annual rate of six percent (6%) from the date of the sale until paid.

(3) The Defendant, if the offer is accepted, will make restitution within ninety (90) days from the date of this Order.

(4) Evidence of compliance with the provisions of paragraph (1) through (3) will be filed with the Division by the Defendant no later than ninety (90) days from the date of this Order. Such evidence will be in the form of an affidavit executed by Mr. Charles S. Stoffers, President of LCP Capital, containing the following information: that a written offer of rescission was made to the client referred to in paragraph (1) above; the date of mailing the rescission offer, the amount of restitution made, or to be made, to the client and the date such restitution was or is to be made.

(5) LCP Capital will retain an independent consulting firm approved by or acceptable to the Commission (i) to independently review and evaluate LCP Capital's overall written supervisory and compliance procedures; and (ii) to make recommendations, if deemed necessary, for the update and/or improvement of the internal controls and procedures of LCP Capital.

(6) LCP Capital will discuss and modify its internal controls and written procedures in accordance with all final recommendations, if any, of the independent consulting firm. If all such recommendations are not implemented, each recommendation shall be submitted to the Division along with the reason for failure to implement. The Division will have final approval authority for implementation of all recommendations. LCP Capital will submit the final recommendations and their plan for implementation to the Division by an affidavit stating that it has adopted the aforesaid recommendations.

(7) Within five (5) months from the entry of this Order, the consulting firm will file with the Division, LCP Capital and its Counsel a special audit report setting forth the results of the review, evaluation and recommendations, if any.

(8) The independent consulting firm will perform audits of the principal office of LCP Capital, independently review and evaluate LCP Capital's overall written supervisory and compliance procedures on the following schedule: the first three (3) audits will be done every four (4) months from the date of the report filed with Division, the next two (2) audits will be done at six month intervals from the prior audit and the final audit will be done three years from the date of this Order.

(9) The independent consulting firm will perform such audit functions for a period of three (3) years from the date of this Order and promptly report its findings to the Commission.

(10) LCP Capital will refrain from any further conduct which constitutes a violation of the Virginia Securities Act or the Rules promulgated thereunder.

(11) 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) 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. SEC000026
MARCH 14, 2000

APPLICATION OF
NATIONAL COVENANT PROPERTIES
5101 N. Francisco Avenue
Chicago, Illinois 60625-6273

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 28, 2000, with exhibits attached thereto, of National Covenant Properties ("NCP"), 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 (the "Act"), 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 not for profit Illinois corporation organized exclusively for religious purposes; NCP intends to offer and sell up to $20,000,000 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 Act, 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 NO. SEC000027
MARCH 15, 2000

APPLICATION OF
AMERICAN CANCER SOCIETY POOLED INCOME FUND
1599 Clifton Road NE
Atlanta, Georgia 30329-4251

For an Order of Exemption under §13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came for consideration upon written application dated December 15, 1999, with exhibits attached thereto, of the American Cancer Society Pooled Income Fund (the "Fund"), requesting that interests in the Fund, be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia, and that certain individuals who solicit gifts to the Fund be exempted from the agent registration requirements of said Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: The Fund was established by American Cancer Society, Inc. ("ACS"), a nonstock New York corporation, formed not for private profit but exclusively for charitable, scientific and educational purposes; the Fund is a pooled income fund within the meaning of Section 642 (c)(5) of the Internal Revenue Code of 1986; and, gifts to the Fund will be solicited by volunteers or employees of ACS who will not be compensated on the basis of the amount of gifts transferred to the Fund.

THE COMMISSION, based on the facts asserted by the Fund in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to the provisions of § 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 ACS's volunteers and employees who solicit on behalf of the Fund be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC000028
MARCH 15, 2000

APPLICATION OF
AMERICAN CANCER SOCIETY, INC.
1599 Clifton Road NE
Atlanta, Georgia 30329-4251

For an Order of Exemption under §13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came for consideration upon written application dated December 15, 1999, with exhibits attached thereto, of American Cancer Society, Inc. ("ACS"), requesting that certain charitable gift annuities be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia, and that certain individuals who solicit gifts 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: ACS is a nonstock New York corporation, formed not for private profit but exclusively for charitable, scientific and educational purposes; ACS intends to solicit donations for its Charitable Gift Annuities; and, gifts to the ACS will be solicited by volunteers or employees of the ACS who will not be compensated on the basis of the amount of gifts transferred.

THE COMMISSION, based on the facts asserted by the ACS 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 ACS's volunteers and employees who solicit on behalf of ACS be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC000030
APRIL 7, 2000

APPLICATION OF
MENCHVILLE BAPTIST CHURCH, NEWPORT NEWS, VIRGINIA
248 Menchville Road
Newport News, Virginia 23602

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came for consideration upon written application dated March 15, 2000, with exhibits attached thereto, as subsequently amended, of Menchville Baptist Church, Newport News, Virginia ("MBC"), requesting that certain securities be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia, and that certain members of MBC 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: MBC is an unincorporated Virginia organization operating not for private profit but exclusively for religious, educational, and benevolent purposes; MBC intends to offer and sell First Deed of Trust Bonds in an approximate aggregate amount of $1,500,000 on terms and conditions as more fully described in the Prospectus filed as a part of the application; said securities are to be offered and sold by a bond sales committee composed of members of MBC who will not be compensated for their sales efforts; and said securities may also be offered and sold by broker-dealers so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by MBC 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 Act, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and the members of the bond sales committee be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC000032
APRIL 7, 2000

APPLICATION OF
STAUNTON AUGUSTA WAYNESBORO COMMUNITY FOUNDATION
1100 West Broad Street
Waynesboro, Virginia 22980

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came for consideration upon written application dated March 15, 2000, with exhibits attached thereto, as subsequently amended, of Staunton Augusta Waynesboro Community Foundation ("SAW"), requesting that certain charitable gift annuities be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia, and that certain members of SAW 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: SAW is a Virginia corporation operating not for private profit but exclusively for charitable purposes; SAW intends to solicit donations for its charitable gift annuities; and, gifts to the SAW will be solicited by volunteers or employees of the SAW who will not be compensated on the basis of the amount of gifts transferred.

THE COMMISSION, based on the facts asserted by SAW 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 Act, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and SAW's volunteers and employees who solicit on behalf of SAW be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC000034
OCTOBER 13, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
HIDE A HOSE INTERNATIONAL, INC.,
Defendant

FINAL ORDER AND JUDGMENT

By Rule to Show Cause dated April 10, 2000, the Commission assigned this case to a Hearing Examiner to conduct a hearing for the Commission. Hearings were held on the Rule on June 28, 2000. The Hearing Examiner issued his Report setting forth his recommended findings of fact and conclusions of law on June 28, 2000. Upon consideration of the Report and the record in this case, the Commission is of the opinion and finds as follows:

(1) Hide A Hose International Inc. ("HHI") is or was, at all relevant times, a Massachusetts corporation that maintained its offices in Oak Bluffs, Massachusetts.

(2) The Rule to Show Cause was duly served upon the defendant as required by law, and a copy of the Report of the Hearing Examiner was mailed to the defendant.

(3) Defendant HHI did not file a responsive pleading, appear, or file comments on the Report.

(4) On June 9, 1998, HHI offered a franchise to Thomas R. Helsel ("Helsel"), a Virginia resident.

(5) On July 6, 1998, HHI filed an application to register its franchise with the Division. Such application has never been completed, nor has HHI responded to the Division's comments.

(6) On July 15, 1998, HHI and Helsel signed an option agreement to purchase a franchise.

(7) HHI offered to sell a franchise to a Virginia resident prior to registration in violation of § 13.1-560 of the Virginia Retail Franchising Act ("Act"), § 13.1-557 et seq. Of the Code of Virginia.

(8) HHI granted a franchise to a Virginia resident prior to registration in violation of § 13.1-560 of the Act.

(9) HHI failed to provide Helsel with a copy of the franchise agreement and disclosure document required by § 13.1-563(e) of the Act.

(10) The aforesaid acts of HHI constitute three violations of § 13.1-560 and § 13.1-563(e) of the Code of Virginia.

ACCORDINGLY, IT IS ADJUDGED AND ORDERED THAT:

(1) Pursuant to § 13.1-560 of the Act, HHI is penalized in the sum of twenty-five thousand dollars ($25,000), which sum the Commonwealth shall recover from said defendant with interest at 9% per year until paid.

(2) Pursuant to § 13.1-563(e) of the Act, HHI is penalized in the sum of twenty-five thousand dollars ($25,000), which sum the Commonwealth shall recover from said defendant with interest at 9% per year until paid.

(3) Pursuant to § 13.1-568 of the Act, HHI is hereby permanently enjoined from violations of § 13.1-560 and § 13.1-563(e) of the Act.

(4) This case is dismissed from the docket, and the papers herein shall be placed among the ended causes.

CASE NO. SEC000035 and SEC000036
NOVEMBER 22, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FERRIS BAKER WATTS, INCORPORATED,
ROBERT L. BUTLER,
Defendants

SETTLEMENT ORDER

The Commission's Division of Securities and Retail Franchising ("Division") has conducted an investigation of Defendants, Ferris Baker Watts, Incorporated ("FBW"), and Robert L. Butler ("Butler") 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 Defendants, a broker-dealer and its agent so registered under the Act, have:

(A) In violation of Securities Act Rule 21 VAC 5-20-280 A. 4., through one of its registered securities agents, Robert L. Butler, executed trades in the accounts of ten (10) Virginia residents without the authority to do so.

(B) In violation of Securities Act Rule 21 VAC 5-20-280 A. 5., through one of its registered securities agents, Robert L. Butler, exercised discretionary power in effecting trades in the accounts of ten (10) Virginia residents without first obtaining written discretionary authority from the customer.

(C) In violation of Securities Act Rule 21 VAC 5-20-260 B, failed to exercise diligent supervision over the securities activities of one of its agents, Robert L. Butler.

Defendants neither admit nor deny the allegations, but admit the Commission's jurisdiction and authority to enter this Order.

As a proposal to settle all matters arising from the allegations made against Defendants, FBW has proposed and agrees to comply with the following terms and undertakings:

(1) FBW and Butler will refrain from any further conduct that constitutes a violation of the Act or the Rules promulgated thereunder.

(2) FBW will file a written report with the Division by no later than ninety (90) days from the date of this Settlement Order setting forth the following:

(a) The procedures it has developed to ensure compliance with Rule 21 VAC 5-20-280 A. 4., Rule 21 VAC 5-20-280 A. 5., and Rule 21 VAC 5-20-260 B. as promulgated under the Act.

(b) The name(s) of the individual(s), including any subsequent appointments, overseeing compliance with Rule 21 VAC 5-20-280 A 4., Rule 21 VAC 5-20-280 A. 5., and Rule 21 VAC 5-20-260 B. as promulgated under the Act.

(3) (a) FBW, shall for a period of twelve (12) months from the date of this Order, appoint a member of FBW's compliance department to (i) review the opening of all Butler's Virginia customer accounts to detect and prevent irregularities, (ii) review every transaction effected for Butler's Virginia customers on a weekly basis to determine if any irregularity or abuse occurred in connection with any such transaction, (iii) review at least five (5) of Butler's active Virginia customer accounts, selected at random, on a monthly basis to determine if the customers have any complaints about Butler's actions in connection with their accounts or any transactions effected for their accounts, including requesting the nature of the effected transaction and in addition to determine if the transaction was specifically authorized. An active customer is one who has an account in which at least one transaction has been effected since the beginning of the current monthly review period.

(b) For a period of twelve (12) months from the date of this Order, FBW's compliance department shall establish and maintain a written record which shall state (i) the name and address of each of Butler's active Virginia customer contacted, (ii) the date each customer was contacted, (iii) the name and title of the person who contacted each customer, and (iv) the means by which each customer was contacted. This record shall be submitted on a quarterly basis to the Division and a final report covering the entire period shall be submitted to the Division at the end of twelve (12) months with a request for termination of the special supervisory requirement. Special supervision will be terminated if the record shows no violations of the Division's statutes or rules.

(c) If during the twelve (12) month period FBW discovers any irregularity or abuse in connection with any transaction effected for Butler's customers or receives a complaint from any of Butler's Virginia customers, it shall promptly notify the Division in writing.

(6) FBW will offer to reimburse the six (6) Virginia customers a sum plus 6% interest for three (3) years based upon Schedule A attached hereto and incorporated herein by reference. The offer will remain open for a period of thirty (30) days. The customers accepting reimbursement shall enter into a release of all claims with FBW.

(7) FBW, pursuant to § 13.1-521 of the Code of Virginia, will pay a sum to the Commonwealth in the amount of forty thousand dollars ($40,000.00).

(4) FBW, pursuant to § 13.1-518 of the Code of Virginia, will pay to the Commission the sum of ten thousand dollars ($10,000.00) 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 Virginia Securities Act or other applicable statute based on such failure to comply, on the allegations contained herein and/or on such other allegations as are warranted, and Defendant will not contest the exercise of the right reserved.

The Division has recommended that Defendants' 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 THAT:

(1) Pursuant to the authority granted to the Commission in § 12.1-15 cf the Code of Virginia, Defendants' offer of settlement is accepted;

(2) Defendants fully comply with the aforesaid terms and undertakings of the settlement;

(3) FBW will file a report with the Division by no later than ninety (90) days from the date of this Order setting forth the following:

(a) The procedures it has developed to ensure compliance with Rule 21 VAC 5-20-280 A. 4., Rule 21 VAC 5-20-280 A. 5., and Rule 21 VAC 5-20-260 B., as promulgated under the Act.

(b) The name(s) of the individual(s), including any subsequent appointments, overseeing compliance with Rule 21 VAC 5-20-280 A. 4., Rule 21 VAC 5-20-280 A. 5., and Rule 21 VAC 5-20-260 B., as promulgated under the Act.

(4) (a) FBW shall, for a period of twelve (12) months from the date of this Order, appoint a member of FBW's compliance department to (i) review the opening of all Butler's Virginia customer accounts to detect and prevent irregularities, (ii) review every transaction effected for Butler's Virginia customers on a weekly basis to determine if any irregularity or abuse occurred in connection with any such transaction, (iii) review at least five (5) of Butler's active Virginia customer accounts, selected at random, on a monthly basis to determine if the customers have any complaints about Butler's actions in connection with their accounts or any transactions effected for their accounts, including requesting the nature of the effected transaction, and in addition, to determine if the transaction was specifically authorized. An active customer is one who has an account in which at least one (1) transaction has been effected since the beginning of the current monthly review period.

(b) For a period of twelve (12) months from the date of this Order, FBW's compliance department shall establish and maintain a written record which shall state (i) the name and address of each of Butler's active Virginia customer contacted, (ii) the date each customer was contacted, (iii) the name and title of the person who contacted each customer, and (iv) the means by which each customer was contacted. In all cases, the contact person should attempt to make a personal contact. This record shall be submitted on a quarterly basis to the Division and a final report covering the entire period shall be submitted to the Division at the end of twelve (12) months with a request for termination of the special supervisory requirement. Special supervision will be terminated if the report shows no violations of the Division's statutes and rules.

(c) If during the twelve (12) month period FBW discovers any irregularity or violation in connection with any transaction effected for Butler's customers or receives a complaint from any of Butler's Virginia customers, it shall promptly notify the Division in writing.

(5) FBW will reimburse the ten (10) Virginia customers a sum plus 6% interest for a period of three years based upon Schedule A attached hereto and incorporated herein by reference. The offer will remain open for a period of thirty (30) days. The customers shall enter into a release of all claims with FBW.

(6) Pursuant to § 13.1-521 of the Code of Virginia, FBW pay a penalty to the Commonwealth in the amount of forty thousand dollars ($40,000.00) and the Commonwealth recover of and from Defendant said amount;

(7) Pursuant to § 13.1-518 of the Code of Virginia, FBW pay to the Commission the amount of ten thousand dollars ($10,000.00) for the cost of the Division's investigation;

(8) That the sum of fifty thousand dollars ($50,000.00) tendered by Defendant is accepted; and

(9) That the Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding as described above, or taking such other action it deems appropriate, on account of Defendants' failure to comply with the terms and undertakings of the settlement.

NOTE: A copy of "Schedule 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. SEC000035 and SEC000036
NOVEMBER 22, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
FERRIS, BAKER, WATTS INCORPORATED,
ROBERT L. BUTLER,
Defendants

FINAL ORDER

By Rule to Show Cause dated May 11, 2000, 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. On October 24, 2000, the Hearing Examiner issued his Report setting forth his recommendation that the Commission accept the settlement offered in this matter. Upon consideration of the Report, the Commission is of the opinion and finds:

1. A Settlement Offer was offered and attached to the report of the Hearing Examiner.

2. The Hearing Examiner recommended adopting this finding and accepting the proffered settlement.

IT IS ORDERED THAT:

(1) The aforesaid settlement is accepted by the Commission.

(2) All undertakings and provisions of a continuing nature set forth in the Settlement Order remain in full force and effect.

(3) Entry of this order shall not affect any duty or obligation to disclose the existence or nature of this matter or of any order entered herein.

(4) The case is dismissed.

(5) The papers herein shall be filed among the ended cases.

CASE NO. SEC000037
MAY 12, 2000

APPLICATION OF
MISSION INVESTMENT FUND OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
8765 West Higgings Road
Chicago, Illinois 60631

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came for consideration upon written application dated May 2, 2000, with exhibits attached thereto, as subsequently amended, of Mission Investment Fund of the Evangelical Lutheran Church in America ("Mission"), requesting that certain mission investments be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: Mission is a Minnesota nonprofit corporation operating exclusively for religious purposes; Mission intends to offer and sell mission investments comprised of MissionTerm Investments, MissionFuture Investments, and MissionPlus Investments in an approximate aggregate amount of $140,000,000 on terms and conditions as more fully described in the Offering Circular filed as a part of the application; and, said securities are to be offered and sold by Mission's agents so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by Mission 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 Act, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act.

CASE NO. SEC000038
MAY 12, 2000

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

SETTLEMENT ORDER

The Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of the Defendant, Intouch, Inc. ("Intouch") pursuant to § 13.1-518 of the Virginia Securities Act, § 13.1-501 et seq. of the Code of Virginia ("Act").

As a result of its investigation, the Division alleges that the Defendant violated § 13.1-507 of the Act by offering for sale and selling in the Commonwealth unregistered non-exempt securities in the form of Intouch common stock. The Defendant neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Settlement Order.

As a proposal to settle all matters arising from the allegations made against it, the Defendant has offered, and agreed to comply with, the following terms and undertakings:

(1) The Defendant will be permanently enjoined from directly or indirectly violating § 13.1-507 of the Act.

(2) The Defendant has agreed to liquidate its real property by sale or auction within one hundred-eighty days from the date of this Order and use the proceeds to rescind its sales of stock to all stockholders who accepted the Defendant's rescission offer made by letter dated February 29, 2000.

(3) Evidence of compliance with the provisions of paragraph (2), above, will be filed with the Division by the Defendant within thirty (30) days from the date of the property's liquidation; that such evidence will be in the form of an affidavit, executed by the Chairperson of the Board of Directors of Intouch, Inc. which will contain the following information: (i) the date of liquidation and dollar amount of proceeds received from liquidation and (ii) the date and dollar amount of payment to each shareholder.

(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 Virginia Securities Act or other applicable statutes based on such failure to comply, on the allegations contained herein and/or on such other allegations as are warranted and the Defendant will not contest the exercise of the right reserved.

The Division has recommended that the Defendant's offer be accepted pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia.

NOW, THEREFORE, IT IS 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) Pursuant to § 13.1-519 of the Act, the Defendant is permanently enjoined from violating § 13-507 of the Act;

(C) 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. SEC000039
JUNE 7, 2000

APPLICATION OF
ROSE OF SHARON BAPTIST CHURCH
3001-A Indian River Road
Chesapeake, Virginia 23325

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came for consideration upon written application dated April 24, 2000, with exhibits attached thereto, as subsequently amended, of Rose of Sharon Baptist Church ("Rose") requesting that certain securities be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: Rose is a nonprofit unincorporated Virginia organization operating exclusively for religious purposes; Rose intends to offer and sell First Deed of Trust Bonds in an approximate aggregate amount of $420,000 on terms and conditions as more fully described in the Prospectus filed as a part of the application; said securities are to be offered and sold by broker-dealers registered in Virginia under the Act.

THE COMMISSION, based on the facts asserted by Rose 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 Act, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Act.

CASE NO. SEC000042
JUNE 29, 2000

APPLICATION OF
BLUE RIDGE COMMUNITY COLLEGE EDUCATIONAL FOUNDATION, INC.
Post Office Box 80
Weyers Cave, Virginia 24486

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came for consideration upon written application dated June 15, 2000, with exhibits attached thereto, as subsequently amended, of Blue Ridge Community College Educational Foundation, Inc. ("BRCCEF"), requesting that certain securities be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia, and that certain individuals who solicit gifts 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: BRCCEF is a nonstock Virginia corporation, formed not for private profit but exclusively for educational and charitable purposes; BRCCEF intends to solicit donations for its charitable gift annuities; and gifts to the BRCCEF will be solicited by employees of BRCCEF who will not be compensated on the basis of the amount of gifts transferred.

THE COMMISSION , based on the facts asserted by BRCCEF 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 Act, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and BRCCEF's employees who solicit on behalf of BRCCEF be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC000046
JULY 18, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
W. J. NOLAN & COMPANY, INC.
Defendant

SETTLEMENT ORDER

The Commission's Division of Securities and Retail Franchising ("Division") has conducted an investigation of Defendant, W. J. Nolan & Company, 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 § 13.1-504 B of the Act, employed an unregistered agent, Eric S. Schnell.

(B) In violation of Securities Act Rule 21 VAC 5-20-280 B 3, created an account for Todd Gruettner, a Virginia resident, containing fictitious information in order to execute transactions which would otherwise be unlawful or prohibited.

(C) In violation of Securities Act Rule 21 VAC 5-20-260 B, failed to exercise diligent supervision over the securities activities of two (2) of its agents, Eric S. Schnell and Bradley E. Parker, by failing to enforce the firm's written procedures.

(D) In violation of Securities Act Rule 5-20-260 D 1, failed to enforce the procedures adopted by the Defendant for the review and written approval by a designated supervisor of the opening of each new customer account.

(E) In violation of Securities Act Rule 5-20-260 D 3, failed to enforce the procedures adopted by the Defendant for the prompt review and written approval by a designated supervisor of all correspondence pertaining to the solicitation or execution of all securities transactions by agents. Furthermore, the Defendant failed to establish and enforce written procedures that set forth its policy for the standards of reviewing securities transaction orders for acceptance.

(F) In violation of Securities Act Rule 21 VAC 5-20-250 A 2 d, Defendant failed to maintain copies of all communications sent by the broker-dealer relating to its business for the required period of not less than three years.

(G) In violation of Securities Act Rule VAC 5-20-280 A 3, Defendant recommended securities to a Virginia resident, Todd Gruettner, which in light of his stated investment objectives were not suitable for the customer.

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 further conduct that 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 Settlement Order setting forth the following:

(a) The procedures it has developed to ensure compliance with § 13.1-504 B, Rule 21 VAC 5-20-280 A 3, Rule 21 VAC 5-20-260 B, Rule 21 VAC 5-20-260 D 1, Rule 21 VAC 5-20-260 D 3, Rule VAC 5-20-250 A 2 d, and Rule VAC 5-20-280 A 3 as promulgated under the Act.

(b) The name(s) of the individual(s), including any subsequent appointments, overseeing compliance with § 13.1-504 B, Rule 21 VAC 5-20-280 A 3, Rule 21 VAC 5-20-260 B, Rule 21 VAC 5-20-260 D 1, Rule 21 VAC 5-20-260 D 3, Rule VAC 5-20-250 A 2 d, and Rule VAC 5-20-280 A 3 as promulgated under the Act.

(3) Within twenty-one (21) days of the date of this Order, Defendant will make, or cause to be made, a written offer of rescission to Todd Gruettner, to include (i) an offer to repay the principal sum of twelve thousand two hundred eighteen dollars and twelve cents ($12,218.12) plus interest thereon at an annual rate of six percent (6%) from the date of purchase, less the amount of any income received on the securities, upon the tender of the securities, or for the substantial equivalent in damages if the investor no longer owns the securities; (ii) an explanation of the reason for the rescission offer; (iii) provisions that Todd Gruettner will have thirty (30) days from the date of the receipt of the offer to provide Defendant with written notification of his decision to accept or reject the offer, and, that Defendant, if its offer is accepted, will make restitution within thirty (30) days from the date it receives acceptance of the offer.

(4) Defendant, pursuant to § 13.1-518 of the Act, will pay to the Commission the sum of two thousand seven hundred fifty-eight dollars ($2,758.00) 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 Virginia Securities Act or other applicable statute based on such failure to comply, on the allegations contained herein and/or on such other allegations as are warranted, and Defendant will not contest the exercise of the right reserved.

The Division has recommended that Defendant's offer of settlement be accepted pursuant to the authority granted to the Commission in § 12.1-15 of the Code of Virginia.

NOW, 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) That Defendant fully comply with the aforesaid terms and undertakings of the settlement;

(3) That pursuant to § 13.1-519 of the Act, Defendant is hereby permanently enjoined from future violations of the cited statues and regulation;

(4) Defendant, pursuant to § 13.1-518 of the Act, will pay to the Commission the sum of two thousand seven hundred fifty-eight dollars ($2,758.00) as reimbursement for the costs of the Division's investigation.

(5) That the sum of two thousand seven hundred fifty-eight dollars ($2,758.00) tendered by Defendant contemporaneously with the entry of this Order is accepted; and

(6) That the Commission shall retain jurisdiction in this matter for all purposes, including the institution of a show cause proceeding as described above, or taking such other action it deems appropriate, on account of Defendant's failure to comply with the terms and undertakings of the settlement.

CASE NO. SEC000047
JULY 17, 2000

APPLICATION OF
NEW LIFE CHRISTIAN METHODIST EPISCOPAL CHURCH
1210 Kecoughtan Road
Hampton, Virginia 23661

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came for consideration upon written application dated May 1, 2000, with exhibits attached thereto, as subsequently amended, of New Life Christian Methodist Episcopal Church ("NLCMEC") requesting that certain securities be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: NLCMEC is an unincorporated Virginia organization operating not for private profit but exclusively for religious purposes; NLCMEC intends to offer and sell First Deed of Trust Bonds in an approximate aggregate amount of $250,000 on terms and conditions as more fully described in the Prospectus filed as a part of the application; and said securities are to be offered and sold by broker-dealers registered under the Securities Act.

THE COMMISSION, based on the facts asserted by NLCMEC 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 Act, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act.

CASE NO. SEC000048
JULY 26, 2000

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

SETTLEMENT ORDER

The Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of the Defendant, Alanar, Inc. ("Alanar"), 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 Alanar offered for sale and sold unregistered securities in the form of church bonds in violation of § 13.1-507 of the Act.

The Defendant, without admitting or denying the allegations, admits to the Commission's jurisdiction and authority to enter this Settlement Order. As a proposal to settle all matters arising from the allegation made against it, has offered, and agreed to comply with, the following terms and undertakings:

(1) Alanar will offer for sale and sell in Virginia only securities which have been registered under the Virginia Securities Act or exempted therefrom.

(2) Pursuant to § 13.1-518 of the Act, Alanar will pay to the Commission a sum of one thousand eight hundred dollars ($1,800).

(3) Pursuant to § 13.1-521 of the Act, Alanar will pay to the Commonwealth a sum of eight thousand two hundred dollars ($8,200).

(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 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.

ACCORDINGLY, IT IS 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 § 13.1-518 of the Act, Alanar will pay to the Commission a sum of one thousand eight hundred dollars ($1,800) to defray the cost of the investigation and that, pursuant to § 13.1-521 of the Act, Alanar will pay to the Commonwealth eight thousand two hundred dollars ($8,200) as a penalty, and that the Commission and the Commonwealth recover of and from the Defendant said amounts;

(D) The sum of ten thousand dollars ($10,000) tendered by Alanar contemporaneously with the entry of this Order is accepted; and

(E) This case is dismissed and the papers herein be placed in the file for ended causes.

CASE NO. SEC000049
AUGUST 16, 2000

APPLICATION OF
THE U.S. CHARITABLE GIFT 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 for consideration upon written application dated April 3, 2000, with exhibits attached thereto, of The U.S. Charitable Gift Trust ("TRUST"), requesting that gifts to the TRUST be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: the TRUST was established under Delaware law exclusively for charitable purposes and not for profit; the TRUST is a public charity as described in Section 501(c)(3), 509(a)(1), and 170(b)(1)(A)(vi) of the Internal Revenue Code of 1986; and gifts to the TRUST will be solicited by broker-dealers so registered under the Act.

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 Act, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Act.

CASE NO. SEC000050
AUGUST 16, 2000

APPLICATION OF
THE U.S. CHARITABLE GIFT TRUST - INCOME 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 for consideration upon written application dated April 3, 2000, with exhibits attached thereto, of The U.S. Charitable Gift Trust - Income Pooled Income Fund ("IPIF"), requesting that gifts to IPIF be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: IPIF was established by The U.S. Charitable Gift Trust, a charity formed not for private profit but exclusively for charitable purposes; IPIF is a pooled income fund within the meaning of Section 642(c)(5) of the Internal Revenue Code of 1986; and gifts to IPIF will be solicited broker-dealers so registered under the Act.

THE COMMISSION, based on the facts asserted by IPIF 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 Act.

CASE NO. SEC000051
AUGUST 16, 2000

APPLICATION OF
THE U.S. CHARITABLE GIFT TRUST - HIGH YIELD 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 for consideration upon written application dated April 3, 2000, with exhibits attached thereto, of The U.S. Charitable Gift Trust - High Yield Pooled Income Fund ("HYPIF"), requesting that gifts to HYPIF be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: HYPIF was established by The U.S. Charitable Gift Trust, a charity formed not for private profit but exclusively for charitable purposes; HYPIF is a pooled income fund

within the meaning of Section 642(c)(5) of the Internal Revenue Code of 1986; and gifts to HYPIF will be solicited by broker-dealers so registered under The Act.

THE COMMISSION, based on the facts asserted by HYPIF 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 Act.

CASE NO. SEC000052
AUGUST 16, 2000

APPLICATION OF
THE U.S. CHARITABLE GIFT TRUST - GROWTH & INCOME 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 for consideration upon written application dated April 3, 2000, with exhibits attached thereto, of The U.S. Charitable Gift Trust - Growth & Income Pooled Income Fund ("GIPIF"), requesting that gifts to GIPIF be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: GIPIF was established by The U.S. Charitable Gift Trust, a charity formed not for private profit but exclusively for charitable purposes; GIPIF is a pooled income fund within the meaning of Section 642(c)(5) of the Internal Revenue Code of 1986; and gifts to GIPIF will be solicited by broker-dealers so registered under the Act.

THE COMMISSION, based on the facts asserted by GIPIF 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 Act.

CASE NO. SEC000053
AUGUST 3, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
EFOX.NET, INC.,
Defendant

SETTLEMENT ORDER

The Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of the Defendant, Efox.net, Inc. ("Efox"), 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 § 13.1-504(B) of the Act, Efox employed an unregistered agent, and (ii) in violation of § 13.1-507 of the Act, Efox offered for sale and sold unregistered securities, being in the form of its shares of common stock.

The Defendant neither admits nor denies these allegations, but admits the Commission's jurisdiction and authority to enter this Settlement Order. As a proposal to settle all matters arising from the alleged actions or alleged omissions of Efox and its President, Joseph R. Preston, the Defendant has offered, and agreed to comply with, the following terms and undertakings:

(1) Within thirty (30) days of the date of this Order, Defendant will make restitution of all sales of shares of stock issued by Efox to Virginia shareholders of record on or prior to March 14, 1999.

(2) Restitution referred to in paragraph (1) above will provide for the refund of the consideration paid by each person for the issuance of the shares, together with interest thereon at the annual rate of six percent (6%).

(3) Efox will mail a copy of this Settlement Order to each stockholder referred to in paragraph (1).

(4) Evidence of compliance with the provisions of paragraph (1) through (3) will be filed with the Division by the Defendant no later than ninety (90) days from the date of this Order. Such evidence will be in the form of an affidavit executed by Mr. Joseph R. Preston, President of Efox, containing the following information: a statement affirming that a copy of this order was sent and restitution made, to each stockholder referred to in paragraph (1); the names and addresses of the stockholders who were paid restitution referred to in paragraph (1) above; and the date of mailing the payments, the amount of restitution made to each stockholder and the date such restitution was paid.

(5) Efox will employ, for purposes of offering or selling securities in the Commonwealth, only agents who are registered under the Act or exempted therefrom.

(6) Efox will offer and sell in the Commonwealth, whether directly or indirectly, only securities that are either registered under the Act or exempted therefrom.

(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 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; and

(3) 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 NOS. SEC000055, SEC000056, and SEC000057
OCTOBER 6, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
AIO TECHNOLOGIES, INC., MICHAEL J. KEHL,
and
ELLSWORTH G. COLLIER,
Defendants

SETTLEMENT ORDER

The Commission's Division of Securities and Retail Franchising has instituted an investigation of the Defendants, AIO Technologies, Inc., and its predecessors, Food By Phone, Inc. and 1-900- Charge-A-Pizza, collectively referred to hereafter as (the, "Company"), Michael J. Kehl ("Kehl"), and Ellsworth G. Collier ("Collier"), 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 this investigation, the Division alleges that (i) Kehl and Collier transacted business in this Commonwealth as unregistered agents of the Company; violating §13.1-504A of the Act, (ii) the Company employed unregistered agents, Kehl and Collier, in violation of §13.1-504B of the Act, and (iii) the Company, Kehl and Collier offered and sold unregistered securities in the form of shares of stock in violation of §13.1-507 of the Act. The Defendants neither admit nor deny these allegations, but admit to the Commission's jurisdiction and authority to enter this Settlement Order.

As a proposal to settle all matters arising from the allegations made against them, the Defendants have offered and agreed to comply with the following terms and undertakings:

(A) Within thirty (30) days of the date of this Settlement Order, the Company 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) thirty (30) days from date of receipt of the rescission offer for the investors to provide to the Company written notification of their decision to accept or reject the offer, and 3) an offer to pay each investor accepting the offer of rescission the full principal sum invested, together with a rate of interest thereon of six percent per annum compounded from date of investment until date of payment in full, less any return previously received, and the following repayment schedule: a) 25% of the amount due within 90 days of the date of this order, b) an additional 25% within 180 days, c) an additional 25% within 270 days, and d) the remaining 25% within 360 days;

(B) Evidence of compliance with the provisions of paragraph (A), above, will be filed with the Division by the company 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 the Company containing the following information: (1) a statement affirming that a copy of this order and an offer of rescission was provided to all Virginia investors, (2) a copy of each investors' acceptance/rejection letter received by the Company, (3) a listing of each investor who failed to provide a response to the Company's rescission offer and (4) the amount and date(s) of projected payments to each investor accepting the rescission offer and the calculation of the sum(s) to be remitted to each investor who accepts the rescission offer;

(C) Defendants will be permanently enjoined from violating the provisions of the Act in the future;

(D) Pursuant to § 13.1-518 of the Act, the Company, Kehl and Collier will pay to the Commonwealth a penalty in the amount of five thousand dollars ($5000), five hundred dollars ($500) and five hundred dollars ($500) respectively, and that pursuant to § 13.1-518 of the Act, the Company will pay to the Commission the sum of nine hundred and thirty dollars ($930) to defray the costs of the investigation; and

(E) 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' 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 Defendants' offer of settlement is accepted;

(2) Defendants fully comply with the aforesaid terms and undertakings of the settlement;

(3) Pursuant to § 13.1-521 of the Act, the Company, Kehl, and Collier pay to the Commonwealth the sum of five thousand dollars ($5000), five hundred dollars ($500) and five hundred dollars ($500) respectively, and pursuant to § 13.1-518 of the Act, the Company pay to the Commission the sum of nine hundred thirty dollars ($930) to defray the costs of the investigation, and the Commonwealth and the Commission recover of and from the Defendants, said amounts;

(4) Pursuant to § 13.1-519 of the Act Defendants are hereby permanently enjoined from violating the Act; and

(5) 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, if the Defendants' fail to comply with the terms and undertakings of the settlement.

CASE NO. SEC000058
AUGUST 31, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
LOCUST STREET SECURITIES, INC.,
Defendant

SETTLEMENT ORDER

The Commission's Division of Securities and Retail Franchising ("Division") has instituted an investigation of the Defendant, Locust Street Securities, Inc. ("Company"), 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 the Defendant, a broker-dealer registered under the Act, was, according to Rule 21 VAC 5-20-260 A as promulgated under the Act, responsible for the actions of its registered agent, Henry M. Akin III ("Akin") who, in the offer and sale of (i) a promissory note issued by U.S./ACE Security Laminates West, Inc. ("ACE"), (ii) an investment contract issued by Alliance Leasing Corporation ("ALC"), and (iii) a promissory note issued by World Vision Entertainment, Inc.("WVE"):

(a) Omitted material facts violating § 13.1-502(2) of the Act;

(b) Engaged in a practice and course of business which operated as fraud and deceit upon investors violating § 13.1-502(3) of the Act;

(c) Misrepresented material facts violating § 13.1-502(2) of the Act;

(d) Sold unregistered securities violating § 13.1-507 of the Act; and

(e) Sold unsuitable investments violating Rule 21 VAC 5-20-280 A 3.

The Division further alleges that Company failed to exercise diligent supervision over the securities activities of Akin violating of Rule 21 VAC 5-20-260 B.

The Division further alleges that Company failed to annually inspect Akin's business office in violation of Rule 21 VAC 5-20-260 E 2.

As a proposal to settle all matters arising from the allegations made against it, the Defendant, without admitting nor denying the allegations made herein, has offered, and agreed to comply with, the following terms and undertakings:

(1) Within thirty (30) days of the date of this Settlement Order, Company will reimburse three Virginia residents for losses on the sales which resulted in the purchase of a note issued by ACE, an investment contract issued by ALC and a note offered by WVE, calculated as the principal amount of investment, together with interest thereon at an annual rate of six percent, less the amount of any refund these clients may have already received;

(2) Evidence of compliance with the provisions of paragraph (1), above, will be filed with the Division by Company within thirty (30) days from the date payment is remitted to the clients or from the date the offer is rejected, whichever occurs last; that such evidence will be in the form of an affidavit, executed by the president of Company and which will contain the following information: (i) the date on which payment was remitted to each client; (ii) the amount of payment remitted to each client; (iii) and if applicable, a copy of the signed rejection by any client who refuses the offer of reimbursement;

(3) Contemporaneously with the refund, Company will provide each investor with a copy of this Settlement Order;

(4) Concurrently with the refund, Company will furnish the Commission with a copy all correspondence which is sent to the investors by the Defendant;

(5) Company will exercise diligent supervision of its agents in accordance with the Rules of the Commission;

(6) Company will comply with all of the provisions of the Act and the Rules promulgated thereunder;

(7) Pursuant to § 13.1-521 of the Act, Company will pay to the Commonwealth the sum of eight thousand dollars ($8,000) upon the condition that Company fully comply with the provisions of paragraphs (1) through (4) above;

(8) Pursuant to § 13.1-518 A of the Act, Company shall pay to the Commission one thousand nine hundred dollars ($1,900) to defray the cost of the investigation; and

(9) 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, the exercise of which right will not be contested by the Defendant, 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.

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, Company will pay to the Commonwealth the sum of eight thousand dollars ($8,000) upon the condition that Company fully comply with the provisions of paragraphs (1) through (4) above;

(D) Pursuant to § 13.1-518 A of the Act, Company shall pay to the Commission one thousand nine hundred dollars ($1,900) to defray the cost of the investigation;

(E) The sum of nine thousand nine hundred dollars ($9,900), representing the penalty and costs set forth in paragraphs (C) and (D) above, tendered by Company contemporaneously with the entry of this Order is accepted; and

(F) 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. SEC000059
AUGUST 31, 2000

APPLICATION OF
GRACE EVANGELICAL LUTHERAN CHURCH
3233 Annandale Road
Falls Church, Virginia 22042

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came for consideration upon written application dated August 24, 2000, of Grace Evangelical Lutheran Church ("Grace") requesting that certain securities be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia, and that certain members of Grace 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: Grace is an unincorporated Virginia organization operating not for private profit but exclusively for religious purposes; Grace intends to offer and sell Promissory Notes in an approximate aggregate amount of $1,000,000 on terms and conditions as more fully described in the application; said securities are to be offered and sold only to Grace's members by a bond sales committee composed of members of Grace who are Virginia residents; the bond sales committee members will not be compensated for their sales efforts; and the bond sales committee will make full, fair, and effective disclosure to all potential bond purchasers.

THE COMMISSION, based on the facts asserted by Grace in the written application, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to § 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 the members of the bond sales committee be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC000061
NOVEMBER 22, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v.
DONALD H. SPITZLI,
Defendant

SETTLEMENT ORDER

The Commission's Division of Securities and Retail Franchising ("Division") instituted an investigation of the Defendant, Donald H. Spitzli and issued a Rule to Show Cause on September 18, 2000, pursuant to § 13.1-518 of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia.

As a result, the Division alleged that the Defendant sold two securities in the form of promissory notes in violation of § 13.1-501 of the Act.

As a proposal to settle all matters arising from the allegations made against him, the Defendant, without admitting or denying the allegations made herein, has offered, and agreed to comply with, the following terms and undertakings:

(1) Within two weeks of the entry of this Settlement Order, the Defendant will pay Nancy Ramage a sum of $22,249.15 representing the simple interest owed on the promissory note;

(2) On Monday, November 13, 2000 the Defendant will pay to the Commonwealth, pursuant to § 13.1-521 of the Act, the sum of five thousand dollars ($5,000);

(3) Six months after entry of this order the Defendant will pay Nancy Ramage, $25,000 plus six months interest and Ronald Brown $5,600 plus six months interest for the amounts owed to them. Evidence of compliance with this provision will be filed with the Division within thirty (30) days of payment; such evidence will be in the form of an affidavit executed by the Defendant;

(4) Pursuant to § 13.1-519 of the Act, the Defendant agrees to be permanently enjoined from violation of the Act; and

(5) 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, the exercise of which right will not be contested by the Defendant, 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.

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:

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. Defendant shall fully comply with the aforesaid terms and conditions.

3. Pursuant to § 13.1-519, the Defendant is permanently enjoined.

4. Pursuant to § 13.1-521 of the Act, the Defendant will pay the Commonwealth the sum of five thousand dollars ($5,000).

5. The sum of five thousand dollars ($5,000); representing the penalty in paragraph 4 above, tendered by the Defendant on November 13, 2000, is accepted.

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. SEC000061
NOVEMBER 22, 2000

COMMONWEALTH OF VIRGINIA, ex rel.
STATE CORPORATION COMMISSION
v
DONALD H. SPITZLI,
Defendant

FINAL ORDER

By Rule to Show Cause dated September 18, 2000, 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. On November 7, 2000, Defendant appeared pro se along with counsel for the Division of Securities and Retail Franchising ("Division"), Debra M. Bollinger. Counsel for the Division advised that the Division and the Defendant

had reached a settlement in this matter and offered the settlement to the Hearing Examiner. On November 9, 2000, the Hearing Examiner issued her Report setting forth her recommendation that the Commission accept the settlement offered in this mater. Upon consideration of the Report, the Commission is of the opinion and finds:

1. An attested copy of the aforesaid Rule to Show Cause was duly served upon the Defendants.

2. The Defendant filed a responsive pleading.

3. A Settlement Offer was offered and attached to the report of the Hearing Examiner.

4. The Hearing Examiner recommended accepting the proffered settlement.

IT IS ORDERED THAT:

(1) The aforesaid settlement is accepted by the Commission.

(2) All undertakings and provisions of a continuing nature set forth in the settlement remain in full force and effect.

(3) Entry of this order shall not affect any duty or obligation to disclose the existence or nature of this matter or of any order entered herein.

(4) The case is dismissed.

(5) The papers herein shall be filed among the ended cases.

CASE NO. SEC000062
SEPTEMBER 14, 2000

APPLICATION OF
INTERNATIONAL PENTECOSTAL HOLINESS CHURCH EXTENSION LOAN FUND, INC.
7300 NW 39th Expressway
Bethany, Oklahoma 73008

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came for consideration upon written application dated August 24, 2000, with exhibits attached thereto, of the International Pentecostal Holiness Church Extension Loan Fund, Inc. (the "Fund"), requesting that certain debt securities be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia, and that certain officers of the Fund be exempted from the agent registration requirements of said Act.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: The Fund is a not-for-profit corporation organized under the laws of the State of Oklahoma exclusively for charitable, religious, educational and benevolent purposes; the Fund intends to offer and sell Savings Certificates and Fixed Rate Certificates to members of, contributors to, participants in and affiliates of the International Pentecostal Holiness Church in an approximate aggregate amount of $25,000,000 on terms and conditions as more fully described in the Offering Circular filed as a part of the application; said debt securities are to be offered and sold by the Fund's officers who will not be compensated for their sales efforts.

THE COMMISSION, based on the facts asserted by the Fund in the written application and exhibits, is of the opinion and finds, and does hereby ADJUDGE AND ORDER that, pursuant to § 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 the Fund's officers be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC000063
OCTOBER 24, 2000

APPLICATION OF
PRISON FELLOWSHIP MINISTRIES
1856 Old Reston Avenue
Reston, Virginia 20190

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came for consideration upon written application dated August 31, 2000, with exhibits attached thereto, as subsequently amended, of Prison Fellowship Ministries ("PFM"), requesting that certain securities be exempted from the securities registration requirements of the

Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia, and that certain employees and agents of PFM 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: PFM is a District of Columbia corporation operating not for private profit but exclusively for charitable and religious purposes; PFM intends to solicit donations for its charitable remainder unitrusts and charitable gift annuities; and donations to PFM will be solicited by employees and agents of PFM who will not be compensated on the basis of the amount of donations transferred.

THE COMMISSION, based on the facts asserted by PFM 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 Act, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Act and PFM's employees who solict on behalf of PFM be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC000067
OCTOBER 31, 2000

APPLICATION OF
LUTHERAN CHURCH EXTENSION FUND -MISSOURI SYNOD
10733 Sunset Office Drive
St. Louis, Missouri 63127-1219

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came for consideration upon written application dated August 22, 2000, with exhibits attached thereto, as subsequently amended, of Lutheran Church Extension Fund-Missouri Synod ("LCEF") requesting that certain Savings Stamps, Dedicated Savings Certificates, Steward Account Certificates, Fixed Rate Term Notes, Floating Rate Term Notes, Growth Certificates, Congregation Demand Certificates, Congregation Steward Account Certificates, Congregation Fixed Rate Endowment Certificates, Congregation Floating Rate Endowment Certificates, Custodial Term Notes, and IRA Investments be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia, and that certain members of LCEF 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: LCEF is a Missouri Corporation organized and operated not for private profit but exclusively for religious, educational and benevolent purposes; LCEF intends to offer and sell the securities in an approximate aggregate amount of $17,000,000 on terms and conditions as more fully described in the Offering Circular filed as a part of the application; said securities are to be offered and sold by officers of LCEF who will not be compensated for their sales efforts; and said securities may also be offered and sold by broker-dealers so registered under the Act.

THE COMMISSION, based on the facts asserted by LCEF 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 Act, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act and officers of LCEF be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC000070
NOVEMBER 8, 2000

APPLICATION OF
REDEEM CHURCH OF GOD IN CHRIST
2419 Oakland Avenue
Richmond, Virginia 23234

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came for consideration upon written application dated September 6, 2000, with exhibits attached thereto, as subsequently amended, of Redeem Church of God in Christ ("RCGC") requesting that certain securities be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: RCGC is an unincorporated Virginia organization operating not for private profit but exclusively for religious, educational and benevolent purposes; RCGC intends to offer and sell First Deed of Trust Serial Sinking Fund Bonds in an approximate aggregate amount of $450,000 on terms and conditions as more fully described in the Prospectus filed as a part of the application; said securities are to be offered and sold by broker-dealers so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by RCGC 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 Act, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act.

CASE NO. SEC000071
NOVEMBER 8, 2000

APPLICATION OF
CATHEDRAL OF LIFE CHRISTIAN CENTER
P.O. Box 24871
Richmond, Virginia 23234

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came for consideration upon written application dated September 6, 2000, with exhibits attached thereto, as subsequently amended, of Cathedral of Life Christian Center ("CLCC") requesting that certain securities be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia.

BASED UPON THE INFORMATION submitted, the following facts, in addition to others not enumerated herein, appear to exist: CLCC is an unincorporated Virginia organization operating not for private profit but exclusively for religious, educational and benevolent purposes; CLCC intends to offer and sell First Deed of Trust Serial Sinking Fund Bonds in an approximate aggregate amount of $250,000 on terms and conditions as more fully described in the Prospectus filed as a part of the application; said securities are to be offered and sold by broker-dealers so registered under the Securities Act.

THE COMMISSION, based on the facts asserted by CLCC 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 Act, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Securities Act.

CASE NO. SEC000076
NOVEMBER 29, 2000

APPLICATION OF
RAPPAHANNOCK COMMUNITY COLLEGE EDUCATIONAL FOUNDATION, INC.
52 Campus Drive
Warsaw, Virginia 22572-4272

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came for consideration upon written application dated November 2, 2000, with exhibits attached thereto, as subsequently amended, of Rappahannock Community College Educational Foundation, Inc. ("RCCEF") requesting that certain securities be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia, and that certain individuals who solicit gifts 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: RCCEF is a nonstock Virginia corporation formed not for private profit but exclusively for educational and charitable purposes; RCCEF intends to solicit donations for its charitable gift annuities; and gifts to the RCCEF will be solicited by employees of RCCEF who will not be compensated on the basis of the amount of gifts transferred.

THE COMMISSION, based on the facts asserted by RCCEF 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 Act, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Act and RCCEF's employees who solicit on behalf of RCCEF be, and they hereby are, exempted from the agent registration requirements of said Act.

CASE NO. SEC000077
DECEMBER 8, 2000

APPLICATION OF
TULANE EDUCATIONAL FUND TULANE UNIVERSITY

For an Order of Exemption under § 13.1-514.1 B of the Code of Virginia, as amended

ORDER OF EXEMPTION

THIS MATTER came for consideration upon written application dated October 31, 2000, with exhibits attached thereto, as subsequently amended, of Tulane Educational Fund ("TEF"), requesting that certain securities be exempted from the securities registration requirements of the Virginia Securities Act ("Act"), § 13.1-501 et seq. of the Code of Virginia, and that certain individuals who solicit gifts 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: TEF is a nonprofit Louisiana corporation, organized and operating not for private profit but exclusively for educational purposes; TEF intends to solicit donations for its charitable gift annuities; and gifts to the TEF will be solicited by employees of TEF who will not be compensated on the basis of gifts transferred.

THE COMMISSION, based on the facts asserted by TEF 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 Act, the securities described above be, and they hereby are, exempted from the securities registration requirements of the Act and TEF employees who solicit on behalf of TEF be, and they hereby are, exempted from the agent registration requirements of said Act.

TABLES

CLERK'S OFFICE

Summary of the changes in the number of Virginia corporations, foreign ccrporations, and limited partnerships licensed to do business in Virginia, and of amendments to Virginia, foreign, and limited partnership charters during 1999 and 2000.

VIRGINIA CORPORATIONS

	1999	2000
Certificates of Incorporation issued	18,480	18,704
Corporations voluntarily terminated	2,464	4,495
Corporations involuntarily terminated	188	205
Corporations automatically terminated	15,336	13,760
Reinstatements of terminated corporations	4,070	3,851
Charters amended	3,065	2,958
Active Stock Corporations	136,347	138,998
Active Non-Stock Corporations	26,106	27,012
Total Active Virginia Corporations	162,453	166,010

FOREIGN CORPORATIONS

Certificates of Authority to do business in Virginia issued	4,819	5,333
Voluntary withdrawals from Virginia	1,064	1,218
Certificates of Authority automatically revoked	2,464	2,364
Certificates of Authority involuntarily revoked	52	33
Reentry of corporations with surrendered or revoked certificates	666	693
Charters amended	1,157	534
Active Stock Corporations	30,739	31,664
Active Non-Stock Corporations	1,828	1,854
Total Active Foreign Corporations	32,567	33,518
Total Active (Domestic and Foreign) Corporations	195,020	199,528

LIMITED PARTNERSHIPS

Limited Partnership Certificates filed	2,476	2,432
Limited Partnership Certificates amended	546	232
Limited Partnership Certificates voluntarily canceled	253	239
Limited Partnership Certificates involuntarily canceled	771	676
Total Active (Domestic and Foreign) Limited Partnerships	8,387	8,475

LIMITED LIABILITY COMPANIES

Articles of organization filed	12,130	13,909
Articles of organization amended	732	922
Articles of organization voluntarily canceled	638	857
Articles of organization involuntarily canceled	3,058	4,103
Total Active (Domestic and Foreign) Limited Liability Companies	35,582	44,927

LIMITED LIABILITY PARTNERSHIPS

Statements of registration as a Registered Limited Liability Partnership	66	45
Renewals of registration as a Registered Limited Liability Partnership	564	704
Total Active (Domestic and Foreign) Registered Limited Liability Partnerships	719	852

GENERAL PARTNERSHIPS

	1999	2000
Total active General Partnerships filed	234	203
Total active General Partnerships on record	521	716

COMPARISON OF REVENUES DEPOSITED BY THE CLERK'S OFFICE FOR THE FISCAL YEARS ENDING JUNE 30, 1999, AND JUNE 30, 2000

General Fund	1999	2000	Difference
Securities Application Fees-Utilities	$5,800.00	$8,800.00	$3,000.00
Charter Fees	1,602,701.80	1,933,767.00	331,065.20
Entrance Fees	1,749,375.00	2,434,075.00	684,700.00
Filing Fees	815,445.00	866,758.50	51,313.50
Registered Name	1,400.00	1,920.00	520.00
Registered Office and Agent	0.00	0.00	0.00
Service of Process	20,070.00	23,260.00	3,190.00
Copy and Recording Fees	454,111.45	457,563.06	3,451.61
SCC Annual Report Sales	3,800.00	7,335.50	3,535.50
Uniform Commercial Code Revenues	823,704.00	810,320.00	-13,384.00
Excess Fees Paid into State Treasury	116,430.78	136,704.47	20,273.69
Miscellaneous Sales	2,030.02	0.00	-2,030.02
TOTAL	$5,594,868.05	$6,680,503.53	$1,085,635.48
Special Fund			
Domestic-Foreign Corp. Registration Fee	$14,562,404.85	$15,184,043.69	$621,638.84
Limited Partnership Registration Fee	403,780.00	396,970.00	-6,810.00
Reserved Name - Limited Partnership	21,240.00	13,470.00	-7,770.00
Certificate Limited Partnership	72,900.00	74,500.00	1,600.00
Application Reg. Foreign LP	23,700.00	21,900.00	-1,800.00
Reinstatement LP	25,400.00	14,950.00	-10,450.00
Registration Fee LLC	884,430.00	1,230,300.00	345,870.00
Application For. Reg. LLC	119,100.00	141,300.00	22,200.00
Art of Org. Dom. LLC	983,675.00	1,206,681.00	223,006.00
AJD, CANC, CORR. RAC, Etc. LLC	43,495.00	53,305.00	9,810.00
SCC Bad Check Fee	2,055.00	2,717.50	662.50
Interest on Del. Tax	0.00	25.00	25.00
Penalty on Non-Pay Fees by Due Date	471,434.90*	543,453.24	72,018.34
Miscellaneous Revenue	490.00	0.00	-490.00
New Applications LLP	12,900.00	3,600.00	-9,300.00
Renewals LLP	11,560.00	38,275.00	26,715.00
Statement of Partnership Authority GP Dom	5,225.00	5,550.00	325.00
Statement of Partnership Authority GP For	100.00	0.00	-100.00
Statement of Amendments - GP	450.00	660.00	210.00
Statement of Reg. As For/Dom LLP	2,250.00	13,900.00	11,650.00
Statement of Amendment LLP	875.00	1,250.00	375.00
Reinstatement/Reentry LLC	35,550.00	46,300.00	10,750.00
Tape Sales, Misc Fees	61,000.00	46,000.00	-15,000.00
Copies, Recording Fees	0.00	0.00	0.00
Recovery of Prior Yr. Expenses	363.69	0.00	-363.69
LLP Reinstatement	0.00	400.00	400.00
TOTAL	$17,744,378.44	$19,039,550.43	$1,295,171.99
Valuation Fund			
Corp Operations Rec. Of Copy and Cert. Fees	$14,669.40	$15,560.00	$890.60
Dual Party Relay Assessments	0.00	0.00	0.00
Recovery of Prior Yr. Expenses	41,276.68	1,144.00	(40,132.68)
TOTAL	$55,946.08	$16,704.00	($39,242.08)

* Correction -- 1999 Penalty on Non-Pay Fees by Due Date was incorrectly reported at $4,714,343.90

Trust & Agency Fund

Fines Imposed and Collected by SCC	$309,998.36	$135,243.00	($174,755.36)
Debt Set Off Collection	0.00	350.00	350.00
TOTAL	$309,998.36	$135,593.00	($174,405.36)
GRAND TOTAL	$23,705,190.93	$25,872,350.96	$2,167,160.03

COMPARISON OF FEES COLLECTED BY THE BUREAU OF FINANCIAL INSTITUTIONS FOR FISCAL YEARS ENDING JUNE 30, 1999, AND JUNE 30, 2000

	1998/1999	1999/2000
Banks	$6,917,538	$7,320,401
Savings Institutions and Savings Banks	40,778	46,499
Consumer Finance Licensees	671,236	846,924
Credit Unions	619,785	651,978
Trust subsidiaries and Trust Companies	97,144	67,774
Industrial Loan Associations	27,117	21,134
Money Order Sellers and Transmitters	13,400	13,900
Debt Counseling Agency Licensees	9,600	9,350
Mortgage Lenders and Mortgage Brokers	1,602,276	1,499,097
Miscellaneous Collections	14,646	3,678
TOTAL	$10,013,520	$10,480,735

COMPARISON OF FEES AND TAXES COLLECTED BY THE BUREAU OF INSURANCE FOR THE FISCAL YEARS ENDING JUNE 30, 1999, AND JUNE 30, 2000

Kind	1999	2000	Increase or Decrease
General Fund			
Gross Premium Taxes of Insurance Companies	$244,909,995.27	$251,074,071.73	$6,164,076.46
Fraternal Benefit Societies Licenses	500.00	500.00	0.00
Viatical Settlement Provider License Fees	1,500.00	500.00	(1,000.00)
Viatical Settlement Broker License Fees	2,100.00	3,700.00	1,600.00
Hospital, Medical, and Surgical Plans and Salesmen's Licenses	0.00	0.00	0.00
Interest on Delinquent Taxes	148,550.90	315,948.76	167,397.86
Penalty on non-payment of taxes by due date	130,551.38	123,060.44	(7,490.94)
Special Fund			
Company License Application Fee	25,000.00	22,500.00	(2,500.00)
Health Maintenance Organization License Fee	0.00	0.00	0.00
Automobile Club/ Agent Licenses	7,400.00	8,000.00	600.00
Insurance Premium Finance Companies Licenses	10,400.00	11,700.00	1,300.00
Agents Appointment Fees	8,453,448.00	8,987,295.00	533,847.00
Surplus Lines Broker Licenses	15,800.00	17,675.00	1,875.00
Producer License Application Fees	373,676.00	458,598.00	84,922.00
Recording, Copying, and Certifying Public Records Fee	60,494.50	53,100.00	(7,394.50)
Assessments To Insurance Companies for Maintenance of the Bureau of Insurance	5,529,064.44	7,640,707.73	2,111,643.29
Miscellaneous Revenue	0.00	0.00	0.00
Recovery of Prior Year Expenses	161,069.43	77,221.71	(83,847.72)
Fire Programs Fund	13,163,599.62	13,678,226.41	514,626.79
P&C Consultant License Fees	68,550.00	54,650.00	(13,900.00)
SCC Bad Check Fee	50.00	275.00	225.00
Administrative Penalty Payment	67,000.00	12,000.00	(55,000.00)
Fines Imposed by State Corporation Commission	1,127,624.00	1,174,296.79	46,672.79
Private Review Agents	(8,000.00)	0.00	8,000.00
Flood Assessment Fund	121,356.76	91,945.75	(29,411.01)
Heat Assessment Fund	1,046,767.92	1,058,127.20	11,359.28
Fraud Assessment Fund	3,002,801.00	3,090,785.58	87,984.58
Reinsurance Intermediary Broker Fees	1,000.00	1,500.00	500.00

Managing General Agent Fees	5,000.00	9,500.00	4,500.00
MCHIP Assessment	0.00	732,261.12	732,261.12
State Publication Sales	360.00	360.00	0.00
Debt Set Off Collections	0.00	0.00	0.00
Fraud Assessment Interest	0.00	10,853.42	10,853.42
TOTAL	$278,425,659.22	$288,709,359.64	$10,283,700.42

COMPARISON OF ASSESSMENT OF PUBLIC SERVICE COMPANIES FOR THE YEARS 1999 AND 2000

Class of Company	Value of all Taxable Property Including Rolling Stock 1999	2000	Increase or (Decrease)
Electric Light & Power Corporations	$15,029,085,594.00	$14,945,146,114.00	$(83,939,480.00)
Gas Corporations	1,288,780,001.00	1,325,043,992.00	36,263,991.00
Motor Vehicle Carriers (Rolling Stock only)	43,695,464.31	45,514,683.56	1,819,219.25
Telecommunications Companies	7,858,558,949.00	8,611,287,931.00	752,728,982.00
Water Corporations	98,184,604.00	103,621,341.00	5,436,737.00
TOTAL	$24,318,304,612.31	$25,030,614,061.56	$712,309,449.25

COMPARISON OF ASSESSMENT OF STATE TAXES OF PUBLIC SERVICE COMPANIES FOR THE YEARS 1999 AND 2000

Class of Company	The Yearly License Tax 1999	2000	Increase or (Decrease)
Electric Light & Power Corporations	$89,658,572.73	$84,912,437.88	($4,746,134.85)
Gas Corporations	15,258,186.39	15,475,736.89	$217,550.50
Water Corporations	826,768.74	854,599.12	$27,830.38
TOTAL	$105,743,527.86	$101,242,773.89	($4,500,753.97)

COMPARISON OF ASSESSMENT OF ADDITIONAL ANNUAL STATE TAX FOR VALUATION AND RATE MAKING OF CERTAIN CLASSES OF UTILITY COMPANIES FOR THE YEARS 1999 AND 2000

Class of Company	1999	2000	Increase or (Decrease)
Electric Light & Power Corporations	$6,126,856.38	$9,987,989.12	$3,861,132.74
Gas Corporations	839,335.00	1,404,770.48	565,435.48
Motor Vehicle Carriers	28,715.71	52,580.92	23,865.21
Railroad Companies	628,039.03	750,519.57	122,480.54
Telecommunications Companies	3,975,833.23	7,331,166.62	3,355,333.39
Virginia Pilots Association	15,646.58	23,704.80	8,058.22
Water Corporations	45,472.24	76,913.91	31,441.67
TOTAL	$11,659,898.17	$19,627,645.42	$7,967,747.25

Railroad Companies assessed at one-tenth of one percent and all other companies at eighteen-hundredths of one percent.

COMPARATIVE STATEMENT OF ASSESSED VALUES OF PROPERTIES OF PUBLIC SERVICE CORPORATIONS AS ASSESSED BY THE STATE CORPORATION COMMISSION

Cities	1999	2000	Increase or (Decrease)
Alexandria	$525,817,282	$545,232,607	$19,415,325
Bedford	9,539,027	9,579,108	40,081
Bristol	9,603,738	9,071,441	(532,297)
Buena Vista	9,360,119	9,708,944	348,825
Charlottesville	116,782,697	135,927,665	19,144,968
Chesapeake	664,723,274	676,566,964	11,843,690
Clifton Forge	7,893,553	8,253,686	360,133
Colonial Heights	28,280,989	30,349,229	2,068,240
Covington	12,993,596	19,633,131	6,639,535
Danville	46,119,673	45,795,024	(324,649)
Emporia	15,120,446	17,273,677	2,153,231
Fairfax	110,718,408	99,288,051	(11,430,357)
Falls Church	26,279,679	88,072,915	61,793,236
Franklin	9,235,778	9,218,958	(16,820)
Fredericksburg	64,624,721	75,555,030	10,930,309
Galax	11,368,821	13,368,254	1,999,433
Hampton	231,587,241	247,893,293	16,306,052
Harrisonburg	48,332,409	48,479,018	146,609
Hopewell	66,563,432	66,410,151	(153,281)
Lexington	13,085,656	14,639,453	1,553,797
Lynchburg	162,585,743	167,777,571	5,191,828
Manassas	53,485,768	54,862,905	1,377,137
Manassas Park	13,098,431	16,369,863	3,271,432
Martinsville	24,911,955	25,919,737	1,007,782
Newport News	325,416,637	338,582,185	13,165,548
Norfolk	551,138,023	583,954,324	32,816,301
Norton	23,326,198	25,252,118	1,925,920
Petersburg	85,262,359	85,514,895	252,536
Poquoson	14,038,764	14,790,101	751,337
Portsmouth	180,629,738	207,537,171	26,907,433
Radford	14,617,626	16,668,837	2,051,211
Richmond	607,877,489	639,689,653	31,812,164
Roanoke	221,840,106	242,756,227	20,916,121
Salem	26,576,769	26,991,707	414,938
Staunton	54,107,994	55,956,142	1,848,148
Suffolk	135,759,821	146,726,750	10,966,929
Virginia Beach	672,130,505	700,199,750	28,069,245
Waynesboro	55,658,069	68,650,609	12,992,540
Williamsburg	41,045,440	44,415,237	3,369,797
Winchester	50,526,703	53,189,397	2,662,694
Total Cities	$5,342,064,677	$5,686,121,778	$344,057,101

COMPARATIVE STATEMENT OF ASSESSED VALUES OF PROPERTIES OF PUBLIC SERVICE CORPORATIONS AS ASSESSED BY THE STATE CORPORATION COMMISSION

Counties	1999	2000	Increase or (Decrease)
Accomack	$74,056,409	$74,883,378	$826,969
Albemarle	202,644,603	213,674,876	11,030,273
Alleghany	39,311,628	40,624,578	1,312,950
Amelia	18,429,080	24,785,726	6,356,646
Amherst	60,386,199	61,709,931	1,323,732
Appomattox	22,873,726	29,118,079	6,244,353
Arlington	885,368,804	835,152,181	(50,216,623)
Augusta	156,665,960	154,223,449	(2,442,511)
Bath	1,587,483,013	1,595,433,643	7,950,630
Bedford	177,754,079	178,972,648	1,218,569
Bland	13,012,038	12,124,168	(887,870)

Botetourt	114,345,735	112,759,963	(1,585,772)
Brunswick	34,789,484	41,320,942	6,531,458
Buchanan	53,347,944	55,773,289	2,425,345
Buckingham	43,236,459	44,292,606	1,056,147
Campbell	125,893,983	129,595,693	3,701,710
Caroline	89,706,206	89,970,878	264,672
Carroll	71,913,957	63,203,670	(8,710,287)
Charles City	28,388,766	26,710,297	(1,678,469)
Charlotte	31,552,574	30,423,956	(1,128,618)
Chesterfield	1,142,711,853	1,179,086,688	36,374,835
Clarke	30,618,440	35,306,758	4,688,318
Craig	9,361,469	13,883,135	4,521,666
Culpeper	93,139,783	94,661,009	1,521,226
Cumberland	26,307,220	26,998,369	691,149
Dickenson	29,411,537	39,043,573	9,632,036
Dinwiddie	73,847,538	76,049,469	2,201,931
Essex	29,799,296	30,209,068	409,772
Fairfax	2,524,038,437	2,776,801,891	252,763,454
Fauquier	154,232,808	196,725,035	42,492,227
Floyd	29,364,976	29,424,457	59,481
Fluvanna	124,203,968	129,300,922	5,096,954
Franklin	91,800,309	111,290,173	19,489,864
Frederick	186,775,509	199,565,744	12,790,235
Giles	134,729,163	128,939,893	(5,789,270)
Glouchester	71,995,152	73,873,527	1,878,375
Goochland	59,216,987	59,623,705	406,718
Grayson	25,094,879	33,522,180	8,427,301
Greene	22,311,454	22,936,317	624,863
Greensville	19,190,818	21,249,508	2,058,690
Halifax	988,195,701	970,719,177	(17,476,524)
Hanover	248,675,058	263,776,380	15,101,322
Henrico	705,496,158	753,503,328	48,007,170
Henry	96,982,393	102,954,124	5,971,731
Highland	15,341,059	19,151,149	3,810,090
Isle of Wight	83,723,846	84,816,497	1,092,651
James City	134,644,677	139,688,968	5,044,291
King George	44,153,169	41,626,899	(2,526,270)
King and Queen	18,379,874	18,093,969	(285,905)
King William	30,339,365	30,820,633	481,268
Lancaster	35,393,045	36,558,998	1,165,953
Lee	48,789,953	44,136,820	(4,653,133)
Loudoun	386,371,858	447,495,674	61,123,816
Louisa	1,945,864,652	1,856,936,554	(88,928,098)
Lunenburg	30,963,548	29,610,774	(1,352,774)
Madison	28,621,389	28,450,104	(171,285)
Mathews	20,925,725	20,478,319	(447,406)
Mecklenburg	87,576,346	90,747,825	3,171,479
Middlesex	32,754,798	36,151,296	3,396,498
Montgomery	118,855,081	120,469,199	1,614,118
Nelson	51,687,527	54,545,366	2,857,839
New Kent	47,475,556	60,659,709	13,184,153
Northampton	35,566,745	33,602,082	(1,964,663)
Northumberland	28,189,031	34,271,251	6,082,220
Nottoway	29,631,995	39,738,016	10,106,021
Orange	67,800,205	67,575,414	(224,791)
Page	48,021,304	47,569,209	(452,095)
Patrick	38,447,755	38,065,584	(382,171)
Pittsylvania	150,620,009	142,948,417	(7,671,592)
Powhatan	53,334,196	52,272,098	(1,062,098)
Prince Edward	34,196,796	34,180,519	(16,277)
Prince George	49,614,140	52,136,842	2,522,702
Prince William	827,743,042	832,370,185	4,627,143
Pulaski	81,399,531	78,226,390	(3,173,141)
Rappahannock	21,416,366	22,861,719	1,445,353
Richmond	45,042,534	42,734,322	(2,308,212)
Roanoke	180,205,590	183,139,479	2,933,889
Rockbridge	73,493,346	72,742,218	(751,128)
Rockingham	135,197,132	134,054,231	(1,142,901)
Russell	190,311,551	179,384,736	(10,926,815)
Scott	49,791,181	47,346,310	(2,444,871)
Shenandoah	99,952,758	108,957,340	9,004,582

Smyth	78,558,846	79,646,706	1,087,860
Southampton	37,740,225	42,739,727	4,999,502
Spotsylvania	189,129,061	207,115,987	17,986,926
Stafford	160,536,686	173,251,150	12,714,464
Surry	1,487,265,465	1,348,177,972	(139,087,493)
Sussex	34,946,699	40,218,318	5,271,619
Tazewell	60,797,880	76,813,637	16,015,757
Warren	45,808,758	45,466,772	(341,986)
Washington	83,449,755	84,902,878	1,453,123
Westmoreland	40,414,635	39,633,720	(780,915)
Wise	64,684,672	63,940,407	(744,265)
Wythe	72,757,349	68,347,042	(4,410,307)
York	425,956,212	439,909,788	13,953,576
Total Counties	$18,932,544,471	$19,298,977,600	$366,433,129
Total Cities & Counties	$24,274,609,148	$24,985,099,378	$710,490,230

COMPARISON OF FEES COLLECTED BY THE DIVISION OF SECURITIES AND RETAIL FRANCHISING FOR THE YEARS ENDING DECEMBER 31, 1999 AND DECEMBER 31, 2000

Kind	1999	2000	Increase or (Decrease)
Securities Act	$7,203,096	$8,833,236	$1,630,140
Retail Franchising Act	294,900	322,875	28,075
Trademarks-Service Marks	17,880	18,420	540
Fines	89,185	94,365	5,180
TOTAL	$7,604,961	$9,268,896	$1,663,935

PROCEEDINGS BY DIVISIONS DURING THE YEAR 2000

DIVISION OF PUBLIC UTILITY ACCOUNTING

The following statistical data summarizes Rate Cases, Functional Separation Plans, Competitive Service Provider License Cases, Certificate Cases, Annual Informational Filings, Earnings Tests, Allocation and Separations Studies, Fuel Factor Cases, Compliance Audits, Depreciation Studies and Special Studies made by the Division of Public Utility Accounting for the year 2000.

General Rate Cases	
Electric Companies (Investor Owned)	0
Electric Cooperatives	2
Gas Companies	2
Telephone Companies	0
Water and Sewer Companies	3
Total General Rate Cases	7
Functional Separation Plans	
Electric	2
Electric Cooperatives	1
Gas	0
Water	0
Total Functional Separation Plans	3
Competitive Service Provider License Cases	
To Provide Electric/Gas Service	25
Certificate Cases	
Electric Companies (Investor Owned)	0
Gas Companies	0
Water and Sewer Companies	3
Total Certificate Cases	3
Annual Informational Filings/Earnings Tests	
Electric Companies (Investor Owned)	4
Gas Companies	6
Telephone Companies	5
Water and Sewer Companies	2
Total Annual Informational Filings	17
Allocation/Separations Studies - Telephone Companies	0
Fuel Factor Cases - Electric Companies	1
Compliance Audits	2
Depreciation Studies	5
Special Studies	19

During the year 2000 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	11
Transfer of Securities or Control	23
Number of Affiliates Act Cases	
Service Agreements	29½*
Lease Agreements	2
Merger Agreement	1
License Agreement	0
Pole Attachment Agreement	0
Site Agreement	0

* Represents cases containing more than one category.

Transfer of Assets	3
Transfer of Securities or Control	1½*
Power Sales	1
TOTAL NUMBER OF CASES	72

The Commission's Division of Public Utility Accounting consisted of the following personnel on December 31, 2000:

Filled	Vacant	Description
1		Director
2		Deputy Director
2		Manager of Audits
1		Systems Supervisor
1		Administrative Supervisor
1		Senior Office Technician
7		Principal Public Utility Accountant
2		Senior Public Utility Accountant
2	3	Public Utility Accountant
19	3	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 2000, there were under the supervision of the Division:

14	Incumbent Investor-owned Local Exchange Telephone Companies
6	Cooperative Local Exchange Telephone Companies
154	Competitive Local Exchange Telephone Companies
104	Long Distance Telephone Companies
521	Private Pay Telephone Providers

SUMMARY OF 2000 ACTIVITIES

Consumer complaints and protests investigated	4,642
Telephone inquiries received	13,392
Tariff revisions received:	
Incumbent Local Exchange Companies	130
Competitive Local Exchange Companies	157
Interexchange Companies	110
Tariff sheets filed:	
Incumbent Local Exchange Companies	2,919
Competitive Local Exchange Companies	7,040
Interexchange Companies	1,143
Cases in which staff members prepared testimony or reports	101
Certificates of Convenience and Necessity granted or amended:	
Competitive Local Exchange Companies	58
Interexchange Companies	48
Interconnection Agreements/Amendments Approved	150
FCC comments filed	1
Extended Area Service studies completed or underway	15
Service Surveillance and Results Analysis Provided Monthly on:	
Access Lines	5,036,603
Switching Offices	429
Business Offices	37
Repair Centers	15
Pay Telephone Registration and Rules Enforcement provided on:	
Private pay telephone providers	521
Private pay telephones	15,831
Local Exchange Company pay telephones	35,695
Pay telephone audits	218
Complaints Investigated	15

Visits to:	
Customer premises to resolve customer complaints	15
Company premises to resolve customer complaints	8
Company premises to review service performance	33
Company premises to inspect network reliability	23
Company premises to investigate collocation exemption requests	24
Construction Program reviews	1

OTHER:

Negotiated settlements with the four largest local exchange companies to significantly reduce the level of intrastate access charges.

Participated in settlement negotiations on Verizon South's Annual Informational Filing proceedings which resulted in $200 million in refunds to customers.

Established an industry Collaborative Committee to facilitate the adoption of market opening measures in the local exchange market.

Assisted the Project Manager in Operations Support Testing proceeding.

Assisted the Commission in continued implementation of the Telecommunications Act of 1996.

Assisted Commission counsel with respect to formal rate, service or generic matters.

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

Participated in matters affecting communications policy with federal agencies.

Prepared a report on Inmate Calling for the Speaker of the House.

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 Telecommunications Industry Association.

Provided guidance to the Atlantic Payphone Association.

Assisted payphone service providers in resolving operations issues with local exchange companies.

Enhanced the Division of Communications' web site to enable consumers to file complaints and post inquiries electronically.

Responded to questionnaires from the National Association of Regulatory Utility Commissioners ("NARUC") and others with respect to telecommunications matters.

Reviewed construction budget of Verizon.

Met with local governing bodies and citizens groups with respect to local calling areas and service problems.

Worked with the Virginia Department for the Deaf and Hard of Hearing on monitoring Telecommunications Relay Service in Virginia.

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 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;
- maintaining an electric energy market price database;
- monitoring electric and natural gas retail access programs;
- analyzing applications for licenses to become a competitive service provider or aggregator; and
- analyzing financial fitness of non-regulated firms seeking approval to build generating facilities or gas pipelines.

SUMMARY OF MAJOR ACTIVITIES DURING 2000

- Presented testimony on capital structure, cost of capital and other financial issues in two investor-owned utility rate cases.
- Presented testimony on financial and competitive issues for six utility merger cases.
- Completed 16 Annual Informational Filing reports for electric, gas, telephone and water utilities.
- Analyzed and processed 45 applications of utilities seeking authority to issue securities.
- Prepared reports regarding the financial condition of 58 competitive local exchange carriers applying for certification.
- Prepared reports on applications for certificates to construct three electric generating facilities.
- Presented testimony on the appropriate level of interest expense in an electric cooperative rate case.
- Helped develop the Commission's rules governing net energy metering.
- Prepared reports regarding the financial condition of 25 companies seeking licensure as competitive service providers or aggregators.
- Coordinated the development of interim rules governing electric and natural gas pilot programs to offer retail access.
- Monitored two existing natural gas retail access pilot programs.
- Coordinated implementation of three electric retail access pilot programs.
- Facilitated the establishment of Electronic Data Interexchange guidelines for electronic communication between competitive service providers and utilities.
- Represented the Commission at regional and national meetings to develop Uniform Business Practices for electric retail access.
- Prepared a report regarding market power and effective competition in the electric industry.
- Prepared testimony regarding five applications for special energy contracts.
- Prepared testimony in AEP's application to construct a 765kv transmission line.
- Prepared a report recommending a phase-in schedule for all investor-owned and cooperative electric companies in Virginia to implement full retail access.
- Prepared testimony in two electric fuel factor proceedings and two cogeneration rate proceedings.
- Developed a computer program to project the new consumption tax to be collected on electricity usage.
- Maintained and updated the Virginia Electronic Data Transfer website.
- 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 Commission Clerk's Office special fund collection.

DIVISION OF ENERGY REGULATION

Activities for Calendar Year 2000

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 2000 ACTIVITIES

Consumer Complaints, Letters of Protest, and Inquiries Received	5,368
Tariff Filings Received	305
Safety Inspections (Person Days)	277
Testimony and Reports Filed by Staff	74
Certificates of Convenience and Necessity Granted, Transferred, or Revised	18
Special Reports	15
Gas Accident Investigations and Incident Reports	1
Electric On-Site Construction Inspections	0
Underground Utility Damage Reports Investigated	3,096

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 1,489 applications for various certificates authority as shown below:

APPLICATIONS RECEIVED AND/OR ACTED UPON
BY THE BUREAU OF FINANCIAL INSTITUTIONS IN 2000

New Banks	4
Bank Branches	113
Bank Branch Office Relocations	8
Relocate Bank Main Office	1
Bank EFT Facilities	1
Bank Mergers	9
Acquisitions Pursuant to Chapter 13 of Title 6.1	9
Acquisitions Pursuant to Chapter 15 of Title 6.1	9
Acquisitions Pursuant to The Savings Institutions Act	2
New Bank Conversion From Savings Institution	1
Subsidiary Trust Company	1
Establish an Independent Trust Branch	2
Independent Trust Main Office Move	1
Out of State Credit Union	1
Credit Union Mergers	1
Credit Union Service Facilities	12
Move a Credit Union Office	3
New Consumer Finance	4
Consumer Finance Offices	92
Consumer Finance Other Business	38
Consumer Finance Office Relocations	18
New Mortgage Brokers	201
New Mortgage Lenders	51
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Mortgage Lender Broker Additional Authority	14
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Mortgage Branches	458
Mortgage Office Relocations	323
New Money Order Sellers	20
Debt Counseling Additional Offices	4
New Check Cashers	6

At the end of 2000, there were under the supervision of the Bureau 108 banks with 1,033 branches, 59 Virginia bank holding companies, 14 non-Virginia bank holding companies with banking offices in Virginia, 2 independent trust companies, 3 savings institutions with 5 offices, 75 credit unions, 8 industrial loan associations, 32 consumer finance companies with 274 Virginia offices, 37 money order sellers and money transmitters, 14 non-profit debt counseling agencies, 38 check cashers, 123 mortgage lenders with 511 offices, 584 mortgage brokers with 988 offices, and 217 mortgage lender/brokers with 752 offices.

DIVISION OF INSURANCE REGULATION
ACTIVITIES FOR THE FISCAL YEAR ENDING JUNE 30, 2000

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 2000 ACTIVITIES

New insurance companies licensed to do business in Virginia	38
Insurance company financial statements analyzed	8,391
Financial examinations of insurance companies conducted	36
Property and Casualty insurance rules, rates, and form submissions	11,833
Life and Health insurance policy forms and rate submissions	8,665
Property and Casualty insurance complaints received	3,662
Life and Health insurance complaints received	3,068
Market conduct examinations completed by the Life and Health Division	20
Market conduct examinations completed by the Property and Casualty Division	10
Insurance agents and agencies licensed	93,558
Tax and Assessment Audits	6,386

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 provisions of Title 38.2 of the Code of Virginia:

1. **Fidelity Bankers Life insurance Company d/b/a First Dominion Life Insurance (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.

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.

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 2001 and that the Trust will conduct no further business.

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, Mullens, Clark & Dobbins, Two James Center, 1021 East Cary Street, 16th Floor, Richmond, Virginia 23219.

Settlers Life Insurance Company. Date of Receivership: May 14, 1999. The Company was successfully rehabilitated and sold to another life insurance company. The approval of the sale of the company, the termination of the receivership, and the lifting of the license suspension became final through an order issued on December 15, 1999. Settlers Life Insurance Company has resumed normal operations.

Union of America Mutual Insurance Company (Union). Date of Receivership: August 9, 2000. All policies of the company were cancelled effective July 21, 2000. It is presently expected that the affairs of the receivership will be wound up in 2001.

The Commission is the Receiver, and Commissioner of Insurance Alfred W. Gross is the Deputy Receiver of Union. Any inquiries concerning the conduct of the receivership of Union may be directed to the Special Deputy Receiver, Melvin J. Dillon, Dillon Company, Inc., P.O. Box 19662, Raleigh, North Carolina 27619.

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:

10	qualification applications received
1,631	coordination applications received
4	notification applications received
2,310	filings for exemption from registration (Reg. D)
2,335	broker-dealer registrations renewed and granted
133	broker-dealer registrations denied, withdrawn, and terminated
153,930	agent registrations renewed and granted
37,716	agent registrations denied, withdrawn, and terminated
1,599	investment advisor registrations renewed and granted
43	investment advisor registrations denied, withdrawn, and terminated
726	investment advisor representative registrations denied, withdrawn and terminated
0	orders filing and/or canceling surety bonds
27	orders granting exemptions and/or official interpretations
21	orders for subpoena of records by banks, corporations, and individuals
17	orders of show cause
42	judgments of compromise and settlement
18	final order and/or judgment

UNDER THE VIRGINIA TRADEMARK AND SERVICE MARK ACT:

509	applications for trademarks and/or service marks approved, renewed, or assigned
447	applications for trademarks and/or service marks denied, abandoned, expired, or withdrawn

UNDER THE VIRGINIA RETAIL FRANCHISING ACT:

1,197	franchise registration, renewal, or post-effective amendment applications received
236	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

	1999	2000
Financing/Subsequent Statements Filed	80,069	80,776
Federal Tax Liens/Subsequent Liens Filed	1,439	1,645
Reels of Microfilmed documents sold	580	535

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TO OPEN A MORTGAGE BROKER'S OFFICE AT 11126 TIMBERHEAD LANE, RESTON, VA
BAN20000095 ONE VALLEY BANK - SHENANDOAH
TO OPEN A BRANCH AT 1013 SOUTH CRAIG AVENUE, COVINGTON, VA
BAN20000096 1ST PRIORITY MORTGAGE CORP. D/B/A AFFORDABLE MORTGAGE SOLUTIONS
TO OPEN A MORTGAGE BROKER'S OFFICE AT 7629 WILLIAMSON ROAD, SUITE 7, ROANOKE, VA
BAN20000097 D & D FINANCIAL GROUP, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000098 CRS FINANCIAL SERVICES, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20000099 BENNIE'S HOMES, INC. D/B/A COLONY HOMES (10875 WARDS ROAD ONLY)
FOR A MORTGAGE BROKER'S LICENSE
BAN20000100 MORTGAGE CAPITAL ASSOCIATES, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN20000101 ONLOAN.COM, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20000102 APPROVED MORTGAGE CAPITAL, L.L.C.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000103 MORTGAGE AMERICA COMPANIES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4421 NICOLE DRIVE, LANHAM, MD TO 7945 ANNAPOLIS ROAD, LANHAM, MD
BAN20000104 MORTGAGE AMERICA COMPANIES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1760 RESTON PARKWAY, SUITE 507, RESTON, VA TO 3 1/2 KING STREET, LEESBURG, VA
BAN20000105 FIRST COMMUNITY FINANCE, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 71 SOUTH AIRPORT DRIVE, HIGHLAND SPRINGS, VA TO 7103 STAPLES MILL ROAD, RICHMOND, VA
BAN20000106 FIRST AMERICAN FUNDING, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 809 GLENEAGLES COURT, TOWNSON, MD TO 1730 E. JOPPA ROAD, BALTIMORE, MD
BAN20000107 LEE BANK & TRUST COMPANY
TO OPEN A BRANCH AT 707 GATE CITY HIGHWAY, BRISTOL, VA
BAN20000108 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7704 RICHMOND HIGHWAY, SUITE 200, ALEXANDRIA, VA TO 7686 RICHMOND HIGHWAY, SUITE 109, ALEXANDRIA, VA
BAN20000109 HOMEAMERICAN CREDIT, INC. D/B/A UPLAND MORTGAGE
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 111 PRESIDENTIAL BOULEVARD, SUITE 142, BALA CYNWYD, PA TO 111 PRESIDENTIAL BOULEVARD, SUITE 114, BALA CYNWYD, PA
BAN20000110 CHANCELLOR MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 101 WESTWOOD OFFICE PARK, FREDERICKSBURG, VA TO 2302 JEFFERSON DAVIS HIGHWAY, FREDERICKSBURG, VA
BAN20000111 CHANCELLOR MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 268 NORTHUMBERLAND HIGHWAY, SUITE 1, CALLAO, VA
BAN20000112 IIC USA, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000113 LIFETIME MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000114 CENTEX CREDIT CORPORATION D/B/A CENTEX HOME EQUITY CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 9900 CORPORATE CAMPUS DRIVE, SUITE 2400, LOUISVILLE, KY
BAN20000115 KONCURAT AND ASSOCIATES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000116 D AND D HOME LOANS INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000117 HOME LOAN MORTGAGE CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20000118 WILLOW FINANCIAL SERVICES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 205 SOUTH WHITING STREET, SUITE 406, ALEXANDRIA, VA TO 2736 CHAINBRIDGE ROAD, VIENNA, VA

BAN20000119 CUNA MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 2370 SOUTH GAREY AVENUE, POMONA, CA TO 9500 CLEVELAND AVENUE, RANCHO CUCAMONGA, CA
BAN20000120 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO RELOCATE MORTGAGE LENDERS'S OFFICE FROM 8521 SIX FORKS ROAD, SUITE 410, RALEIGH, NC TO 4011 WESTCHASE BLVD., SUITE 290, RALEIGH, NC
BAN20000121 WHITE OAK MORTGAGE GROUP, LLC, THE
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20000122 EDWARD D. JONES & CO., L.P. D/B/A EDWARDJONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 419 APPERSON DRIVE, SALEM, VA
BAN20000123 EDWARD D. JONES & CO., L.P. D/B/A EDWARDJONES
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 102 NOBLES LANDING, GRAFTON, VA TO 555 H SETTLERS LANDING, HAMPTON, VA
BAN20000124 NEWPORT SHORES MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000125 EUSTIS MORTGAGE CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20000126 BANK OF FLOYD, THE
TO OPEN A BRANCH AT 2105 ROANOKE STREET, CHRISTIANSBURG, VA
BAN20000127 ASSOCIATES FINANCIAL SERVICES OF AMERICA, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1324 FRONT STREET, RICHLANDS, VA
BAN20000128 ASSOCIATES FINANCIAL SERVICES COMPANY OF VIRGINIA, INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000129 METFUND MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 6723 WHITTIER AVENUE, SUITE 406, MCLEAN, VA TO 2109 BERMUDEZ COURT, VIENNA, VA
BAN20000130 EQUITY SERVICES OF VIRGINIA, INC. (USED IN VA BY: EQUITY SERVICES, INC.) D/B/A AFFORDABLE FUNDING
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 906 W. MAIN STREET, ABINGDON, VA
BAN20000131 STERLING COAST TO COAST FINANCIAL GROUP, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000132 MIRADOR DIVERSIFIED SERVICES, INC.
TO ACQUIRE 25 PERCENT OR MORE OF UNITED MORTGAGEE, INC.
BAN20000133 DECISION ONE MORTGAGE COMPANY, LLC
TO OPEN A MORTGAGE LENDER'S OFFICE AT 300 METRO CENTER BOULEVARD, SUITE 150, WARWICK, RI
BAN20000134 NVR MORTGAGE FINANCE, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 3998 FAIR RIDGE DRIVE, SUITE 260, FAIRFAX, VA TO 5885 TRINITY PARKWAY, SUITE 150, CENTREVILLE, VA
BAN20000135 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2048 JEFFERSON DAVIS HIGHWAY, SUITE C, STAFFORD, VA
BAN20000136 KEY MORTGAGE COMPANY, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7110 FOREST AVENUE, SUITE 106, RICHMOND, VA TO 8100 THREE CHOPT ROAD, SUITE 128, RICHMOND, VA
BAN20000137 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1825 K STREET, WASHINGTON, DC TO 4061 POWDER MILL ROAD, CALVERTON, MD
BAN20000138 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 220 BROAD STREET, KINGSPORT, TN
BAN20000139 WATSON, RUSSELL S. T/A FIRST AMERICAN HOME EQUITY
TO OPEN A MORTGAGE BROKER'S OFFICE AT 447 EPPERSON LANE, KENBRIDGE, VA
BAN20000140 EASTERN FIDELITY MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 6342 PETERS CREEK ROAD, NW, SUITE B, ROANOKE, VA TO 5299 CENTURY DRIVE, ROANOKE, VA
BAN20000141 INDEPENDENT REALTY CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1855 KATELLA AVENUE, SUITE 355, ORANGE, CA
BAN20000142 FIRST NLC FINANCIAL SERVICES, LLC
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20000143 FIRST JEFFERSON MORTGAGE CORPORATION D/B/A FIRST JEFFERSON FUNDING (HAMPTON EXECUTIVE DRIVE ONLY)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 229 NORTH MAIN STREET, KILMARNOCK, VA
BAN20000144 FULL SPECTRUM LENDING, INC.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 55 SOUTH LAKE AVENUE, 4TH. FLOOR, PASADENA, CA TO 4500 PARK GRANADA, CH-11, CALABASAS, CA
BAN20000145 DOOLEY, MARY P. T/A MPD MORTGAGE COMPANY
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 3002 ROSALIND AVENUE, ROANOKE, VA TO 7463 TOWCHESTER COURT, ALEXANDRIA, VA
BAN20000146 MORTGAGE EDGE CORPORATION D/B/A MEC ONLINE (LAKE RIDGE OFFICE ONLY)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 532 BALTIMORE BOULEVARD, SUITE 411, WESTMINSTER, MD
BAN20000147 CLOWSER, KEVIN WAYNE T/A LINCOLN MORTGAGE
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1186 CROZET AVENUE, CROZET, VA
BAN20000148 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3 EXECUTIVE PARK DRIVE, BEDFORD, NH

BAN20000149 HERITAGE FUNDING, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000150 SOUTHERN TRUST MORTGAGE, LLC
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4600 ECOFF AVENUE, CHESTER, VA
BAN20000151 SOUTHERN TRUST MORTGAGE, LLC
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 675 BERKMAR CIRCLE, SUITE 203, CHARLOTTESVILLE, VA
BAN20000152 CH MORTGAGE COMPANY I, LTD., L.P. (USED IN VA BY: CH MORTGAGE COMPANY I, LTD.)
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 710 W. BROADWAY, SUITE 502, MESA, AZ TO 236 E. PIMA, SUITE 111, PHOENIX, AZ
BAN20000153 F & M BANK-EMPORIA
TO OPEN A BRANCH AT 100 DOMINION DRIVE, EMPORIA, VA
BAN20000154 NEW PEOPLES BANK, INC.
TO OPEN A BRANCH AT MAIN STREET, HAYSI, VA
BAN20000155 WENDOVER FINANCIAL SERVICES CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20000156 SLM MORTGAGE CORPORATION-VA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4419 PHEASANT RIDGE ROAD, SUITE 102, ROANOKE, VA
BAN20000157 SLM MORTGAGE CORPORATION-VA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4605 PEMBROKE CIRCLE, UNIT 301, VIRGINIA BEACH, VA
BAN20000158 BENCHMARK MORTGAGE INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 9701 GAYTON ROAD, RICHMOND, VA
BAN20000159 HOLDING SERVICE FIRST MORTGAGE
FOR A MORTGAGE BROKER'S LICENSE
BAN20000160 HENDRICKS, WILLIAM E.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000161 INTEK TELESERVICES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000162 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO OPEN A BRANCH AT 654 PITTSTON ROAD, LEBANON, VA
BAN20000163 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO OPEN A BRANCH AT 901 EAST FINCASTLE TURNPIKE, TAZEWELL, VA
BAN20000164 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO OPEN A BRANCH AT 3102 W. CEDAR VALLEY DRIVE, CEDAR BLUFF, VA
BAN20000165 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO OPEN A BRANCH AT 396 TOWNE CENTRE DRIVE, ABINGDON, VA
BAN20000166 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO OPEN A BRANCH AT HIGHWAY 83, VANSANT, VA
BAN20000167 ASSOCIATES HOME EQUITY SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 209 ELDEN STREET, SUITE 101, HERNDON, VA
BAN20000168 ASSOCIATES HOME EQUITY SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 622 TOWNSIDE DRIVE, ROANOKE, VA
BAN20000169 ASSOCIATES HOME EQUITY SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 10412 MIDLOTHIAN TURNPIKE, RICHMOND, VA
BAN20000170 ASSOCIATES HOME EQUITY SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 801 VOLVO PARKWAY, SUITE 116, CHESAPEAKE, VA
BAN20000171 ASSOCIATES HOME EQUITY SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 10374 PORTSMOUTH ROAD, MANASSAS, VA
BAN20000172 ASSOCIATES HOME EQUITY SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 22 ENTERPRISE PARKWAY, SUITE 140, HAMPTON, VA
BAN20000173 ASSOCIATES HOME EQUITY SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 316 CONSTITUTION AVENUE, VIRGINIA BEACH, VA
BAN20000174 ASSOCIATES HOME EQUITY SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 6701 CARMEL ROAD, SUITE 115, CHARLOTTE, NC
BAN20000175 FAIRWAY INDEPENDENT MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 583 S. YORK STREET, DENVER, CO
BAN20000176 PLATINUM MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 3951 WESTERRE PARKWAY, SUITE 440, RICHMOND, VA TO 9020 STONY POINT PARKWAY, SUITE 150, RICHMOND, VA
BAN20000177 TM MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 6605A BACKLICK ROAD, SUITE 212, SPRINGFIELD, VA TO 8320 OLD COURTHOUSE ROAD, SUITE 101, VIENNA, VA
BAN20000178 EAST WEST MORTGAGE COMPANY, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1519 KING STREET, ALEXANDRIA, VA
BAN20000179 EDWARD D. JONES & CO., L.P. D/B/A EDWARDJONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT ONE MILL STREET, FARMVILLE, VA
BAN20000180 EDWARD D. JONES & CO., L.P. D/B/A EDWARDJONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 13615 GENITO ROAD, SUITE 1-A, MIDLOTHIAN, VA
BAN20000181 EDWARD D. JONES & CO., L.P. D/B/A EDWARDJONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 7194 CHAPMAN DRIVE, HAYES, VA
BAN20000182 FIRST COMMERCE MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE

BAN20000183 BAYVIEW MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000184 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3975 UNIVERSITY DRIVE, SUITE 390, FAIRFAX, VA
BAN20000185 CENTEX CREDIT CORPORATION D/B/A CENTEX HOME EQUITY CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 185 PLAINS ROAD, SUITE 301W, MILFORD, CT
BAN20000186 LILIENFIELD, GERALD S.
TO ACQUIRE 25 PERCENT OR MORE OF FIRST GOVERNMENT MORTGAGE AND INVESTORS CORPORATION
BAN20000187 RBMG, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 200 HIGHLAND AVENUE, SUITE 303, NEEDHAM, MA
BAN20000188 ONE VALLEY BANK - SHENANDOAH
TO ESTABLISH AN EFT AT STONEWALL JACKSON HOSPITAL, 1 HEALTH CIRCLE, LEXINGTON, VA
BAN20000189 CARDINAL FINANCIAL CORPORATION
TO ACQUIRE CARDINAL BANK - ALEXANDRIA/ARLINGTON, N. A.
BAN20000190 NUMAX MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1664 BEULAH ROAD, VIENNA, VA
BAN20000191 PREFERRED HOME MORTGAGE COMPANY
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 10132 COLVIN RUN ROAD, GREAT FALLS, VA TO 46950 COMMUNITY PLAZA, SUITE 233, STERLING, VA
BAN20000192 ALLIED MORTGAGE CAPITAL CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 7535 LITTLE RIVER TURNPIKE, ANNANDALE, VA TO 5105-G BACKLICK ROAD, ANNANDALE, VA
BAN20000193 CTX MORTGAGE COMPANY
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 6411 IVY LANE, SUITE 700, GREENBELT, MD TO 6411 IVY LANE, SUITE 106, GREENBELT, MD
BAN20000194 CENTEX CREDIT CORPORATION D/B/A CENTEX HOME EQUITY CORPORATION
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 3100 MCKINNON AVENUE, SUITE 250, DALLAS, TX TO 1750 VICEROY, DALLAS, TX
BAN20000195 CMS MORTGAGE SERVICES, INC. (USED IN VA BY: COOPERATIVE MORTGAGE SERVICES, INC.)
TO OPEN A MORTGAGE LENDER'S OFFICE AT 30071 TOMAS, RANCHO SANTA MARGARITA, CA
BAN20000196 CMS MORTGAGE SERVICES, INC. (USED IN VA BY: COOPERATIVE MORTGAGE SERVICES, INC.)
TO OPEN A MORTGAGE LENDER'S OFFICE AT ONE OAKBROOK TERRACE, SUITE 208, OAKBROOK, IL
BAN20000197 AMERICARE MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3401 PORTSMOUTH BOULEVARD, PORTSMOUTH, VA
BAN20000198 ATLANTIC FUNDING CORPORATION OF VA (USED IN VA BY: ATLANTIC FUNDING CORPORATION)
FOR A MORTGAGE BROKER'S LICENSE
BAN20000199 NATIONSFIRST MORTGAGE OF VIRGINIA, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20000200 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 11200 ROUTE 216, SUITE 116, LAUREL, MD TO 927 FAIRLAWN AVENUE, LAUREL, MD
BAN20000201 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 8800 NORTH GAINEY CENTER DRIVE, SUITE 174, SCOTTSDALE, AZ
BAN20000202 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1661 EAST CAMELBACK ROAD, SUITE 121, PHOENIX, AZ
BAN20000203 DMR FINANCIAL SERVICES, INC. D/B/A DMR MORTGAGE SERVICES
TO OPEN A MORTGAGE LENDER'S OFFICE AT 7340 SHADELAND STATION, SUITE 100, INDIANAPOLIS, IN
BAN20000204 HANOVER BANK
TO OPEN A BRANCH AT 4241 MECHANICSVILLE TURNPIKE, MECHANICSVILLE, VA
BAN20000205 COLUMBIA NATIONAL, INCORPORATED
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 604 SOUTH MAIN STREET, CULPEPER, VA TO 608 SOUTH MAIN STREET, CULPEPER, VA
BAN20000206 MILLENNIUM FINANCING, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 8320 OLD COURTHOUSE ROAD, SUITE 101, VIENNA, VA
BAN20000207 AMERISOUTH MORTGAGE COMPANY
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN20000208 GATEWAY FUNDING DIVERSIFIED MORTGAGE SERVICES, L.P.
FOR A MORTGAGE LENDER'S LICENSE
BAN20000209 BEACON HOME MORTGAGE, LLC
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3040 MITCHELLVILLE ROAD, BOWIE, MD
BAN20000210 1ST CONTINENTAL MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 10801 MAIN STREET, SUITE 500, FAIRFAX, VA TO 4103 CHAIN BRIDGE ROAD, SUITE B101, FAIRFAX, VA
BAN20000211 FOSTER'S CORPORATION D/B/A CLASSIC MORTGAGE
FOR A MORTGAGE BROKER'S LICENSE
BAN20000212 TIGHE, CHARLES LEE D/B/A FIRST COASTAL MORTGAGE
TO OPEN A MORTGAGE BROKER'S OFFICE AT 400 N. CENTER DRIVE, BLDG. 3, SUITE 108, INTERSTATE CORPORATE CENTER, NORFOLK, VA
BAN20000213 AEGIS FINANCIAL SOLUTIONS, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 307 LAFAYETTE BOULEVARD, SUITE 300, FREDERICKSBURG, VA

BAN20000214 WESTMINSTER MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 21630 RIDGETOP CIRCLE, SUITE 130, DULLES, VA
BAN20000215 IMORTGAGE.COM, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000216 F & M BANK-RICHMOND
TO OPEN A BRANCH AT 6736 SOUTHSHORE DRIVE, CHESTERFIELD COUNTY, VA
BAN20000217 EASTLAND MORTGAGE COMPANY, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 804 JAMESTOWN ROAD, WILLIAMSBURG, VA TO 5705 LEE FARM LANE, SUFFOLK, VA
BAN20000218 ISLAND MORTGAGE NETWORK INC. D/B/A APPONLINE.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 5613 DTC PARKWAY, ENGLEWOOD, CO
BAN20000219 USMONEY SOURCE, INC. D/B/A SOLUNA FIRST
FOR A MORTGAGE LENDER'S LICENSE
BAN20000220 PUBLIC LOAN CORPORATION D/B/A WASHINGTON MUTUAL FINANCE OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT 2867 VIRGINIA AVENUE, COLLINSVILLE, VA
BAN20000221 PUBLIC LOAN CORPORATION D/B/A WASHINGTON MUTUAL FINANCE OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT 798 SOUTHPARK BOULEVARD, SUITE 30, COLONIAL HEIGHTS, VA
BAN20000222 PUBLIC LOAN CORPORATION D/B/A WASHINGTON MUTUAL FINANCE OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT 601 MEADOWBROOK SHOPPING CENTER, CULPEPER, VA
BAN20000223 PUBLIC LOAN CORPORATION D/B/A WASHINGTON MUTUAL FINANCE OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT 110 EXCHANGE STREET, SUITE A, DANVILLE, VA
BAN20000224 PUBLIC LOAN CORPORATION D/B/A WASHINGTON MUTUAL FINANCE OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT 661 PINEY FOREST ROAD, DANVILLE, VA
BAN20000225 PUBLIC LOAN CORPORATION D/B/A WASHINGTON MUTUAL FINANCE OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT 7115 LEESBURG PIKE, SUITE 102, FALLS CHURCH, VA
BAN20000226 PUBLIC LOAN CORPORATION D/B/A WASHINGTON MUTUAL FINANCE OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1506 S. MAIN STREET, UNIT 10, FARMVILLE, VA
BAN20000227 PUBLIC LOAN CORPORATION D/B/A WASHINGTON MUTUAL FINANCE OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT 2189 CUNNINGHAM DRIVE, HAMPTON, VA
BAN20000228 PUBLIC LOAN CORPORATION D/B/A WASHINGTON MUTUAL FINANCE OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT 6015 FORT AVENUE, SUITE 8, LYNCHBURG, VA
BAN20000229 PUBLIC LOAN CORPORATION D/B/A WASHINGTON MUTUAL FINANCE OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT 113 EAST MAIN STREET, MARTINSVILLE, VA
BAN20000230 PUBLIC LOAN CORPORATION D/B/A WASHINGTON MUTUAL FINANCE OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT 549 NEWTOWN ROAD, SUITE 107, VIRGINIA BEACH, VA
BAN20000231 PUBLIC LOAN CORPORATION D/B/A WASHINGTON MUTUAL FINANCE OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT 7112-A HULL STREET ROAD, RICHMOND, VA
BAN20000232 PUBLIC LOAN CORPORATION D/B/A WASHINGTON MUTUAL FINANCE OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT 5906 W. BROAD STREET, RICHMOND, VA
BAN20000233 PUBLIC LOAN CORPORATION D/B/A WASHINGTON MUTUAL FINANCE OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT 6701 PETERS CREEK ROAD, N.E., SUITE 106, ROANOKE, VA
BAN20000234 PUBLIC LOAN CORPORATION D/B/A WASHINGTON MUTUAL FINANCE OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT 4019 HALIFAX ROAD, SOUTH BOSTON, VA
BAN20000235 PUBLIC LOAN CORPORATION D/B/A WASHINGTON MUTUAL FINANCE OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT 5386 KEMPS RIVER DRIVE, SUITE 108, VIRGINIA BEACH, VA
BAN20000236 PUBLIC LOAN CORPORATION D/B/A WASHINGTON MUTUAL FINANCE OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT 2210 WILSON BOULEVARD, WINCHESTER, VA
BAN20000237 PUBLIC LOAN CORPORATION D/B/A WASHINGTON MUTUAL FINANCE OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT 800 EAST MAIN STREET, SUITE 330, WYTHEVILLE, VA
BAN20000238 CITY FINANCE COMPANY D/B/A WASHINGTON MUTUAL FINANCE
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000239 CITY FINANCE COMPANY D/B/A WASHINGTON MUTUAL FINANCE
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000240 CITY FINANCE COMPANY D/B/A WASHINGTON MUTUAL FINANCE
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000241 CITY FINANCE COMPANY D/B/A WASHINGTON MUTUAL FINANCE
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000242 CITY FINANCE COMPANY D/B/A WASHINGTON MUTUAL FINANCE
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000243 CITY FINANCE COMPANY D/B/A WASHINGTON MUTUAL FINANCE
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000244 CITY FINANCE COMPANY D/B/A WASHINGTON MUTUAL FINANCE
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000245 CITY FINANCE COMPANY D/B/A WASHINGTON MUTUAL FINANCE
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000246 CITY FINANCE COMPANY D/B/A WASHINGTON MUTUAL FINANCE
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000247 CITY FINANCE COMPANY D/B/A WASHINGTON MUTUAL FINANCE
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000248 CITY FINANCE COMPANY D/B/A WASHINGTON MUTUAL FINANCE
TO OPEN A CONSUMER FINANCE OFFICE

BAN20000249 CITY FINANCE COMPANY D/B/A WASHINGTON MUTUAL FINANCE
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000250 CITY FINANCE COMPANY D/B/A WASHINGTON MUTUAL FINANCE
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000251 CITY FINANCE COMPANY D/B/A WASHINGTON MUTUAL FINANCE
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000252 CITY FINANCE COMPANY D/B/A WASHINGTON MUTUAL FINANCE
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000253 CITY FINANCE COMPANY D/B/A WASHINGTON MUTUAL FINANCE
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000254 CITY FINANCE COMPANY D/B/A WASHINGTON MUTUAL FINANCE
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000255 CITY FINANCE COMPANY D/B/A WASHINGTON MUTUAL FINANCE
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000256 CITY FINANCE COMPANY D/B/A WASHINGTON MUTUAL FINANCE
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE LENDING WILL ALSO BE CONDUCTED
BAN20000257 CITY FINANCE COMPANY D/B/A WASHINGTON MUTUAL FINANCE
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE SALES FINANCE BUSINESS WILL ALSO BE CONDUCTED
BAN20000258 CITY FINANCE COMPANY D/B/A WASHINGTON MUTUAL FINANCE
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE OPEN-END LENDING WILL ALSO BE CONDUCTED
BAN20000259 CITY FINANCE COMPANY D/B/A WASHINGTON MUTUAL FINANCE
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE PROPERTY INSURANCE BUSINESS WILL ALSO BE CONDUCTED
BAN20000260 BLAZER MORTGAGE SERVICES, INC.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 6949 HULL STREET ROAD, RICHMOND, VA TO 7112-A HULL STREET ROAD, RICHMOND, VA
BAN20000261 BLAZER FINANCIAL SERVICES, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 6949 HULL STREET ROAD, CHESTERFIELD COUNTY, VA TO 7112-A HULL STREET ROAD, CHESTERFIELD COUNTY, VA
BAN20000262 NOVASTAR HOME MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000263 BB&T CORPORATION
TO ACQUIRE ONE VALLEY BANCORP, INC., RAPHINE, VA
BAN20000264 21ST CENTURY MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 4420 TAGGART CREEK ROAD, SUITE 112, CHARLOTTE, VA
BAN20000265 ACCREDITED HOME LENDERS, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT IRON MOUNTAIN STORAGE, 32 GEORGE STREET, BOSTON, MA
BAN20000266 CONSUMER CREDIT COUNSELING SERVICE OF VIRGINIA, INC.
TO OPEN AN ADDITIONAL DEBT COUNSELING OFFICE AT 3701 BOULEVARD, SUITE D, COLONIAL HEIGHTS, VA
BAN20000267 CONSUMER CREDIT COUNSELING SERVICE OF VIRGINIA, INC.
TO OPEN AN ADDITIONAL DEBT COUNSELING OFFICE AT 1403 HUGUENOT ROAD, SUITE 102, MIDLOTHIAN, VA
BAN20000268 FOX, ROBERT D/B/A EAST COAST MORTGAGE BANKERS
FOR A MORTGAGE BROKER'S LICENSE
BAN20000269 FIRST STREET MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20000270 NOVASTAR MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 5992A SYEUBENVILLE PIKE, MCKEES ROCKS, PA
BAN20000271 NOVASTAR MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 3920 UNIVERSITY DRIVE, SUITE 350, FAIRFAX, VA
BAN20000272 NOVASTAR MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 12650 INGENUITY DRIVE, ORLANDO, FL
BAN20000273 NOVASTAR MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 14620 N. CAVE CREEK ROAD, SUITE 4, PHOENIX, AZ
BAN20000274 NOVASTAR MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 3156 S. 47TH STREET, SUITE 106, TACOMA, WA
BAN20000275 FIRST FIDELITY MORTGAGE, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 6767 FOREST HILL AVENUE, SUITE 305, RICHMOND, VA TO 1610 FOREST AVENUE, SUITE 114, RICHMOND, VA
BAN20000276 FIRST GREENSBORO HOME EQUITY, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 412-B HOLLY HILL LANE, BURLINGTON, NC
BAN20000277 SOUTHERN TRUST MORTGAGE, LLC
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3432 FIDDLERS RIDGE PARKWAY, WILLIAMSBURG, VA
BAN20000278 CENDANT MORTGAGE CORPORATION D/B/A PHH MORTGAGE SERVICES
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 20334 TIMBERLAKE ROAD, LYNCHBURG, VA
BAN20000279 MLSG, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN20000280 HERITAGE BANK
TO OPEN A BRANCH AT 1650 TYSONS BOULEVARD, SUITE 100, MCLEAN, VA
BAN20000281 HAYWOOD & ASSOCIATES, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN20000282 EXETER TRUST COMPANY
TO OPEN A NEW INDEPENDENT TRUST COMPANY BRANCH AT WILLOW OAKS EXECUTIVE SUITES, 6767 FOREST HILL AVENUE, SUITE 305, RICHMOND, VA
BAN20000283 SAVINGS FIRST MORTGAGE, LLC D/B/A SAVINGS 1ST MORTGAGE
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN20000284 SECURITY FINANCIAL CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 316 WARREN AVENUE, SUITE 9, FRONT ROYAL, VA
BAN20000285 SLM MORTGAGE CORPORATION-VA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 9101-400 MIDLOTHIAN TURNPIKE, RICHMOND, VA
BAN20000286 COMMUNITY FINANCIAL SERVICES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 208 ASH AVENUE, SUITE 102F, VIRGINIA BEACH, VA
BAN20000287 ACCESS HOME LOANS, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000288 UNIVERSAL FINANCIAL GROUP, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20000289 EDWARD D. JONES & CO., L.P. D/B/A EDWARDJONES
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 21 NORTH AUGUSTA STREET, STAUNTON, VA TO 111 FAIRWAY LANE, SUITE 102, STAUNTON, VA
BAN20000290 NUMAX MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 739 THIMBLE SHOALS BLVD., SUITE 704, NEWPORT NEWS, VA
BAN20000291 ASSOCIATES HOME EQUITY SERVICES, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 316 CONSTITUTION AVENUE, VIRGINIA BEACH, VA TO 184 BUSINESS PARK DRIVE, SUITE 203, VIRGINIA BEACH, VA
BAN20000292 CONSECO FINANCE SERVICING CORP.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 105 PAUL MELLON COURT, SUITE 16, WALDORF, MD
BAN20000293 CITIFINANCIAL, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT STONEWALL SQUARE SHOPPING CENTER 112, E. MIDLAND TRAIL, LEXINGTON, VA
BAN20000294 CITIFINANCIAL SERVICES, INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000295 FORD ENTERPRISES INTERNATIONAL INC. D/B/A INTERPRISE FINANCIAL, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN20000296 LOANS AND MORTGAGES, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20000297 MORTGAGE.COM, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT ONE PARAGON DRIVE, SUITE 240, MONTVALE, NJ
BAN20000298 MORTGAGE.COM, INC.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 8751 BROWARD BOULEVARD, 5TH FLOOR, PLANTATION, FL TO 1643 N. HARRISON PARKWAY, BUILDING H, SUNRISE, FL
BAN20000299 VILLAGE MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20000300 OLD TOWN FINANCIAL CORP. D/B/A RAMSAY MORTGAGE COMPANY
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2712 MONUMENT AVENUE, RICHMOND, VA
BAN20000301 DOMINION MORTGAGE GROUP, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20000302 CONTINENTAL MORTGAGE CORP.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000303 CENTRAL MORTGAGE & FINANCE, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20000304 PARAGON HOME LENDING LLC
FOR A MORTGAGE LENDER'S LICENSE
BAN20000305 ROY D. HANSEN MORTGAGE COMPANY, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 511 TWIN BROOK LANE, STAFFORD, VA TO 2530 CARRIAGE LANE, SUITE 2D, FREDERICKSBURG, VA
BAN20000306 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
BAN20000307 FIL-AM MORTGAGE CORP.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000308 METROPOLITAN MORTGAGE BANKERS, INC.
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN20000309 SELECT MORTGAGE SERVICES, L.L.C.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 9701 GAYTON ROAD, RICHMOND, VA TO 10908 ASHMONT COURT, GLEN ALLEN, VA
BAN20000310 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT HCR 75, BOX 7285, MOBJACK, VA
BAN20000311 HOMESPACE SERVICES, INC.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 6200 S. SYRACUSE WAY, SUITE 400, ENGLEWOOD, CO TO 5680 GREENWOOD PLAZA BOULEVARD, SUITE 500, ENGLEWOOD, CO

BAN20000312 FIDELITY FIRST LENDING, INC. D/B/A VALLEY PINE MORTGAGE
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 11000 BROKEN LAND PARKWAY, 3RD FLOOR, COLUMBIA, MD TO 10811 RED RUN BOULEVARD, SUITE 200, OWINGS MILLS, MD
BAN20000313 OPTION ONE MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 7515 IRVINE CENTER DRIVE, IRVINE, CA
BAN20000314 COMPUTER MORTGAGES OF AMERICA, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000315 LYON SERVICES CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20000316 COMMUNITY BANK OF NORTHERN VIRGINIA
TO OPEN A BRANCH AT PURCELLVILLE SHOPPING CENTER, 609 EAST MAIN STREET, PURCELLVILLE, VA
BAN20000317 DH CAPITAL, LLC
TO OPEN A MORTGAGE BROKER'S OFFICE AT 309 NORTH HIGH STREET, MUNCIE, IN
BAN20000318 FIRST SENTINEL BANK
TO OPEN A BRANCH AT U.S. ROUTES 19 AND 460, ONE MILE EAST OF CLAYPOOL HILL, TAZEWELL COUNTY, VA
BAN20000319 EDWARDS, WILLIAM
TO ACQUIRE 25 PERCENT OR MORE OF AMERIGROUP MORTGAGE CORPORATION
BAN20000320 VIRGINIA CREDIT UNION, INC.
TO OPEN A CREDIT UNION SERVICE OFFICE AT 2101 PLANK ROAD, FREDERICKSBURG, VA
BAN20000321 FIRST HORIZON HOME MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 502-L EAST CORNWALLIS DRIVE, GREENSBORO, NC TO 510-C SUMMIT AVENUE, GREENSBORO, NC
BAN20000322 CENTEX CREDIT CORPORATION D/B/A CENTEX HOME EQUITY CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 3550 BUSCHWOOD PARK DRIVE, SUITE 320, TAMPA, FL
BAN20000323 CARDINAL MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 11 BYRON STREET, CHESAPEAKE, VA TO 3026 TYRE NECK ROAD, SUITE D, PORTSMOUTH, VA
BAN20000324 LOAN STORE CORP., THE
FOR A MORTGAGE LENDER'S LICENSE
BAN20000325 SCHWARTZBERG, MARTIN C.
TO ACQUIRE 25 PERCENT OR MORE OF PRIMESOURCE FINANCIAL, LLC
BAN20000326 MORRIS, BONIFACE & ASSOCIATES INCORPORATED
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 10707 SPOTSYLVANIA AVENUE, FREDERICKSBURG, VA TO 10707 SPOTSYLVANIA AVENUE, SUITE 202, FREDERICKSBURG, VA
BAN20000327 SUNSHINE MORTGAGE CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20000328 UNIVERSITY MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3808 34TH STREET, MT. RANIER, MD
BAN20000329 UNIVERSITY MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4851 FORT AVENUE, LYNCHBURG, VA
BAN20000330 UNIVERSITY MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2712 MONUMENT AVENUE, RICHMOND, VA
BAN20000331 UNIVERSITY MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 100 SOUTH ROYAL STREET, SUITE 5, ALEXANDRIA, VA
BAN20000332 ATLANTIC BAY MORTGAGE GROUP, L.L.C.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 12600 BOOKER T. WASHINGTON HIGHWAY, MONETA, VA
BAN20000333 TRANSATLANTIC MORTGAGE, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20000334 LEN ACQUISITION CORPORATION
TO ACQUIRE 25 PERCENT OR MORE OF U. S. HOME MORTGAGE CORPORATION
BAN20000348 EAST WEST MORTGAGE COMPANY, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 13538 UNION VILLAGE CIRCLE, CLIFTON, VA
BAN20000349 BLUE RIDGE MORTGAGE, L.L.C.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 5520 WEATHERBY WAY, SUFFOLK, VA
BAN20000350 PRISM MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 10025 GOVERNOR WARFIELD PARKWAY, COLUMBIA, MD
BAN20000351 PRISM MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2133 DEFENSE HIGHWAY, CROFTON, MD
BAN20000352 PRISM MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 10523-B BRADDOCK ROAD, FAIRFAX, VA
BAN20000353 MARTINSVILLE DU PONT EMPLOYEES CREDIT UNION, INCORPORATED
TO OPEN A CREDIT UNION SERVICE OFFICE AT 7176 GREENSBORO ROAD, RIDGEWAY, VA
BAN20000354 GUARANTY BANK
TO OPEN A BRANCH AT 2958 RIVER ROAD WEST, GOOCHLAND COUNTY, VA
BAN20000355 LENDING GROUP OF VIRGINIA, INC. THE (USED IN VA BY: THE LENDING GROUP, INC.)
FOR A MORTGAGE LENDER'S LICENSE
BAN20000356 INTERSTAR MORTGAGE CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20000357 SUN MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN20000358 ABC HOME MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000359 JONES, VINCENT O'NIEL
FOR A MORTGAGE BROKER'S LICENSE
BAN20000360 AMERICORP CREDIT CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20000361 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7519 CAMP ALGER AVENUE, FALLS CHURCH, VA TO 18816 CROSS COUNTRY LANE, GAITHERSBURG, MD
BAN20000362 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 828 S. SHUMAKER DRIVE, SUITE 202, SALISBURY, MD TO 605-9TH STREET, SUITE 705, HUNTINGTON, WV
BAN20000363 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 896 MARLBORO ROAD, LOTHIAN, MD TO 6374 OLIVE COURT, WOODBRIDGE, VA
BAN20000364 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 300 N. MAIN STREET, BERLIN, MD TO 8704 PENNSBURY PLACE, SUITE 1, RICHMOND, VA
BAN20000365 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 6347 CAROLYN DRIVE, FALLS CHURCH, VA TO 1004 WINCHESTER WAY, CHESAPEAKE, VA
BAN20000366 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1550[illegible] VINE COTTAGE DRIVE, CENTREVILLE, VA TO 30524 ZION ROAD, SALISBURY, MD
BAN20000367 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4810 BEAUREGARD STREET, SUITE 303, ALEXANDRIA, VA TO 101 S. WHITING STREET, SUITE 108, ALEXANDRIA, VA
BAN20000368 EAST WEST MORTGAGE COMPANY, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3408 OREGON OAK DRIVE, RICHMOND, VA
BAN20000369 DECISION ONE MORTGAGE COMPANY, LLC
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 300 METRO CENTER BOULEVARD, WARWICK, RI TO THE SUMMIT AT WARWICK EXECUTIVE PARK, 300 CENTERVILLE ROAD, WARWICK, RI
BAN20000370 SUNSET MORTGAGE COMPANY L.P.
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN20000371 TRUSTMOR MORTGAGE COMPANY D/B/A DOIQUALIFY.COM
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN20000372 MOLTON, ALLEN & WILLIAMS MORTGAGE COMPANY, L.L.C.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 7361 MCWHORTER PLACE, SUITE 320, ANNANDALE, VA
BAN20000373 STAR CITY MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2836 BELDON DRIVE, SALEM, VA TO 4761 GREEN ACRES DRIVE, SALEM, VA
BAN20000374 HOMEGOLD, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 113 REED AVENUE, LEXINGTON, SC
BAN20000375 AMERICAN PIONEER FINANCIAL SERVICES, INC. D/B/A LOWRATESUSA.COM
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20000376 HAMILTON FUNDING CORP.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000377 HUGHES, PATRICIA F.
TO ACQUIRE 25 PERCENT OR MORE OF MILLENNIUM MORTGAGE CORPORATION
BAN20000378 BANK OF CLARKE COUNTY
TO OPEN A BRANCH AT 190 CAMPUS BOULEVARD, SUITE [illegible]20, WINCHESTER, VA
BAN20000379 SOUND MORTGAGE CORP.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1124 CHIPPING COURT, VIRGINIA BEACH, VA TO 700 BAKER ROAD, SUITE 102, VIRGINIA BEACH, VA
BAN20000380 CAPITOL FINANCIAL SERVICES, INC. D/B/A CAPITOL HOME MORTGAGE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1911 HUGUENOT ROAD, SUITE 300, RICHMOND, VA
BAN20000381 CHANDLER, JEFFREY DALE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 532A HAMPTON HIGHWAY, YORKTOWN, VA TO 111 CYBERNETICS WAY, SUITE 210, YORKTOWN, VA
BAN20000382 RESIDENTIAL MONEY CENTERS, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3351 MICHELSON DRIVE, SUITE 100, IRVINE, CA
BAN20000383 PROVIDENT BANK OF MARYLAND
TO OPEN A BRANCH AT 14000 SHOPPERS BEST WAY, DALE CITY, VA
BAN20000384 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 23100 PROVIDENCE DRIVE, SUITE 153, SOUTHFIELD, MI
BAN20000385 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1100 REISTERSTOWN ROAD, SUITE 100, BALTIMORE, MD
BAN20000386 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 212 SOUTH BEND STREET, SUITE 200, BEL AIR, MD

BAN20000387 MORTGAGE PORTFOLIO SERVICES, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 5520 LBJ FREEWAY, SUITE 200, DALLAS, TX TO 4144 NORTH CENTRAL EXPRESSWAY, SUITE 800, DALLAS, TX
BAN20000388 CITIFINANCIAL SERVICES, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE SALES FINANCE BUSINESS WILL ALSO BE CONDUCTED
BAN20000389 CITIFINANCIAL SERVICES, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE LENDING WILL ALSO BE CONDUCTED
BAN20000390 CITIFINANCIAL SERVICES, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE OPEN-END LENDING WILL ALSO BE CONDUCTED
BAN20000391 CITIFINANCIAL SERVICES, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE NON-FILING INSURANCE BUSINESS WILL ALSO BE CONDUCTED
BAN20000392 CITIFINANCIAL SERVICES, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE PROPERTY INSURANCE BUSINESS WILL ALSO BE CONDUCTED
BAN20000393 CITIFINANCIAL SERVICES, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE TITLE INSURANCE BUSINESS WILL ALSO BE CONDUCTED
BAN20000394 HOMEFIRST MORTGAGE CORP.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 421 KING STREET, SUITE 224, ALEXANDRIA, VA TO 207 SOUTH ALFRED STREET, ALEXANDRIA, VA
BAN20000395 MLI CAPITAL GROUP, INC. D/B/A MOUNTAIN INVESTMENT MORTGAGE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 13801 VILLAGE MILL DRIVE, SUITE 101, MIDLOTHIAN, VA
BAN20000396 BUFFINGTON, II, RICHARD B. D/B/A DIVERSIFIED MORTGAGE CAPITAL
FOR A MORTGAGE BROKER'S LICENSE
BAN20000397 PACIFIC GUARANTEE MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 156 DIABLO ROAD, SUITE 310, DANVILLE, CA TO 1000 BROADWAY, SUITE 430, OAKLAND, CA
BAN20000398 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 203 ELDEN STREET, SUITE 302, HERNDON, VA TO 3933 UNIVERSITY DRIVE, FAIRFAX, VA
BAN20000399 LBC MABUHAY USA CORPORATION
FOR A MONEY ORDER LICENSE
BAN20000400 NEXSTAR FINANCIAL CORPORATION
FOR A MORTGAGE LENDER'S LICENSE
BAN20000401 MERCANTILE BANKSHARES CORPORATION
TO ACQUIRE THE UNION NATIONAL BANK OF WESTMINSTER
BAN20000402 SUPERIOR HOME MORTGAGE CORPORATION (USED IN VA BY: SUPERIOR MORTGAGE CORPORATION)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1226 PROGRESSIVE DRIVE, SUITE 130, CHESAPEAKE, VA
BAN20000403 PACIFIC GUARANTEE MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3201 DANVILLE BOULEVARD, SUITE 260, ALAMO, CA
BAN20000404 M. G. LANGSTON, INC. D/B/A COUNTRY HOMES
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 56 MILL ROAD, KING WILLIAM, VA TO 6382 RICHMOND TAPPAHANNOCK HIGHWAY, KING WILLIAM, VA
BAN20000405 ADVANTAGE INVESTORS MORTGAGE CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20000406 TOTAL MORTGAGE SERVICES, LLC D/B/A THE TOTAL GROUP, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20000407 MARILYN SWERDLOW T/A MONEYLINE MORTGAGE COMPANY
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 3030 MEETING STREET, FALLS CHURCH, VA TO 11837 E. BECKER LANE, SCOTTSDALE, AZ
BAN20000408 AEGIS MORTGAGE CORPORATION D/B/A UC LENDING
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 56 WEST MAIN STREET, SUITE 204, CHRISTIANA, DE TO CHRISTIANA EXECUTIVE CAMPUS, 200 CONTINENTAL DRIVE, SUITE 109, NEWARK, DE
BAN20000409 SUNSET MORTGAGE COMPANY L.P.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 117 W. MAIN STREET, FLOYD, VA
BAN20000410 HOUSEHOLD REALTY CORPORATION D/B/A HOUSEHOLD REALTY CORPORATION OF VIRGINIA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 5501 GREENWICH ROAD, SUITE 155, VIRGINIA BEACH, VA
BAN20000411 FRAIPONT, JANET E. D/B/A COOPERATIVE MORTGAGE
FOR A MORTGAGE BROKER'S LICENSE
BAN20000412 NORWEST FINANCIAL VIRGINIA, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE BROKERING WILL ALSO BE CONDUCTED
BAN20000413 NOVASTAR MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 17802 IRVINE BOULEVARD, SUITE 219, TUSTIN, CA
BAN20000414 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3116 EAST MORGAN AVENUE, SUITE E, EVANSVILLE, IN
BAN20000415 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 6501 MECHANICSVILLE TURNPIKE, SUITE 200, MECHANICSVILLE, VA
BAN20000416 BOE FINANCIAL SERVICES OF VIRGINIA, INC.
TO ACQUIRE BANK OF ESSEX TAPPAHANNOCK, VA
BAN20000417 MORTGAGE PROS, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN20000418 CROSSTATE MORTGAGE & INVESTMENTS INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1904 BYRD AVENUE, SUITE 218, RICHMOND, VA TO 6501 MECHANICSVILLE TURNPIKE, SUITE 200, MECHANICSVILLE, VA
BAN20000419 PROVIDENT BANK OF MARYLAND
TO OPEN A BRANCH AT 47100 COMMUNITY PLAZA, STERLING, VA
BAN20000420 PROVIDENT BANK OF MARYLAND
TO OPEN A BRANCH AT 6200 A LITTLE RIVER TURNPIKE, ALEXANDRIA, VA
BAN20000421 PROVIDENT BANK OF MARYLAND
TO OPEN A BRANCH AT 1320 CARL D SILVER PARKWAY, FREDERICKSBURG, VA
BAN20000422 FINANCE AMERICA, LLC
TO OPEN A MORTGAGE LENDER'S OFFICE AT 777 PENN CENTER BOULEVARD, SUITE 111, PITTSBURGH, PA
BAN20000423 FIRST VIRGINIA BANK-MOUNTAIN EMPIRE
TO MERGE INTO IT FIRST VANTAGE BANK/TRI-CITIES
BAN20000423 FIRST VIRGINIA BANK-MOUNTAIN EMPIRE
TO MERGE INTO IT TRI-CITY BANK AND TRUST COMPANY
BAN20000424 AMERISOURCE MORTGAGE, L.L.C.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 10710 MIDLOTHIAN TURNPIKE, SUITE 306, RICHMOND, VA TO 3800 W. HUNDRED ROAD, CHESTER, VA
BAN20000425 EXPRESS MORTGAGE CORP. OF VIRGINIA (USED IN VA BY: AMERICAN MORTGAGE EXPRESS CORP.)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 10800 MAIN STREET, SUITE 150, FAIRFAX, VA
BAN20000426 MORTGAGE ENTERPRISES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000427 STANLEY, ANGELA
TO ACQUIRE 25 PERCENT OR MORE OF COMMUNITY MORTGAGE, LLC
BAN20000428 PRICE, JR., RONALD L. D/B/A THE MORTGAGE CENTER
FOR A MORTGAGE BROKER'S LICENSE
BAN20000429 BARRONS MORTGAGE GROUP, LTD.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000430 CITY FINANCE COMPANY D/B/A WASHINGTON MUTUAL FINANCE
TO RELOCATE CONSUMER FINANCE OFFICE FROM 2867 VIRGINIA AVENUE, COLLINSVILLE, VA TO 3408 VIRGINIA AVENUE, COLLINSVILLE PLAZA, COLLINSVILLE, VA
BAN20000431 PUBLIC LOAN CORPORATION D/B/A WASHINGTON MUTUAL FINANCE OF VIRGINIA
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 2867 VIRGINIA AVENUE, COLLINSVILLE, VA TO 3408 VIRGINIA AVENUE, COLLINSVILLE, VA
BAN20000432 COLUMBIA NATIONAL, INCORPORATED
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 291 VIRGINIA STREET, URBANNA, VA
BAN20000433 MORTGAGE AND EQUITY FUNDING CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 3554 CHAIN BRIDGE ROAD, SUITE 203, FAIRFAX, VA TO 10341 A DEMOCRACY LANE, FAIRFAX, VA
BAN20000434 EXPRESS CAPITAL LENDING, INC. (USED IN VA BY: EXPRESS CAPITAL LENDING)
FOR A MORTGAGE LENDER'S LICENSE
BAN20000435 ACCENT MORTGAGE SERVICES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2309 ROSEBAY COURT, VIRGINIA BEACH, VA
BAN20000436 AMERICAN MORTGAGE AND FINANCIAL CONSULTANTS, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000437 COMMUNITY HOME MORTGAGE OF VIRGINIA, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000438 FREEDOM HOME FINANCIAL CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20000439 U. S. HOME MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 6920 NETHERSTONE COURT, GAINSVILLE, VA
BAN20000440 SOUTHERN TRUST MORTGAGE, LLC
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM WITCHDUCK SELF-STORAGE, UNIT F-30, VIRGINIA BEACH, VA TO U-HAUL SELF STORAGE CENTER ARAGONA, UNIT 3008, 4950 VIRGINIA BEACH BLVD., VIRGINIA BEACH, VA
BAN20000441 LECKY, JOHN H. T/A H & W MORTGAGE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 5025-C BACKLICK ROAD, ANNANDALE, VA TO 306 ADAMS AVENUE, SUITE 103, ALEXANDRIA, VA
BAN20000442 REYNCO ASSOCIATES, INC.
FOR A MONEY ORDER LICENSE
BAN20000443 SENTRUST MORTGAGE, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20000444 METROPOLITAN FINANCIAL MANAGEMENT CORP. D/B/A AURITON SOLUTIONS
TO OPEN A DEBT COUNSELING OFFICE
BAN20000445 PILOT MORTGAGE, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20000446 NATIONSFIRST MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 8605 CAMERON STREET, SUITE 326, SILVER SPRING, MD
BAN20000447 BANKERS MORTGAGE TRUST, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE

BAN20000448 NOVAM, INC. D/B/A NVA MORTGAGE
FOR A MORTGAGE BROKER'S LICENSE

BAN20000449 CONSECO FINANCE SERVICING CORP.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 1409 CENTER POINT BOULEVARD, KNOXVILLE, TN TO 135 FOX ROAD, SUITE F, KNOXVILLE, TN

BAN20000450 MASON DIXON FUNDING, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 8290-D OLD COURTHOUSE ROAD, VIENNA, VA TO SHERWOOD PLAZA, 9990 LEE HIGHWAY, SUITE 340, FAIRFAX, VA

BAN20000451 NEW CENTURY CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 301 S. PERIMETER PARK DR., SUITE 100, NASHVILLE, TN TO 3354 PERIMETER HILL DRIVE, SUITE 106, NASHVILLE, TN

BAN20000452 BANK OF SOUTHSIDE VIRGINIA, THE
TO OPEN A BRANCH AT 4310 W. HUNDRED ROAD, CHESTER, VA

BAN20000453 STOWE, JOEL D/B/A JSA MORTGAGE CENTRE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 23 WEST JUBAL EARLY DRIVE, WINCHESTER, VA TO 621 E. JUBAL EARLY DRIVE, WINCHESTER, VA

BAN20000454 BENEFICIAL VIRGINIA INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 1 LEATHERWOOD CROSSING SHOPPING CENTER, HENRY COUNTY, VA TO 247 W. COMMONWEALTH BOULEVARD, HENRY COUNTY, VA

BAN20000455 BENEFICIAL DISCOUNT CO. OF VIRGINIA
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 1 LEATHERWOOD CROSSING SHOPPING CENTER., MARTINSVILLE, VA TO 247 W. COMMONWEALTH BOULEVARD, MARTINSVILLE, VA

BAN20000456 BENEFICIAL MORTGAGE CO. OF VIRGINIA
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1 LEATHERWOOD CROSSING SHOPPING CENTER., MARTINSVILLE, VA TO 247 W. COMMONWEALTH BOULEVARD, MARTINSVILLE, VA

BAN20000457 GATEWAY BANK & TRUST
TO OPEN A BRANCH AT 4460 CORPORATION LANE, VIRGINIA BEACH, VA

BAN20000458 AMERICAN EQUITY MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN20000459 1ST SOUTHERN FINANCIAL GROUP INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 201 PORT REPUBLIC ROAD, HARRISONBURG, VA

BAN20000460 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3822 AMBERWAY CIRCLE, ROANOKE, VA

BAN20000461 WMS, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4325 NORTHVIEW DRIVE, BOWIE, MD TO 4361 NORTHVIEW DRIVE, BOWIE, MD

BAN20000462 DIVINITY MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 9044 SUDLEY ROAD, MANASSAS, VA

BAN20000463 MORTGAGE ACCESS CORP. D/B/A WEICHERT FINANCIAL SERVICES
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 2 PIDGEON HILL DRIVE, SUITE 100, STERLING, VA TO 21351 RIDGETOP CIRCLE, DULLES, VA

BAN20000464 H&R BLOCK MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3 ADA, IRVINE, CA

BAN20000465 LENDINGTREE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 6701 CARMEL ROAD, SUITE 205, CHARLOTTE, NC TO 11115 RUSHMORE DRIVE, CHARLOTTE, NC

BAN20000466 INTERNATIONAL FUND EXCHANGE, INC. D/B/A FUNDEX
FOR A MONEY ORDER LICENSE

BAN20000467 COASTAL MORTGAGE SERVICES, INC. D/B/A COASTAL FUNDING GROUP
FOR A MORTGAGE LENDER AND BROKER LICENSE

BAN20000468 ACCENT MORTGAGE SERVICES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 710 NUTLEY STREET, VIENNA, VA

BAN20000469 ISLAND MORTGAGE NETWORK INC. D/B/A APPONLINE.COM
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 520 BROADHOLLOW ROAD, MELVILLE, NY TO 201 OLD COUNTRY ROAD, MELVILLE, NY

BAN20000470 CAMRAN CORP. D/B/A CAMRAN.COM
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 8201 GREENSBORO DR., SUITE 1000, MCLEAN, VA TO 7138 SHREVE ROAD, FALLS CHURCH, VA

BAN20000471 FRMC FINANCIAL, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN20000472 STARNET MORTGAGE, INC.
FOR A MORTGAGE LENDER'S LICENSE

BAN20000473 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1 EAST DIAMOND AVENUE, SUITE C, GAITHERSBURG, MD

BAN20000474 NASSAU MORTGAGE LLC
FOR A MORTGAGE BROKER'S LICENSE

BAN20000475 CARDINAL FINANCIAL COMPANY, LIMITED PARTNERSHIP
FOR A MORTGAGE LENDER'S LICENSE

BAN20000476 BENCHMARK COMMUNITY BANK
TO RELOCATE OFFICE FROM 313 N. MAIN STREET, LAWRENCEVILLE, VA TO 220 W. FIFTH AVENUE, LAWRENCEVILLE, VA

BAN20000477 CTX MORTGAGE COMPANY
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 5030 NEW CENTRE DRIVE, SUITE A-2, WILMINGTON, NC TO 5917 OLEANDER DRIVE, SUITE 201, WILMINGTON, NC
BAN20000478 CHANDLER, JEFFREY DALE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 111 CYBERNETICS WAY, SUITE 210, YORKTOWN, VA TO 720 THIMBLE SHOALS BLVD., SUITE 111, NEWPORT NEWS, VA
BAN20000479 FIRST JEFFERSON MORTGAGE CORPORATION D/B/A FIRST JEFFERSON FUNDING (HAMPTON EXECUTIVE DRIVE ONLY)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 13161 BOOKER T. WASHINGTON HIGHWAY, HARDY, VA
BAN20000480 INNOVATIVE MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2525 RAEFORD ROAD, FAYETTEVILLE, NC TO 2823 ARLINGTON AVENUE, FAYETTEVILLE, NC
BAN20000481 SALEM FINANCIAL, LC
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2401 C SOUTH MAIN STREET, BLACKSBURG, VA
BAN20000482 DECISION ONE MORTGAGE COMPANY, LLC
TO OPEN A MORTGAGE LENDER'S OFFICE AT 9245 NORTH MERIDIAN ST., SUITE 210, INDIANAPOLIS, IN
BAN20000483 U. S. HOME MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 311 PARK PLACE BOULEVARD, SUITE 601, CLEARWATER, FL
BAN20000484 MORTGAGEDIRECT CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 8496-B, TYCO ROAD, SUITE 201, VIENNA, VA TO 1121 EDWARD DRIVE, GREAT FALLS, VA
BAN20000485 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 22 E. CHICAGO AVENUE, SUITE 108, NAPERVILLE, IL TO 112 S. NAPER BOULEVARD, SUITE 111, NAPERVILLE, IL
BAN20000486 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 750 OLD HICKORY BOULEVARD, SUITE 100, BRENTWOOD, TN TO 750 OLD HICKORY BOULEVARD, SUITE 180, BRENTWOOD, TN
BAN20000487 ASSOCIATES FINANCIAL SERVICES OF AMERICA, INC.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 6995 SOUTH UNION PARK CENTER, MIDVALE, UT TO 111 E. 300 SOUTH, SUITE 400, SALT LAKE CITY, UT
BAN20000488 VISION MORTGAGE, L.L.C.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000489 BANK OF TAZEWELL COUNTY
TO OPEN A BRANCH AT 1905 FRONT STREET, RICHLANDS, VA
BAN20000490 PUBLIC LOAN CORPORATION D/B/A WASHINGTON MUTUAL FINANCE OF VIRGINIA
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 218 FIRST STREET, RADFORD, VA TO 7460 LEE HIGHWAY, RADFORD, VA
BAN20000491 CITY FINANCE COMPANY D/B/A WASHINGTON MUTUAL FINANCE
TO RELOCATE CONSUMER FINANCE OFFICE FROM 218 FIRST STREET, RADFORD, VA TO 7460 LEE HIGHWAY, PULASKI COUNTY, VA
BAN20000492 FIRSTPORT MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 3940 AIRLINE BOULEVARD, SUITE 109, CHESAPEAKE, VA TO 4756 RIVER SHORE ROAD, PORTSMOUTH, VA
BAN20000493 MORTGAGESAVE.COM CORPORATION
FOR A MORTGAGE LENDER'S LICENSE
BAN20000494 INSTAMORTGAGE.COM CORPORATION
FOR A MORTGAGE LENDER'S LICENSE
BAN20000495 COLDWELL BANKER MORTGAGE CORPORATION
FOR A MORTGAGE LENDER'S LICENSE
BAN20000496 CENTURY HOME MORTGAGE, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20000497 FIRSTCO INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20000498 CENTEX CREDIT CORPORATION D/B/A CENTEX HOME EQUITY CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 11216 WAPLES MILL ROAD, SUITE 102, FAIRFAX, VA
BAN20000499 F & M BANK - MASSANUTTEN
TO OPEN A BRANCH AT 205 NORTH CENTRAL AVENUE, STAUNTON, VA
BAN20000500 DOYLE, PETER K.
TO ACQUIRE 25 PERCENT OR MORE OF BLUE RIDGE MORTGAGE, L.L.C.
BAN20000501 ECOWAS FOREX BUREAU, LLC
FOR A MONEY ORDER LICENSE
BAN20000502 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 6900 WISCONSIN AVENUE, SUITE 502, BETHESDA, MD TO 11408 GREAT MEADOW DRIVE, RESTON, VA
BAN20000503 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 3812 CLAREMONT LANE, DALE CITY, VA TO 11 MOUNT OLIVE HEIGHT, HURRICANE, WV
BAN20000504 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2017 ROYAL FERN COURT, SUITE 12B, RESTON, VA TO 6002 BILLS ROAD, MINERAL, VA

BAN20000505 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1900 COLUMBIA PIKE, SUITE 217, ARLINGTON, VA TO 6376 LITTLE RIVER TURNPIKE, 1ST FLOOR, ALEXANDRIA, VA
BAN20000506 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 8729 FORT HUNT ROAD, ALEXANDRIA, VA TO 7001 TRYSAIL CIRCLE, TAMPA, FL
BAN20000507 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 5723 DEER POND ROAD, CENTREVILLE, VA TO 1322 PERSHING COURT, VIRGINIA BEACH, VA
BAN20000508 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 3863-A PLAZA DRIVE, FAIRFAX, VA TO 4065 LONG POINTE BOULEVARD, PORTSMOUTH, VA
BAN20000509 FRANK'S TRUCKING CENTER, INC.
TO OPEN A CHECK CASHER AT 4717 WEST MILITARY HIGHWAY, CHESAPEAKE, VA
BAN20000510 INNOVATION FUNDING, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 8100 PROFESSIONAL PLACE, SUITE 208, LANDOVER, MD TO 12122 B HERITAGE PARK CIRCLE, SILVER SPRING, MD
BAN20000511 AVATAR FINANCIAL CORP.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20000512 IHOMEOWNERS, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000513 GRAYSON FINANCIAL, LTD
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20000514 F&M BANK-HIGHLANDS
TO OPEN A BRANCH AT 1111 EAST WASHINGTON AVENUE, VINTON, VA
BAN20000515 CHOICE MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 12658 LAKE RIDGE DRIVE, SUITE B, LAKE RIDGE, VA TO 12662 DARBY BROOKE COURT, WOODBRIDGE, VA
BAN20000516 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO OPEN A BRANCH AT 1113 SOUTH CRAIG AVENUE, COVINGTON, VA
BAN20000517 SOUTHERN TRUST MORTGAGE, LLC
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT U-HAUL SELF STORAGE CENTER ARAGONA, 4950 VIRGINIA BEACH BLVD., UNIT 3401, VIRGINIA BEACH, VA
BAN20000518 F & M BANK - WINCHESTER
TO OPEN A BRANCH AT 1 EAST MAIN STREET, LURAY, VA
BAN20000519 F & M BANK - WINCHESTER
TO OPEN A BRANCH AT 700 EAST MAIN STREET, LURAY, VA
BAN20000520 FORTRESS MORTGAGE, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1650 TYSONS BOULEVARD, SUITE 140, MCLEAN, VA TO 2191 FOX MILL ROAD, SUITE 120, HERNDON, VA
BAN20000521 NOVASTAR MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 111 PACIFICA, 2ND FLOOR, IRVINE, CA
BAN20000522 NOVASTAR MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 3516 9TH STREET, SUITE C, RIVERSIDE, CA
BAN20000523 NOVASTAR MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 3344 E. CAMELBACK ROAD, SUITE 105, PHOENIX, AZ
BAN20000524 MARTINSVILLE DU PONT EMPLOYEES CREDIT UNION, INCORPORATED
TO OPEN A CREDIT UNION SERVICE OFFICE AT 58 E. CHURCH STREET, MARTINSVILLE, VA
BAN20000525 U.S.A. MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 12777 OLIVE BOULEVARD, SUITE C, ST. LOUIS, MO TO 1716 HIDDEN CREEK COURT, ST. LOUIS, MO
BAN20000526 FIDELITY FUNDING MORTGAGE CORP.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 3400 WATERVIEW PARKWAY, SUITE 300, RICHARDSON, TX TO 1219 ABRAMS ROAD, SUITE 320, RICHARDSON, TX
BAN20000527 MAIN STREET MORTGAGE AND INVESTMENT CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 9030 THREE CHOPT ROAD, SUITE D, RICHMOND, VA TO 9030 THREE CHOPT ROAD, SUITE B, RICHMOND, VA
BAN20000528 FIRST SAVINGS FINANCIAL, L.L.C.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000529 CROSSROADS MORTGAGE, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20000530 BANK OF THE COMMONWEALTH
TO OPEN A BRANCH AT WEBB UNIVERSITY CENTER, 5201 HAMPTON BOULEVARD, NORFOLK, VA
BAN20000531 POTOMAC BANK OF VIRGINIA
TO OPEN A BRANCH AT 8501 ARLINGTON BOULEVARD, FAIRFAX COUNTY, VA
BAN20000532 AMERICAN MORTGAGE BANKERS, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 11406-A TRILLUM STREET, BOWIE, MD
BAN20000533 TOWNE BANK
TO OPEN A BRANCH AT 6201 PORTSMOUTH BOULEVARD, PORTSMOUTH, VA
BAN20000534 F & M BANK-CENTRAL VIRGINIA
TO OPEN A BRANCH AT 2 NORTH MAIN STREET, CHATHAM, VA

BAN20000535 F & M BANK-CENTRAL VIRGINIA
TO OPEN A BRANCH AT 148 TIGHTSQUEEZE PLAZA, CHATHAM, VA
BAN20000536 F & M BANK-CENTRAL VIRGINIA
TO OPEN A BRANCH AT 202 SOUTH MAIN STREET, GORDONSVILLE, VA
BAN20000537 F & M BANK-CENTRAL VIRGINIA
TO OPEN A BRANCH AT 223 MINERAL AVENUE, MINERAL, VA
BAN20000538 F & M BANK-CENTRAL VIRGINIA
TO OPEN A BRANCH AT 8260 SEMINOLE TRAIL, RUCKERSVILLE, VA
BAN20000539 F & M BANK-CENTRAL VIRGINIA
TO OPEN A BRANCH AT U.S. ROUTE 15 AND ROUTE 601, PALMYRA, VA
BAN20000540 F & M BANK-CENTRAL VIRGINIA
TO OPEN A BRANCH AT STATE ROAD 15, FORK UNION, VA
BAN20000541 PULTE MORTGAGE CORPORATION T/A THE MASTERS NETWORK
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4318 OLD HUNDRED ROAD, CHESTER, VA
BAN20000542 PULTE MORTGAGE CORPORATION T/A THE MASTERS NETWORK
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2121 EISENHOWER AVENUE, SUITE 200, ALEXANDRIA, VA
BAN20000543 FIRST VIRGINIA BANK-COLONIAL
TO OPEN A BRANCH AT 1900 LAUDERDALE DRIVE, HENRICO COUNTY, VA
BAN20000544 F & M BANK-EMPORIA
TO OPEN A BRANCH AT 200 SOUTH MAIN STREET, BLACKSTONE, VA
BAN20000545 F & M BANK-EMPORIA
TO OPEN A BRANCH AT 300 EAST 2ND AVENUE, FRANKLIN, VA
BAN20000546 F & M BANK-EMPORIA
TO OPEN A BRANCH AT 204 SOUTH BROAD STREET, KENBRIDGE, VA
BAN20000547 F & M BANK-EMPORIA
TO OPEN A BRANCH AT 4677 MAIN STREET, DRAKES BRANCH, VA
BAN20000548 MOVE.COM MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000549 JAMES RIVER BANK/COLONIAL
TO MERGE INTO IT BANK OF SUFFOLK
BAN20000550 SENIORS FIRST MORTGAGE COMPANY, L.L.C.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1501 SANTA ROSA ROAD, SUITE B-4, RICHMOND, VA TO 1503 SANTA ROSA ROAD, SUITE 244, RICHMOND, VA
BAN20000551 MORTGAGE VIRGINIA LLC
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 618 SOUTH SYCAMORE STREET, PETERSBURG, VA TO 3601 BOULEVARD, SUITE C, COLONIAL HEIGHTS, VA
BAN20000552 MILLICAN MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 205 BURTCHER COURT, WILLIAMSBURG, VA
BAN20000553 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 29911 AVENTURA, SUITE E, RANCHO SANTA MARGARITA, CA
BAN20000554 RIVER CITY MORTGAGE, L.L.C.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000555 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO OPEN A BRANCH AT 3310 SOUTH CRATER ROAD, PETERSBURG, VA
BAN20000556 FIRST-CITIZENS BANK & TRUST COMPANY
TO OPEN A BRANCH AT 8433 TIMBERLAKE ROAD, LYNCHBURG, VA
BAN20000557 PLAN B MORTGAGE SERVICES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000558 FINANCIAL PLANNERS MORTGAGE, L.L.P.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000559 STAR EQUITY FUNDING, L.L.C.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000560 JAMES RIVER BANK
TO OPEN A BRANCH AT 524 NORTH MAIN STREET, EMPORIA, VA
BAN20000561 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 105 NORTH MAIN STREET, SUITE 6, FARMVILLE, VA
BAN20000562 CEDAR CREEK MORTGAGE, L.L.C.
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN20000563 GMFS, LLC D/B/A NEIGHBORHOOD LENDERS
FOR A MORTGAGE LENDER'S LICENSE
BAN20000564 BURCHAM, JAMES KEVIN
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 107 SOUTH MAIN STREET, GALAX, VA TO 1102-A E STUART DRIVE, GALAX, VA
BAN20000565 PROVIDENT FUNDING GROUP, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 50 NYE ROAD (LOWER LEVEL), GLASTONBURY, CT
BAN20000566 NEW HORIZON CREDIT UNION
TO RELOCATE CREDIT UNION OFFICE FROM 9401 PEABODY STREET, MANASSAS, VA TO 10830 BALLS FORD ROAD, MANASSAS, VA
BAN20000567 NVR MORTGAGE FINANCE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 100 RYAN COURT, PITTSBURGH, PA

BAN20000568 OPTION ONE MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 200 FOXBOROUGH BOULEVARD, SUITE 500, FOXBOROUGH, MA
BAN20000569 CARDINAL MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 47 GARRETT STREET, WARRENTON, VA TO 551 FROST AVENUE, WARRENTON, VA
BAN20000570 DYNEX FINANCIAL, INC.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 10900 NUCKOLS ROAD, THIRD FLOOR, GLEN ALLEN, VA TO 4121 COX ROAD, SUITE 120-A, GLEN ALLEN, VA
BAN20000571 ARISENMORTGAGE.COM CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20000572 ASSOCIATES FINANCIAL SERVICES COMPANY OF VIRGINIA, INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000573 ASSOCIATES FINANCIAL SERVICES OF AMERICA, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 316 CONSTITUTION DRIVE, VIRGINIA BEACH, VA
BAN20000574 NEW JERSEY MORTGAGE AND INVESTMENT CORP.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM UNIVERSITY OFFICE PLAZA, NEWARK, DE TO 262 CHAPMAN ROAD, SUITE 104, NEWARK, DE
BAN20000575 HOMEAMERICAN CREDIT, INC. D/B/A UPLAND MORTGAGE
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM BIRDNECK EXECUTIVE CENTER, VIRGINIA BEACH, VA TO GREENBRIER TOWER I, 860 GREENBRIER CIRCLE, CHESAPEAKE, VA
BAN20000576 HOMETIES, INC.
FOR A MONEY ORDER LICENSE
BAN20000577 MG INVESTMENTS, INC.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 4502 E. MORGAN AVENUE, EVANSVILLE, IN TO 1420 KIMBER LANE, EVANSVILLE, IN
BAN20000578 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 300 ARBORETUM PLACE, SUITE 430, RICHMOND, VA
BAN20000579 AMERICAN RESIDENTIAL FUNDING, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20000580 EDWARD JONES MORTGAGE, LLC
FOR A MORTGAGE LENDER'S LICENSE
BAN20000581 EQUITY ONE CONSUMER DISCOUNT COMPANY, INC. D/B/A EQUITY ONE CONSUMER LOAN
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000582 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
BAN20000583 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
BAN20000584 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
BAN20000585 EQUITY ONE OF VIRGINIA, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3531 COURTHOUSE ROAD, RICHMOND, VA
BAN20000586 DOMINION MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 397 LITTLE NECK ROAD, VIRGINIA BEACH, VA TO 4456 CORPORATION LANE, SUITE 234, VIRGINIA BEACH, VA
BAN20000587 FIRST VIRGINIA CAROLINA MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000588 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 287 INDEPENDENCE BOULEVARD, SUITE 242, VIRGINIA BEACH, VA
BAN20000589 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1529 STILL HARBOR LANE, VIRGINIA BEACH, VA
BAN20000590 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 621 HAMPTON HIGHWAY, YORKTOWN, VA
BAN20000591 PUBLIC LOAN CORPORATION D/B/A WASHINGTON MUTUAL FINANCE OF VIRGINIA
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 549 NEWTOWN ROAD, SUITE 107, VIRGINIA BEACH, VA TO 649 NEWTOWN ROAD, SUITE 107, VIRGINIA BEACH, VA
BAN20000592 CITY FINANCE COMPANY D/B/A WASHINGTON MUTUAL FINANCE
TO RELOCATE CONSUMER FINANCE OFFICE FROM 549 NEWTOWN ROAD, SUITE 107, VIRGINIA BEACH, VA TO 649 NEWTOWN ROAD, SUITE 107, VIRGINIA BEACH, VA
BAN20000593 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 14620 NORTH CAVE CREEK ROAD, SUITE 4, PHOENIX, AZ
BAN20000594 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 111 PACIFICA, SUITE 250, IRVINE, CA
BAN20000595 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 12650 INGENUITY DRIVE, ORLANDO, FL
BAN20000596 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3344 E. CAMELBACK ROAD, SUITE 105, PHOENIX, AZ
BAN20000597 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3516 9TH STREET, SUITE C, RIVERSIDE, CA

BAN20000598 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 5992 A STEUBENVILLE PIKE, MCKEES ROCKS, PA
BAN20000599 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 17802 IRVINE BOULEVARD, SUITE 219, TUSTIN, CA
BAN20000600 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 800 SUMMER STREET, SUITE 204, STAMFORD, CT
BAN20000601 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 11 MAREBLU, SUITE 110, ALISO VIEJO, CA
BAN20000602 PENNYWISE MORTGAGE, INC. D/B/A NATIONS RESIDENTIAL MORTGAGE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4010 BLACKBURN LANE, BURTONSVILLE, MD TO 10725 BIRMINGHAM WAY, WOODSTOCK, MD
BAN20000603 ATLANTA MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20000604 BANKERS FINANCIAL GROUP, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7225 HANOVER PARKWAY, SUITE D, GREENBELT, MD TO 6404 IVY LANE, SUITE 710, GREENBELT, MD
BAN20000605 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 115 SOUTH STRATFORD ROAD, WINSTON-SALEM, NC
BAN20000606 WAPNER, LYNETTA W.
TO ACQUIRE 25 PERCENT OR MORE OF MILLICAN MORTGAGE CORPORATION
BAN20000607 SECURITY FIRST FUNDING CORPORATION (USED IN VA BY: SECURITY FIRST FUNDING)
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4 FRANKLIN VILLAGE DRIVE, FRANKLIN, VA TO 223 NORTH MAIN STREET, FRANKLIN, VA
BAN20000608 MORTGAGE WAREHOUSE, LTD.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000609 CH MORTGAGE COMPANY I, LTD., L.P. (USED IN VA BY: CH MORTGAGE COMPANY I, LTD.)
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 739 THIMBLE SHOALS BLVD., SUITE 103, NEWPORT NEWS, VA TO 416 W. MAPLE AVENUE, SUITE 200, VIENNA, VA
BAN20000610 SALEM COMMUNITY BANKSHARES
TO ACQUIRE SALEM BANK & TRUST, N.A.
BAN20000611 ASSOCIATES HOME EQUITY SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1200 HENDERSONVILLE ROAD, ASHEVILLE, NC
BAN20000612 FIRST GUARANTY MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 10630 LITTLE PATUXENT PARKWAY, SUITE 206, COLUMBIA, MD
BAN20000613 F & M BANK-CENTRAL VIRGINIA
TO OPEN A BRANCH AT 8260 SEMINOLE TRAIL, RUCKERSVILLE, VA
BAN20000614 COLUMBIA NATIONAL, INCORPORATED
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 7201 GLEN FOREST DRIVE, SUITE 302, RICHMOND, VA TO 7201 GLEN FOREST DRIVE, SUITE 204, RICHMOND, VA
BAN20000615 COMMUNITY FIRST BANK
TO RELOCATE MAIN OFFICE FROM 306 GRISTMILL DRIVE, UNIT A, FOREST, VA TO 1646 GRAVES MILL ROAD, LYNCHBURG, VA
BAN20000616 MORTGAGE CHOICE, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 4705 UNIVERSITY DRIVE, SUITE 290, DURHAM, NC TO 2226-G HIGHWAY 54 EAST, CHAPEL HILL, NC
BAN20000617 INTERBAY FUNDING, LLC
TO OPEN A MORTGAGE LENDER'S OFFICE AT 200 FOXBOROUGH BOULEVARD, FOXBOROUGH, MA
BAN20000618 BENEFICIAL VIRGINIA INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM BY-PASS BUSINESS CENTER, BEDFORD, VA TO BY-PASS SHOPPING CENTER, 810 BLUE RIDGE AVENUE, BEDFORD, VA
BAN20000619 BENEFICIAL MORTGAGE CO. OF VIRGINIA
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM BY-PASS BUSINESS CENTER, BEDFORD, VA TO 810 BLUE RIDGE AVENUE, BY-PASS SHOPPING CENTER, BEDFORD, VA
BAN20000620 BENEFICIAL DISCOUNT CO. OF VIRGINIA
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM BY-PASS BUSINESS CENTER, BEDFORD, VA TO 810 BLUE RIDGE AVENUE, BY-PASS SHOPPING CENTER, BEDFORD, VA
BAN20000621 EDWARD D. JONES & CO., L.P. D/B/A EDWARDJONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 101 EVERGREEN AVENUE, APPOMATTOX, VA
BAN20000622 EDWARD D. JONES & CO., L.P. D/B/A EDWARDJONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 801 VOLVO PARKWAY, UNIT 128, CHESAPEAKE, VA
BAN20000623 EDWARD D. JONES & CO., L.P. D/B/A EDWARDJONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3841 E. LITTLE CREEK ROAD, SUITE K, NORFOLK, VA
BAN20000624 EDWARD D. JONES & CO., L.P. D/B/A EDWARDJONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 211 MARKET COURT, SUFFOLK, VA
BAN20000625 EDWARD D. JONES & CO., L.P. D/B/A EDWARDJONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 5242 OLDE TOWNE ROAD, SUITE 7, WILLIAMSBURG, VA
BAN20000626 EDWARD D. JONES & CO., L.P. D/B/A EDWARDJONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2135 SOUTH BOSTON ROAD, DANVILLE, VA
BAN20000627 EDWARD D. JONES & CO., L.P. D/B/A EDWARDJONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 7443 LEE DAVIS ROAD, SUITE BAY 117, MECHANICSVILLE, VA

BAN20000628 EDWARD D. JONES & CO., L.P. D/B/A EDWARDJONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 112 W. MAIN STREET, FLOYD, VA
BAN20000629 EDWARD D. JONES & CO., L.P. D/B/A EDWARDJONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1201 CENTRAL PARK BOULEVARD, SUITE 101, FREDERICKSBURG, VA
BAN20000630 EDWARD D. JONES & CO., L.P. D/B/A EDWARDJONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1037 NORWOOD STREET, RADFORD, VA
BAN20000631 SUPERIOR HOME MORTGAGE CORPORATION (USED IN VA BY: SUPERIOR MORTGAGE CORPORATION)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 15 EAST MAIN STREET, SUITE 230, WESTMINSTER, MD
BAN20000632 CONCORD CREDIT, LA FUNDACION HISPANA DE CREDITO
TO OPEN A DEBT COUNSELING OFFICE
BAN20000633 FAIRFAX MORTGAGE, INC. D/B/A MORTGAGE DESIGN
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 14233 CAROLINE STREET, WOODBRIDGE, VA TO 360 S. WASHINGTON STREET, SUITE 200A, FALLS CHURCH, VA
BAN20000634 DOOLEY, MARY P. T/A MPD MORTGAGE COMPANY
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7463 TOWCHESTER COURT, ALEXANDRIA, VA TO 2 MANCHESTER STREET SOUTH, ARLINGTON, VA
BAN20000635 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 739 THIMBLE SHOALS BOULEVARD, STE. 704, NEWPORT NEWS, VA
BAN20000636 TOWNE BANK
TO OPEN A BRANCH AT 4216 VIRGINIA BEACH BOULEVARD, SUITE 180, VIRGINIA BEACH, VA
BAN20000637 TOWNE BANK
TO OPEN A BRANCH AT 1312 GREENBRIER PARKWAY, CHESAPEAKE, VA
BAN20000638 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT ROUTE 1, BOX 206I, FAYETTEVILLE, WV
BAN20000639 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 177 HAWTHORN LANE, PRINCETON, WV
BAN20000640 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1617 N. AUGUSTA STREET, STAUNTON, VA TO 2282-A NORTH AUGUSTA STREET, STAUNTON, VA
BAN20000641 HOME LOAN CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 7960 DONEGON DRIVE, SUITE 240, MANASSAS, VA
BAN20000642 MORTGAGEIT, INC. D/B/A MORTGAGEIT.COM
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 120 W. 45TH STREET, 15TH FLOOR, NEW YORK, NY TO 33 MAIDEN LANE, NEW YORK, NY
BAN20000643 CENTURY NATIONAL BANK
TO OPEN A BRANCH AT 1498 NORTH POINT VILLAGE CENTER, RESTON, VA
BAN20000644 QUICKEN LOANS INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 7655 NORTH HAGGERTY ROAD, CANTON, MI
BAN20000645 CITIFINANCIAL, INC.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 519A JEFFERSON DAVIS HIGHWAY, FREDERICKSBURG, VA TO 20 PLANTATION DRIVE, FREDERICKSBURG, VA
BAN20000646 CITIFINANCIAL SERVICES, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 519A JEFFERSON DAVIS HIGHWAY, FREDERICKSBURG, VA TO 20 PLANTATION DRIVE, FREDERICKSBURG, VA
BAN20000647 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1118 MARLENE LANE, GREAT FALLS, VA
BAN20000648 CENTEX CREDIT CORPORATION D/B/A CENTEX HOME EQUITY CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 12934 HARBOR DRIVE, SUITE 111, LAKE RIDGE, VA
BAN20000649 CENTEX CREDIT CORPORATION D/B/A CENTEX HOME EQUITY CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 2730 W. TYVOLA ROAD, SUITE 120, CHARLOTTE, NC
BAN20000650 ACCENT MORTGAGE SERVICES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3235 WINMOOR DRIVE, GREEN VALLEY, MD
BAN20000651 PERFORMANCE MORTGAGE, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN20000652 AMERUS HOME EQUITY, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN20000653 FIRST NATIONAL HOME FINANCE CORPORATION
TO ACQUIRE 25 PERCENT OR MORE OF LENDEX, INC.
BAN20000654 LENDEX, INC.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 3030 W. LBJ FREEWAY, SUITE 300, DALLAS, TX TO 17311 NORTH DALLAS PARKWAY, SUITE 140, DALLAS, TX
BAN20000655 MORTGAGE SOLUTIONS CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 24 CANTERBURY SQUARE, SUITE 302, ALEXANDRIA, VA TO 333 N. FAIRFAX STREET, SUITE 400, ALEXANDRIA, VA
BAN20000656 H. & D. OIL COMPANY, INC. D/B/A DODGE'S STORE
TO OPEN A CHECK CASHER AT 8110 HAMPTON BOULEVARD, NORFOLK, VA
BAN20000657 GO OIL COMPANY D/B/A DODGE'S STORE
TO OPEN A CHECK CASHER AT 13170 JEFFERSON AVENUE, NEWPORT NEWS, VA

BAN20000658 MASON DIXON FUNDING, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 12165 DARNSTOWN ROAD, GAITHERSBURG, MD TO 700 KING FARM ROAD, SUITE 150, ROCKVILLE, MD

BAN20000659 AMERICAN MORTGAGE EXCHANGE, INC. D/B/A AMERICAN MORTGAGE EXCHANGE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1877 WILDWOOD DRIVE, VIRGINIA BEACH, VA

BAN20000660 PREFERRED LEADS, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN20000661 EDWARD D. JONES & CO., L.P. D/B/A EDWARDJONES
TO OPEN A MORTGAGE BROKER'S OFFICE AT 17612 MAIN STREET, DUMFRIES, VA

BAN20000662 PRIME FINANCIAL GROUP, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN20000663 FIRST COMMUNITY FINANCE, INC.
TO OPEN A CONSUMER FINANCE OFFICE

BAN20000664 FIRST COMMUNITY FINANCE, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE SALES FINANCE BUSINESS WILL ALSO BE CONDUCTED

BAN20000665 TREDEGAR TRUST COMPANY, THE
TO ESTABLISH A TRUST BRANCH AT 1769 JAMESTOWN ROAD, JAMES CITY COUNTY, VIRGINIA

BAN20000666 EHOMECREDIT CORP. D/B/A FHB FUNDING
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 250 OLD COUNTRY ROAD, MINEOLA, NY TO 211 STATION ROAD, MINEOLA, NY

BAN20000667 MORTGAGE EDGE CORPORATION D/B/A MEC ONLINE (LAKE RIDGE OFFICE ONLY)
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 532 BALTIMORE BOULEVARD, SUITE 411, WESTMINSTER, MD TO 15 EAST MAIN STREET, SUITE 230, WESTMINSTER, MD

BAN20000668 ASSOCIATES HOME EQUITY SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4619-B HIGH POINT ROAD, GREENSBORO, NC

BAN20000669 MERCANTILE MORTGAGE COMPANY OF VIRGINIA (USED IN VA BY: MERCANTILE MORTGAGE COMPANY)
FOR A MORTGAGE LENDER'S LICENSE

BAN20000670 U.S. MORTGAGE FINANCE CORP.
FOR A MORTGAGE LENDER'S LICENSE

BAN20000671 BUSINESS MORTGAGE, INC.
FOR ADDITIONAL MORTGAGE AUTHORITY

BAN20000672 NATIONWIDE HOME MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 15823-A CRABBS BRANCH WAY, ROCKVILLE, MD TO 7652 STANDISH PLACE, ROCKVILLE, MD

BAN20000673 AAMES FUNDING CORPORATION D/B/A AAMES HOME LOAN
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 7833 WALKER DRIVE, SUITE 330, GREENBELT, MD TO 7833 WALKER DRIVE, SUITE 425, GREENBELT, MD

BAN20000674 AAMES FUNDING CORPORATION D/B/A AAMES HOME LOAN
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 3731 WILSHIRE BLVD., SUITE 1000, LOS ANGELES, CA TO 3731 WILSHIRE BLVD., 3RD FLOOR (CALL ROOM), LOS ANGELES, CA

BAN20000675 GENISYS FINANCIAL CORP.
FOR A MORTGAGE LENDER AND BROKER LICENSE

BAN20000676 POHN, JORDAN
TO ACQUIRE 25 PERCENT OR MORE OF FIRST RESIDENTIAL MORTGAGE NETWORK, INC.

BAN20000677 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 5925 CARNEGIE BOULEVARD, SUITE 230, CHARLOTTE, NC

BAN20000678 OAKWOOD ACCEPTANCE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2225 S. HOLDEN ROAD, GREENSBORO, NC

BAN20000679 UNIVERSITY MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1600 HUGUENOT ROAD, SUITE 120, MIDLOTHIAN, VA

BAN20000680 BARRONS MORTGAGE GROUP, LTD.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4705 PARK ROAD, SUITE 207, CHARLOTTE, NC TO 314 RENSSELAER AVENUE, SUITE 300, CHARLOTTE, NC

BAN20000681 AMERICAN LENDING GROUP, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 880 CORPORATE DRIVE, SUITE 300, LEXINGTON, KY TO 880 CORPORATE DRIVE, SUITE 210, LEXINGTON, KY

BAN20000682 ALL CREDIT CONSIDERED MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN20000683 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 7501 LEESBURG PIKE, FALLS CHURCH, VA TO 7505 P LEESBURG PIKE, FALLS CHURCH, VA

BAN20000684 RESIDENTIAL MORTGAGE ASSOCIATES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 460 MCLAWS CIRCLE, SUITE 240, WILLIAMSBURG, VA TO 501 PRINCE GEORGE STREET, WILLIAMSBURG, VA

BAN20000685 AMERICAN INTERNATIONAL MORTGAGE BANKERS INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 5613 LEESBURG PIKE, SUITE 27, FALLS CHURCH, VA

BAN20000686 ALLIED MORTGAGE CAPITAL CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1529 STILL HARBOR LANE, VIRGINIA BEACH, VA TO 806 NEWTOWN ROAD, VIRGINIA BEACH, VA

BAN20000687 GENUS CREDIT MANAGEMENT CORPORATION D/B/A GENUS CREDIT MANAGEMENT
TO OPEN A DEBT COUNSELING OFFICE

BAN20000688 MALONE MORTGAGE COMPANY AMERICA, LTD. LP (USED IN VA BY: MALONE MORTGAGE COMPANY AMERICA, LTD.)
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 2386 FARADAY AVENUE, SUITE 240, CARLSBAD, CA TO 1925 PALOMAR OAKS WAY, SUITE 105, CARLSBAD, CA

BAN20000689 MALONE MORTGAGE COMPANY AMERICA, LTD. LP (USED IN VA BY: MALONE MORTGAGE COMPANY AMERICA, LTD.)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 74 WOOD COVE COURT, MINERAL, VA

BAN20000690 ACCENT MORTGAGE SERVICES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 313 MARLOW COURT, CHESAPEAKE, VA TO 217 BATTLEFIELD BOULEVARD SOUTH, CHESAPEAKE, VA

BAN20000691 ACCENT MORTGAGE SERVICES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 330 W. BRAMBLETON AVENUE, SUITE 710, NORFOLK, VA TO 4094 LONG POINT BOULEVARD, PORTSMOUTH, VA

BAN20000692 LOANS AND MORTGAGES, LLC
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2103 SILENTREE DRIVE, VIENNA, VA TO 8300 ARLINGTON BOULEVARD, SUITE D3, FAIRFAX, VA

BAN20000693 CHANG, JIN K. D/B/A T & B MORTGAGE ENTERPRISES
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7301 BULL RUN POST OFFICE ROAD, CENTREVILLE, VA TO 5866 OLD CENTREVILLE ROAD, CENTREVILLE, VA

BAN20000694 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 2500 BATTLEGROUND AVENUE, SPACE F, GREENSBORO, NC

BAN20000695 BINGHAM FINANCIAL SERVICES CORPORATION
TO ACQUIRE 25 PERCENT OR MORE OF DYNEX FINANCIAL, INC.

BAN20000696 BURKE & HERBERT BANK & TRUST COMPANY
TO OPEN A BRANCH AT 6200 BACKLICK ROAD, SPRINGFIELD, VA

BAN20000697 RESIDENTIAL MORTGAGE SOLUTIONS, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN20000698 ALLIED MORTGAGE CAPITAL CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 287 INDEPENDENCE BOULEVARD, VIRGINIA BEACH, VA TO 287 INDEPENDENCE BOULEVARD, SUITE 210, VIRGINIA BEACH, VA

BAN20000699 SUPERIOR HOME MORTGAGE CORPORATION (USED IN VA BY: SUPERIOR MORTGAGE CORPORATION)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 716 W. RIO, SUITE E, CHARLOTTESVILLE, VA

BAN20000700 SUPERIOR HOME MORTGAGE CORPORATION (USED IN VA BY: SUPERIOR MORTGAGE CORPORATION)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 245 BELLEVUE AVENUE, HAMMONTON, NJ

BAN20000701 PACIFIC NORTHWEST MORTGAGE CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE

BAN20000702 BENNETT, ROBERT H.
TO ACQUIRE 25 PERCENT OR MORE OF MORTGAGE LOAN SERVICES, INC.

BAN20000703 ZARGER, LANA C.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4510 DALY DRIVE, SUITE 300, CHANTILLY, VA TO 14207 WOOD ROCK WAY, CENTREVILLE, VA

BAN20000704 SOUTHERN FINANCIAL BANCORP, INC.
SAVINGS INSTITUTION HOLDING CO. FOR ACQUISITION

BAN20000705 SOUTHERN FINANCIAL BANK
TO MERGE INTO IT FIRST SAVINGS BANK OF VIRGINIA

BAN20000706 NATIONSTRUST MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 8505 BALTIMORE AVENUE, COLLEGE PARK, MD TO 15612 ELSMERE COURT, BOWIE, MD

BAN20000707 NATIONSTRUST MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 8610 KELSO TERRACE, GAITHERSBURG, MD

BAN20000708 CARDINAL FINANCIAL CORPORATION
TO ACQUIRE HERITAGE BANCORP, INC. MCLEAN, VA

BAN20000709 LIFETIME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 7825 MIDLOTHIAN TURNPIKE, SUITE 114, RICHMOND, VA

BAN20000710 LIFETIME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 13605 GENITO ROAD, MIDLOTHIAN, VA

BAN20000711 D & M FINANCIAL, CORP.
FOR A MORTGAGE LENDER'S LICENSE

BAN20000712 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 300 ARBORETUM PLACE, SUITE 140, RICHMOND, VA

BAN20000713 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 3933 UNIVERSITY DRIVE, FAIRFAX, VA TO 3941 UNIVERSITY DRIVE, FAIRFAX, VA

BAN20000714 TRUST MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 8212-A OLD COURTHOUSE ROAD, VIENNA, VA TO 1200 N. KENSINGTON STREET, UNIT 2, ARLINGTON, VA

BAN20000715 ATLANTIC FINANCIAL OF VIRGINIA, INC. (USED IN VA BY: ATLANTIC FINANCIAL, INC.)
FOR A MORTGAGE LENDER AND BROKER LICENSE

BAN20000716 ACE MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN20000717 ASSOCIATES HOME EQUITY SERVICES, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 801 VOLVO PARKWAY, SUITE 116, CHESAPEAKE, VA TO 505 INDEPENDENCE PARKWAY, 1ST FLOOR, CHESAPEAKE, VA

BAN20000718 ASSOCIATES HOME EQUITY SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 10210 GREENBELT ROAD, SEABROOK, MD
BAN20000719 WASHINGTON MUTUAL FINANCE OF VIRGINIA, LLC
FOR A MORTGAGE LENDER'S LICENSE
BAN20000720 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 4055 E. CASTRO VALLEY BOULEVARD, CASTRO VALLEY, CA
BAN20000721 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1850 DOUGLAS BOULEVARD, SUITE 516, ROSEVILLE, CA
BAN20000722 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 2 N. LAKE AVENUE, SUITE 110, PASADENA, CA
BAN20000723 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 9870 HIBERT STREET, SUITE 101, SAN DIEGO, CA
BAN20000724 WASHINGTON MUTUAL FINANCE GROUP, LLC
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000725 WASHINGTON MUTUAL FINANCE GROUP, LLC
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000726 WASHINGTON MUTUAL FINANCE GROUP, LLC
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000727 WASHINGTON MUTUAL FINANCE GROUP, LLC
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000728 WASHINGTON MUTUAL FINANCE GROUP, LLC
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000729 WASHINGTON MUTUAL FINANCE GROUP, LLC
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000730 WASHINGTON MUTUAL FINANCE GROUP, LLC
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000731 WASHINGTON MUTUAL FINANCE GROUP, LLC
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000732 WASHINGTON MUTUAL FINANCE GROUP, LLC
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000733 WASHINGTON MUTUAL FINANCE GROUP, LLC
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000734 WASHINGTON MUTUAL FINANCE GROUP, LLC
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000735 WASHINGTON MUTUAL FINANCE GROUP, LLC
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000736 WASHINGTON MUTUAL FINANCE GROUP, LLC
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000737 WASHINGTON MUTUAL FINANCE GROUP, LLC
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000738 WASHINGTON MUTUAL FINANCE GROUP, LLC
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000739 WASHINGTON MUTUAL FINANCE GROUP, LLC
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000740 WASHINGTON MUTUAL FINANCE GROUP, LLC
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000741 WASHINGTON MUTUAL FINANCE GROUP, LLC
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000742 WASHINGTON MUTUAL FINANCE GROUP, LLC
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000743 WASHINGTON MUTUAL FINANCE GROUP, LLC
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000744 WASHINGTON MUTUAL FINANCE GROUP, LLC
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000745 WASHINGTON MUTUAL FINANCE GROUP, LLC
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000746 WASHINGTON MUTUAL FINANCE GROUP, LLC
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000747 WASHINGTON MUTUAL FINANCE GROUP, LLC
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000748 WASHINGTON MUTUAL FINANCE GROUP, LLC
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000749 WASHINGTON MUTUAL FINANCE GROUP, LLC
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000750 WASHINGTON MUTUAL FINANCE GROUP, LLC
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000751 WASHINGTON MUTUAL FINANCE GROUP, LLC
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE SALES FINANCE BUSINESS WILL ALSO BE CONDUCTED
BAN20000752 WASHINGTON MUTUAL FINANCE GROUP, LLC
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE OPEN-END LENDING WILL ALSO BE CONDUCTED

BAN20000753 WASHINGTON MUTUAL FINANCE GROUP, LLC
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE PROPERTY INSURANCE BUSINESS WILL ALSO BE CONDUCTED
BAN20000754 WASHINGTON MUTUAL FINANCE GROUP, LLC
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE LENDING WILL ALSO BE CONDUCTED
BAN20000755 DREAMHOUSE MORTGAGE GROUP, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20000756 LFS MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4716 PONTIAC STREET, SUITE 312, COLLEGE PARK, MD TO 6321 GREENBELT ROAD, SUITE 102, COLLEGE PARK, MD
BAN20000757 STATEWIDE MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 410 OAKMEARS CRESCENT, VIRGINIA BEACH, VA TO THE PARKVIEW OFFICE BUILDING, 828 GREENBRIER PARKWAY, CHESAPEAKE, VA
BAN20000758 H&R BLOCK MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 3 ADA, IRVINE, CA TO 24300 PASEO DE VALENCIA, LAGUNA HILLS, CA
BAN20000759 COLUMBIA NATIONAL, INCORPORATED
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM WACHOVIA BANK BUILDING, NEWPORT NEWS, VA TO 735 THIMBLE SHOALS BOULEVARD, STE. 120, NEWPORT NEWS, VA
BAN20000760 HORIZON FINANCIAL, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000761 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2115 STEIN DRIVE, SUITE 216, CHATTANOOGA, TN
BAN20000762 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 526 MAIN STREET, SUITE 22, SOUTH BOSTON, VA
BAN20000763 SABLE ENTERPRISES, CORP. D/B/A CITY FINANCE CORP.COM
FOR A MORTGAGE BROKER'S LICENSE
BAN20000764 D & S UNITED CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20000765 TRUSTWORTHY MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20000766 HIGHLANDS UNION BANK
TO OPEN A BRANCH AT 410 HIGHWAY 66 SOUTH, ROGERSVILLE, TN
BAN20000767 ASSOCIATED FOREIGN EXCHANGE, INC.
FOR A MONEY ORDER LICENSE
BAN20000768 CHESAPEAKE INVESTMENT & MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 135 CENTRAL SQUARE DRIVE, PRINCE FREDERICK, MD
BAN20000769 FIRST HERITAGE MORTGAGE COMPANY
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3727 OLD FOREST ROAD, OFFICE #5, LYNCHBURG, VA
BAN20000770 ASSOCIATES HOUSING FINANCE, LLC
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 307 JEFFERSON STREET, EATONTON, GA TO 1431 CENTERPOINT BOULEVARD, KNOXVILLE, TN
BAN20000771 ASSOCIATES FINANCIAL SERVICES OF AMERICA, INC.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 8221 HULL STREET ROAD, RICHMOND, VA TO 10805 MIDLOTHIAN TURNPIKE, RICHMOND, VA
BAN20000772 ASSOCIATES FINANCIAL SERVICES COMPANY OF VIRGINIA, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 8221 HULL STREET ROAD, CHESTERFIELD COUNTY, VA TO 10805 MIDLOTHIAN TURNPIKE, CHESTERFIELD COUNTY, VA
BAN20000773 GUARDHILL FINANCIAL CORP.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000774 FAST CASH, LLC
FOR A MONEY ORDER LICENSE
BAN20000775 BI-COASTAL MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000776 ALPINE FINANCIAL GROUP, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000777 FIRST NATIONAL FUNDING CORPORATION OF AMERICA D/B/A FNF MORTGAGE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1032 WEST FIRST NORTH STREET, MORRISTOWN, TN
BAN20000778 ANCHOR FINANCIAL GROUP, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 530 EAST MAIN STREET, SUITE 205, RICHMOND, VA TO 4020 WESTCHASE BOULEVARD, SUITE 390, RALEIGH, NC
BAN20000779 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 3200 ELMWOOD AVENUE, KENMORE, NY TO 908 NIAGARA FALLS BLVD., SUITE 222, NORTH TONAWONDA, NY
BAN20000780 U.S.A. FINANCIAL SERVICES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1321 JAMESTOWN ROAD, SUITE 101, WILLIAMSBURG, VA
BAN20000781 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 1548 BENNING ROAD, N.E., WASHINGTON, DC TO 7814 GEORGIA AVENUE, WASHINGTON, DC
BAN20000782 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 302 SUNSET DRIVE, SUITE 210, JOHNSON CITY, TN TO 2111 N. RAON STREET, SUITE 10, JOHNSON CITY, TN

BAN20000783 APPROVED MORTGAGE CAPITAL, L.L.C.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 6862 ELM STREET, SUITE 820, MCLEAN, VA
BAN20000784 APPROVED MORTGAGE CAPITAL, L.L.C.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1327 ASHTON ROAD, SUITE 201, HANOVER, MD
BAN20000785 DYNEX FINANCIAL, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 6279 TRI-RIDGE BOULEVARD, SUITE 420, LOVELAND, OH
BAN20000786 DYNEX FINANCIAL, INC.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 8713 AIRPORT FREEWAY, SUITE 200, FORT WORTH, TX TO 3001 MEACHAM BOULEVARD, SUITE 120, FORT WORTH, TX
BAN20000787 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1851 HERITAGE LANE, SUITE 151, SACRAMENTO, CA
BAN20000788 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 526 MAIN STREET, SUITE 22, SOUTH BOSTON, VA
BAN20000789 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1700 E. GARRY AVENUE, SUITE 235, SANTA ANA, CA
BAN20000790 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 10111 MARTIN LUTHER KING HIGHWAY, BOWIE, MD
BAN20000791 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 32039 SOUTHWIND LANE, ATLANTIC, VA
BAN20000792 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 315 FAIRFAX TERRACE, CHESAPEAKE, VA
BAN20000793 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 901 LEISURE SQUARE, SUITE 200, VIRGINIA BEACH, VA
BAN20000794 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1549 WILLIAMASTIC DRIVE, VIRGINIA BEACH, VA
BAN20000795 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 288 EXECTOR DRIVE, NEWPORT NEWS, VA
BAN20000796 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 10419 CARRIAGE PARK COURT, FAIRFAX, VA
BAN20000797 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2641 ATWOODTOWN ROAD, VIRGINIA BEACH, VA
BAN20000798 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 328 EAST LITTLE CREEK ROAD, SUITE D, NORFOLK, VA
BAN20000799 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 16452 MOUNTAIN ROAD, MONTPELIER, VA
BAN20000800 FAIRLAND MORTGAGE COMPANY, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4306 EVERGREEN LANE, SUITE 202, ANNANDALE, VA TO 4306 EVERGREEN LANE, SUITE 104, ANNANDALE, VA
BAN20000801 LOANCITY.COM, INC. (USED IN VA BY: LOANCITY.COM)
FOR A MORTGAGE LENDER'S LICENSE
BAN20000802 REPUBLIC STATE MORTGAGE CO.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20000803 THI DO, HOANG-GIAP T/A ATT MORTGAGE COMPANY
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 5729 OLD CLIFTON ROAD, CLIFTON, VA TO 7309 ARLINGTON BOULEVARD, SUITE 205, FALLS CHURCH, VA
BAN20000804 ADVANTAGE INVESTORS MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1520-G EAST DIXIE DRIVE, ASHEBORO, NC
BAN20000805 LENDERLIVE NETWORK, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20000806 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO OPEN A BRANCH AT 1000 BERRYVILLE AVENUE, WINCHESTER, VA
BAN20000807 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO OPEN A BRANCH AT 440 EAST MAIN STREET, PURCELLVILLE, VA
BAN20000808 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO OPEN A BRANCH AT 426 WEEMS LANE, WINCHESTER, VA
BAN20000809 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO MERGE INTO IT ONE VALLEY BANK - SHENANDOAH
BAN20000810 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO MERGE INTO IT ONE VALLEY BANK -CENTRAL VIRGINIA, NATIONAL ASSOCIATION
BAN20000811 PLANTERS BANK & TRUST COMPANY OF VIRGINIA
TO OPEN A BRANCH AT UNITS I AND J, SUITES 13 AND 14, MALL CENTER, 370 NEFF AVENUE, HARRISONBURG, VA
BAN20000812 BEST MORTGAGE AND FINANCIAL SERVICES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000813 MORTGAGE HEADQUARTERS INCORPORATED
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 15806 LAUTREC COURT, N. POTOMAC, MD TO 10500 TANAGER LANE, POTOMAC, MD
BAN20000814 FIRST GUARANTY MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 4801 N. DIXIE HIGHWAY, FT. LAUDERDALE, FL TO 4837 NORTH DIXIE HIGHWAY, FT. LAUDERDALE, FL
BAN20000815 CITIFINANCIAL SERVICES, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE HOME SECURITY PLANS WILL ALSO BE SOLD

BAN20000816 ALLIANCE MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 8201 CYPRESS PLAZA DRIVE, SUITE 100, JACKSONVILLE, FL
BAN20000817 WESTSTAR MORTGAGE, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20000818 BANK OF MARION, THE
TO OPEN A BRANCH AT 787 FORT CHISWELL ROAD, SUITE 7, MAX MEADOWS, VA
BAN20000819 TOWN AND COUNTRY FINANCIAL SERVICES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 9815 PULHAM ROAD, BURKE, VA TO 101 SOUTH WHITING STREET, SUITE 207, ALEXANDRIA, VA
BAN20000820 FOUNDATION FOR HUMAN DEVELOPMENT, INC.
TO OPEN A DEBT COUNSELING OFFICE
BAN20000821 PREMIUM FINANCIAL SERVICES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000822 INNOVENTRY CORP.
TO OPEN A CHECK CASHER
BAN20000823 ABSOLUTE WHOLESALE MORTGAGE, LLC
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20000824 FINANCIAL SOLUTIONS L.L.C.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 9031 BOULEVARD ROAD, PROVIDENCE FORGE, VA
BAN20000825 HANOVER MORTGAGE CORP.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 115 HANOVER AVENUE, SUITE 4, ASHLAND, VA
BAN20000826 CENTRAL MORTGAGE & FINANCE, LLC
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1065 W. PATRICK STREET, FREDERICK, MD
BAN20000827 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 5 BEL AIR S. PARKWAY, SUITE 1579, BEL AIR, MD
BAN20000828 BANK OF LANCASTER
TO OPEN A BRANCH AT ROUTE 360, HEATHSVILLE, VA
BAN20000829 BANK OF LANCASTER
TO OPEN A BRANCH AT ROUTES 202 AND 360, CALLAO, VA
BAN20000830 FIRST-CITIZENS BANK & TRUST COMPANY
TO OPEN A BRANCH AT 2012 WARDS ROAD, LYNCHBURG, VA
BAN20000831 FIRST MID ATLANTIC MORTGAGE CORPORATION, INCORPORATED
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 16220 S FREDERICK ROAD, SUITE 408, GAITHERSBURG, MD TO 21005 BROOKE KNOLLS ROAD, LAYTONSVILLE, MD
BAN20000832 INDEPENDENT REALTY CAPITAL CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 2900 S. BRISTOL STREET, SUITE D203, COSTA MESA, CA TO 17251 EAST 17TH STREET, SUITE D, TUSTIN, CA
BAN20000833 HERITAGE MORTGAGE, LP
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20000834 HARBOR BANK
TO OPEN A BRANCH AT 762 J. CLYDE MORRIS BOULEVARD, NEWPORT NEWS, VA
BAN20000835 EASTLAND MORTGAGE COMPANY, INC.
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN20000836 CHOICE MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 12658 LAKE RIDGE DRIVE, SUITE B, LAKE RIDGE, VA TO 12662 DARBY BROOKE COURT, WOODBRIDGE, VA
BAN20000837 MILLENNIA MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 125 COLUMBIA DRIVE, SUITE A, ALISO VIEJO, CA TO 23046 AVENIDA DE LA CARLOTA, STE. 100, LAGUNA HILLS, CA
BAN20000838 FIRST CAPITAL FINANCIAL SERVICES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000839 FIRST AMERICAN HOME EQUITY, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000840 NVX, INCORPORATED
FOR A MONEY ORDER LICENSE
BAN20000841 FIRST BENEFICIAL MORTGAGE CORP.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000842 FINANCE AMERICA, LLC
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN20000843 E-MORTGAGE, LLC
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1835 SAVOY DRIVE, SUITE 219, ATLANTA, GA TO 1835 SAVOY DRIVE, SUITE 308, ATLANTA, GA
BAN20000844 NEW CENTURY MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 340 COMMERCE, SUITE 200, IRVINE, CA
BAN20000845 BENEFICIAL VIRGINIA INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE HOME SECURITY PLANS WILL ALSO BE SOLD
BAN20000846 BANK OF THE JAMES
TO OPEN A BRANCH AT 5204 FORT AVENUE, LYNCHBURG, VA
BAN20000847 INTERBAY FUNDING, LLC
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 1777 SENTRY PARKWAY, DUBLIN HALL, BLUE BELL, PA TO 1301 VIRGINIA DRIVE, SUITE 403, FT. WASHINGTON, PA

BAN20000848 NOVASTAR MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 16703 FISH MARKET ROAD, MCLOUD, OK
BAN20000849 CUNA MUTUAL MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 5520 RESEARCH PARK DRIVE, SUITE 200, MADISON, WI TO 2908 MARKETPLACE DRIVE, SUITE 100, MADISON, WI
BAN20000850 MERCANTILE BANKSHARES CORPORATION
TO ACQUIRE THE BANK OF FRUITLAND
BAN20000851 HATLEY, MARY CLARE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 11130 MAIN STREET, SUITE 206, FAIRFAX, VA TO 8405 DORSEY CIRCLE, SUITE 201, MANASSAS, VA
BAN20000852 CTX MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2342-B BLUESTONE HILLS DRIVE, HARRISONBURG, VA
BAN20000853 FALCON MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000854 NORTHSTAR MORTGAGE, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20000855 FIRST NATIONAL FUNDING CORPORATION OF AMERICA D/B/A FNF MORTGAGE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1701 EUCLID AVENUE, SUITE 1, BRISTOL, VA
BAN20000856 HERITAGE MORTGAGE BROKERS, L.L.C.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 9017 LAKE BRADDOCK DRIVE, BURKE, VA
BAN20000857 HERITAGE MORTGAGE BROKERS, L.L.C.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3444 REEDY DRIVE, ANNANDALE, VA
BAN20000858 MONEY TREE FUNDING, L.L.C.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 6411 IVY LANE, SUITE 100, GREENBELT, MD TO 6912 CARMICHAEL AVENUE, BETHESDA, MD
BAN20000859 MORGAN HOME FUNDING CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 405 EAST GUDE DRIVE, ROCKVILLE, MD TO 17 WEST JEFFERSON STREET, SUITE 003, ROCKVILLE, MD
BAN20000860 SOUTHEAST MORTGAGE BANKING CORP.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1300 DIAMOND SPRINGS ROAD, 4TH FLOOR, VIRGINIA BEACH, VA TO 5690 GREENWICH ROAD, VIRGINIA BEACH, VA
BAN20000861 MORTGAGE CHOICE, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 4600 MARRIOTT DRIVE, SUITE 200, RALEIGH, NC TO 4901 GLENWOOD AVENUE, SUITE 201, RALEIGH, NC
BAN20000862 FIRST LIBERTY FINANCIAL SERVICES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 118 MONAHAN AVENUE, SUITE 23, DUNMORE, PA TO 400 KEYSTONE INDUSTRIAL PARK, SUITE 23, DUNMORE, PA
BAN20000863 EQUITABLE MORTGAGE GROUP, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4061 POWDER MILL ROAD, SUITE 230, CALVERTON, MD TO 7505 GREENWAY CENTER DRIVE, #101, GREENBELT, MD
BAN20000864 HOMEBOUND MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000865 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 7295 COMMERCE STREET, SPRINGFIELD, VA TO 5830 KINGSTOWNE CENTER, SUITE 110, ALEXANDRIA, VA
BAN20000866 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 7718 SIX FORKS ROAD, SUITE 200, RALEIGH, NC
BAN20000867 CENTEX CREDIT CORPORATION D/B/A CENTEX HOME EQUITY CORPORATION
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 3550 BUSCHWOOD PARK DRIVE, SUITE 320, TAMPA, FL TO 10004 N. DALE MABRY HIGHWAY, SUITE F-112, TAMPA, FL
BAN20000868 SEQUOIABANK
TO OPEN A BRANCH AT 45975 NOKES BOULEVARD, STERLING, VA
BAN20000869 AADVANTAGE PLUS FINANCIAL, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 11300 ROCKVILLE PIKE, SUITE 1205, ROCKVILLE, MD TO 2400 RESEARCH BOULEVARD, SUITE 150, ROCKVILLE, MD
BAN20000870 DIVERSIFIED FINANCIAL MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20000871 BANKERS FUNDING CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20000872 ASSOCIATES HOME EQUITY SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3340 CRAIN HIGHWAY, WALDORF, MD
BAN20000873 CONSECO FINANCE SERVICING CORP.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 2550 CORPORATE EXCHANGE DRIVE, SUITE 320, COLUMBUS, OH
BAN20000874 RIVER CITY MORTGAGE, L.L.C.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 14203 FOX KNOLL DRIVE, COLONIAL HEIGHTS, VA TO 311 SOUTH BOULEVARD, RICHMOND, VA
BAN20000875 APEX MORTGAGE BROKERS, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000876 MCCORMICK, LARRY A.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2048 JEFFERSON DAVIS HIGHWAY, STAFFORD, VA TO 26 ROSEDALE DRIVE, STAFFORD, VA

BAN20000877 FIRST HERITAGE MORTGAGE COMPANY
TO OPEN A MORTGAGE BROKER'S OFFICE AT 780 LYNNHAVEN PARKWAY, SUITE 285B, VIRGINIA BEACH, VA
BAN20000878 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 23046 AVENIDA DE LA CARLOTTA,THIRD FLOOR, LAGUNA HILLS, CA
BAN20000879 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 322 E. BODENHAMMER, SUITE B, KERNERSVILLE, NC
BAN20000880 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 201 S. MCPHERSON CHURCH ROAD, SUITE 215, FAYETTEVILLE, NC
BAN20000881 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2101 BUSINESS CENTER DRIVE, SUITE 120, IRVINE, CA
BAN20000882 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 112A SOUTH BROOKS STREET, WAKE FOREST, NC
BAN20000883 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 46 LANDSEND DRIVE, GAITHERSBURG, MD
BAN20000884 MORTGAGE VIRGINIA LLC
TO OPEN A MORTGAGE LENDER'S OFFICE AT 11655 MIDLOTHIAN TURNPIKE, SUITE A, MIDLOTHIAN, VA
BAN20000885 CENTEX CREDIT CORPORATION D/B/A CENTEX HOME EQUITY CORPORATION
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 6411 IVY LANE, SUITE 700, GREENBELT, MD TO I 97 BUSINESS PARK, 1120 C BENFIELD, BOULEVARD, MILLERSVILLE, MD
BAN20000886 GLOBAL SERVICES ENTERPRISES, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20000887 BANK OF TIDEWATER, THE
TO RELOCATE OFFICE FROM 2251 W. GREAT NECK ROAD, VIRGINIA BEACH, VA TO 2821 SHORE DRIVE, VIRGINIA BEACH, VA
BAN20000888 SEQUOIABANK
TO OPEN A BRANCH AT 3801 WILSON BOULEVARD, ARLINGTON COUNTY, VA
BAN20000889 AMERICAN MORTGAGE AND INVESTMENT CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1214 WEST STREET, ANNAPOLIS, MD TO 122 WATERSIDE COURT, EDGEWATER, MD
BAN20000890 CAPITAL MORTGAGE FINANCE CORP.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 810 GLENEAGLE'S COURT, SUITE 306, TOWSON, MD TO 810 GLENEAGLES COURT, SUITE 110, TOWSON, MD
BAN20000891 SAAB FINANCIAL CORP. D/B/A SAAB MORTGAGE
TO OPEN A MORTGAGE BROKER'S OFFICE AT 8500 LEESBURG PIKE, SUITE 407, VIENNA, VA
BAN20000892 HORIZON MORTGAGE CORP.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000893 HOUSEHOLD REALTY CORPORATION D/B/A HOUSEHOLD REALTY CORPORATION OF VIRGINIA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1306 W. PATRICK STREET, GOLDEN MILE MARKETPLACE, UNIT 6, FREDERICK, MD
BAN20000894 BENEFICIAL DISCOUNT CO. OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1662 N. GARNETT STREET, HENDERSON, NC
BAN20000895 BENEFICIAL DISCOUNT CO. OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1114 E. 10TH STREET, ROANOKE RAPIDS, NC
BAN20000896 BENEFICIAL DISCOUNT CO. OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT 232 E. MAIN STREET, AHOSKIE, NC
BAN20000897 BENEFICIAL DISCOUNT CO. OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT 313 S. MADISON BOULEVARD, ROXBORO, NC
BAN20000898 BENEFICIAL DISCOUNT CO. OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1407 FREEWAY DRIVE, REIDSVILLE, NC
BAN20000899 BENEFICIAL DISCOUNT CO. OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT 530 RENFRO STREET, SUITE D, MOUNT AIRY, NC
BAN20000900 BENEFICIAL DISCOUNT CO. OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT 212 N. FREDERICK AVENUE, GAITHERSBURG, MD
BAN20000901 BENEFICIAL DISCOUNT CO. OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT 7572 ANNAPOLIS ROAD, GLENRIDGE SHOPPING CENTER, SUITE B-5, LANHAM, MD
BAN20000902 BENEFICIAL DISCOUNT CO. OF VIRGINIA
TO OPEN A MORTGAGE LENDER'S OFFICE AT 137 GATEWAY BOULEVARD, ROCKY MOUNT, NC
BAN20000903 BENEFICIAL MORTGAGE CO. OF VIRGINIA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1114 E. 10TH STREET, ROANOKE RAPIDS, NC
BAN20000904 BENEFICIAL MORTGAGE CO. OF VIRGINIA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 137 GATEWAY BOULEVARD, ROCKY MOUNT, NC
BAN20000905 BENEFICIAL MORTGAGE CO. OF VIRGINIA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 212 N. FREDERICK AVENUE, GAITHERSBURG, MD
BAN20000906 BENEFICIAL MORTGAGE CO. OF VIRGINIA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 7572 ANNAPOLIS ROAD, GLENRIDGE SHOPPING CENTER, SUITE B-5, LANHAM, MD
BAN20000907 BENEFICIAL MORTGAGE CO. OF VIRGINIA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 530 RENFRO STREET, SUITE D, MOUNT AIRY, NC
BAN20000908 BENEFICIAL MORTGAGE CO. OF VIRGINIA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1407 FREEWAY DRIVE, REIDSVILLE, NC

BAN20000909 BENEFICIAL MORTGAGE CO. OF VIRGINIA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 313 S. MADISON BOULEVARD, ROXBORO, NC
BAN20000910 BENEFICIAL MORTGAGE CO. OF VIRGINIA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 232 E. MAIN STREET, AHOSKIE, NC
BAN20000911 BENEFICIAL MORTGAGE CO. OF VIRGINIA
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1662 N. GARNETT STREET, HENDERSON, NC
BAN20000912 EURO-FUNDING CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20000913 SACHS, STEWART D.
TO ACQUIRE 25 PERCENT OR MORE OF FIDELITY FIRST LENDING, INC.
BAN20000914 VIRGINIA COMMERCE BANK
TO OPEN A BRANCH AT 13881G METROTECH DRIVE, CHANTILLY, VA
BAN20000915 PRESTIGE HOME MORTGAGE, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20000916 RAPID MONEY CORPORATION
FOR A MONEY ORDER LICENSE
BAN20000917 GAUMAN, DALE A. D/B/A CLEVELAND MORTGAGE SERVICES
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 880 FINCASTLE ROAD, TAZEWELL, VA TO 126 WEST MAIN STREET, TAZEWELL, VA
BAN20000918 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1200 N. WALKER, SUITE 203, OKLAHOMA CITY, OK
BAN20000919 1ST. CHOICE HOMES OF WILLIAMSBURG, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000920 TIDEWATER MORTGAGE SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 688 J. CLYDE MORRIS BOULEVARD, NEWPORT NEWS, VA
BAN20000921 USMONEY SOURCE, INC. D/B/A SOLUNA FIRST
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 450 FRANKLIN ROAD, SUITE 170, MARIETTA, GA TO 5665 NEW NORTHSIDE DRIVE, SUITE 200, ATLANTA, GA
BAN20000922 CUSTOMER ONE MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20000923 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 4 HUTTON CENTRE DRIVE, 9TH FLOOR, SANTA ANA, CA TO 6 HUTTON CENTRE DRIVE, SUITE 900, SANTA ANA, CA
BAN20000924 COMMUNITY DEVELOPMENT GROUP, INC. OF DELAWARE T/A COMMUNITY MORTGAGE COMPANY
TO OPEN A MORTGAGE BROKER'S OFFICE AT 9283 OLD KEENE MILL ROAD, BURKE, VA
BAN20000925 WAPNER, LYNETT A.
FOR A MORTGAGE BROKER'S LICENSE
BAN20000926 ROSE SHANIS FINANCIAL SERVICES OF VIRGINIA, LLC
TO OPEN A CONSUMER FINANCE OFFICE
BAN20000927 ROSE SHANIS FINANCIAL SERVICES OF VIRGINIA, LLC
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE LENDING WILL ALSO BE CONDUCTED
BAN20000928 LYONS, BENJAMIN M.
TO ACQUIRE 25 PERCENT OR MORE OF FIDELITY FIRST LENDING, INC.
BAN20000929 HOWARD, FRANK M. D/B/A MORTGAGE SOLUTIONS
FOR A MORTGAGE BROKER'S LICENSE
BAN20000930 SENTRY INVESTMENTS, INC.
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN20000931 AEGIS MORTGAGE CORPORATION D/B/A UC LENDING
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 1800 N. KENT STREET, SUITE 910, ARLINGTON, VA TO 12101-C ELM FOREST WAY, FAIRFAX, VA
BAN20000932 MAXIMUM FUNDING, L.L.C.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1520 STONE MOSS COURT, SUITE 103, VIRGINIA BEACH, VA TO 520 S. INDEPENDENCE BOULEVARD, SUITE 220, VIRGINIA BEACH, VA
BAN20000933 EAST WEST MORTGAGE COMPANY, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 302 SOUTH JEFFERSON STREET, LEXINGTON, VA
BAN20000934 ASSOCIATES HOME EQUITY SERVICES, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 257 EAST, 200 SOUTH STREET, SUITE 800, SALT LAKE CITY, UT TO 1111 NORTHPOINT DRIVE, SUITE 100, COPPELL, TX
BAN20000935 ASSOCIATES HOME EQUITY SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 22 E. ORDNANCE ROAD, GLEN BURNIE, MD
BAN20000936 CTX MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 5600 S. QUEBEC STREET, SUITE 100D, GREENWOOD VILLAGE, CO
BAN20000937 COLUMBIA NATIONAL, INCORPORATED
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 11350 RANDOM HILLS ROAD, FAIRFAX, VA TO 6166-B FULLER COURT, ALEXANDRIA, VA
BAN20000938 FIRST RESIDENTIAL MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 108 EAST VALLEY STREET, ABINGDON, VA
BAN20000939 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1320 FENWICK LANE, SUITE 708, SILVER SPRING, MD

BAN20000940 B.E.M.C. MORTGAGE, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN20000941 HOMEGOLD, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1253 KEMPER MEADOW DRIVE, SUITE 100, FOREST PARK, OH
BAN20000942 MORTGAGE AMENITIES CORP.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 479 SWANSEA MALL DRIVE, SWANSEA, MA TO 25 BLACKSTONE VALLEY PLACE, LINCOLN, RI
BAN20000943 PAMELA DOTY PIESTER D/B/A MORTGAGE ADVISORY GROUP
FOR A MORTGAGE BROKER'S LICENSE
BAN20000944 SURREY BANK & TRUST
TO OPEN A BRANCH AT ROUTE 8 SOUTH, STUART, VA
BAN20000945 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 19 N. MALLORY STREET, HAMPTON, VA
BAN20000946 MORTGAGE RESOURCE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1807 LIBBIE AVENUE, SUITE 202, RICHMOND, VA TO 5905 W. BROAD STREET, SUITE 303, RICHMOND, VA
BAN20000947 EQUITY SERVICES OF VIRGINIA, INC. (USED IN VA BY: EQUITY SERVICES, INC.) D/B/A AFFORDABLE FUNDING
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 4900 WATERS EDGE DRIVE, SUITE 135, RALEIGH, NC TO 553 D PYLON DRIVE, RALEIGH, NC
BAN20000948 FULL SPECTRUM LENDING, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 9150-16 BALTIMORE NATIONAL PIKE, ELLICOTT CITY, MD
BAN20000949 OLIVER, STEPHANIE JEAN D/B/A BLUE RIDGE MORTGAGE COMPANY
FOR A MORTGAGE BROKER'S LICENSE
BAN20000950 SPRINGFIELD MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7685 NORTHERN OAKS COURT, SPRINGFIELD, VA TO 5620 FLAG RUN DRIVE, SPRINGFIELD, VA
BAN20000951 PENINSULA TRUST BANK, INCORPORATED
TO MERGE INTO IT F & M BANK - ATLANTIC
BAN20000951 PENINSULA TRUST BANK, INCORPORATED
TO MERGE INTO IT UNITED COMMUNITY BANK
BAN20000952 IMORTGAGE.COM, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4141 N. SCOTTSDALE ROAD, SUITE 308, SCOTTSDALE, AZ TO 8767 EAST VIA DE VENTURA, SCOTTSDALE, AZ
BAN20000953 SUMMERS, CAROL J. T/A SUMMERS MORTGAGE SERVICES
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4824 EDGEMOOR LANE, BETHESDA, MD TO 303 ATLANTIC AVENUE, SUITE 1503, VIRGINIA BEACH, VA
BAN20000954 RESIDENTIAL LENDING CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 7000 SECURITY BOULEVARD, SUITE 102, BALTIMORE, MD
BAN20000955 COMMUNITY DEVELOPMENT GROUP, INC. OF DELAWARE T/A COMMUNITY MORTGAGE COMPANY
TO OPEN A MORTGAGE BROKER'S OFFICE AT 4919 BROOK HILLS DRIVE, ANNANDALE, VA
BAN20000956 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 27665 FORBES ROAD, SUITE 102, LAGUNA NIGUEL, CA
BAN20000957 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 28892 MARGUERITE PARKWAY, UNIT 280, MISSION VIEJO, CA
BAN20000958 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 11911 NE 1ST STREET, SUITE B306, BELLEVUE, WA
BAN20000959 CONFINITY, INC.
FOR A MONEY ORDER LICENSE
BAN20000960 CITIFINANCIAL, INC.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 5480 VIRGINIA BEACH BLVD., SUITE 103, VIRGINIA BEACH, VA TO PROVIDENCE SQUARE SHOPPING CENTER, 967 PROVIDENCE SQUARE, SUITE 16, VIRGINIA BEACH, VA
BAN20000961 CITIFINANCIAL SERVICES, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 5480 VIRGINIA BEACH BOULEVARD, VIRGINIA BEACH, VA TO PROVIDENCE SQUARE SHOPPING CENTER, 967 PROVIDENCE SQUARE, SUITE 16, VIRGINIA BEACH, VA
BAN20000962 D AND D HOME LOANS INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 701 RIDGE CIRCLE, CHESAPEAKE, VA TO 2200 DUNBARTON DRIVE, SUITE G, CHESAPEAKE, VA
BAN20000963 MARATHON MERGER BANK
TO OPEN A BANK AT 110 UNIVERSITY BOULEVARD, HARRISONBURG, VA
BAN20000964 ROCKINGHAM HERITAGE BANK
TO MERGE INTO IT MARATHON MERGER BANK
BAN20000965 MARATHON FINANCIAL CORPORATION
TO ACQUIRE ROCKINGHAM HERITAGE BANK
BAN20000966 LOBEL, JEFFREY
TO ACQUIRE 25 PERCENT OR MORE OF ELITE FUNDING CORPORATION
BAN20000969 SUPERIOR HOME MORTGAGE CORPORATION (USED IN VA BY: SUPERIOR MORTGAGE CORPORATION)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 361 MIDLAND AVENUE, SADDLEBROOK, NJ
BAN20000970 COLUMBIA NATIONAL, INCORPORATED
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 860 GREENBRIER CIRCLE, SUITE 105, CHESAPEAKE, VA

BAN20000971 CAPITAL REALTY MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN20000972 MOREQUITY OF NEVADA, INC. (USED IN VA BY: MOREQUITY, INC.)
TO RELOCATE MORTGAGE LENDER'S OFFICE 5010 CARRIAGE DRIVE, EVANSVILLE, IN TO 600 NORTH ROYAL AVENUE, EVANSVILLE, IN

BAN20000973 FIRST FINANCIAL FUNDING GROUP, INC. (USED IN VA BY: FIRST FINANCIAL FUNDING GROUP)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 14031 NETHERFIELD DRIVE, MIDLOTHIAN, VA

BAN20000974 MORTGAGE AND EQUITY FUNDING CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 107 SOUTH KING STREET, LEESBURG, VA

BAN20000975 BANK OF THE COMMONWEALTH
TO OPEN A BRANCH AT 4940 WEST NORFOLK ROAD, PORTSMOUTH, VA

BAN20000976 LOAN LINK FINANCIAL SERVICES, INC. (USED IN VA BY: LOAN LINK FINANCIAL SERVICES)
FOR ADDITIONAL MORTGAGE AUTHORITY

BAN20000977 W. P. S. E. CREDIT UNION, INC.
TO RELOCATE CREDIT UNION OFFICE FROM 301 PINE AVENUE, WAYNESBORO, VA TO 250-E NORTH POPLAR AVENUE, WAYNESBORO, VA

BAN20000978 LIFETIME MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 13605 GENITO ROAD, MIDLOTHIAN, VA TO 14101 HARROWGATE ROAD, CHESTER, VA

BAN20000979 AMERICAN HOME MORTGAGE CORP.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 22776 THREE NOTCH ROAD, SUITE 210, LEXINGTON PARK, MD TO 1604 SPRINGHILL ROAD, SUITE 110, VIENNA, VA

BAN20000980 ACCENT CAPITAL COMPANY, LLC
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 435 NEW HAVEN AVENUE, DERBY, CT TO 100 BANK STREET, SUITE 401, SEYMOUR, CT

BAN20000981 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 15501 VINE COTTAGE DRIVE, CENTREVILLE, VA

BAN20000982 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 39852 LIME KILN ROAD, LEESBURG, VA

BAN20000983 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 11571 PURSE DRIVE, MANASSAS, VA TO 218 FORESAIL COVE, STAFFORD, VA

BAN20000984 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 5201 APPLELEAF COURT, RICHMOND, VA TO 3906-B MEADOWDALE BOULEVARD, RICHMOND, VA

BAN20000985 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 121 WYCK STREET, SUITE 307-C, RICHMOND, VA TO 5300 JEFFREYS LANE, VIRGINIA BEACH, VA

BAN20000986 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 5885 HOMESTEAD LANE, N.W., NORCROSS, GA TO 1040 HENRY TERRACE, LAWRENCEVILLE, GA

BAN20000987 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 13101 PAVILION LANE, FAIRFAX, VA TO 43704 BIDDLE LANE, SOUTH RIDING, VA

BAN20000988 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 9588 MANASSAS FORGE DRIVE, MANASSAS, VA TO 9412 WILLOW RIDGE DRIVE, GLEN ALLEN, VA

BAN20000989 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 3280 FLAT RUN ROAD, LOCUST GROVE, VA TO 9208 78TH STREET, WOODHAVEN, NY

BAN20000990 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 10965 ADARE DRIVE, FAIRFAX, VA TO 19266 HIDDEN POINTE DRIVE, SAUCIER, MS

BAN20000991 MORTGAGE AMERICA BANKERS, LLC
TO OPEN A MORTGAGE BROKER'S OFFICE AT 12531 CLIPPER DRIVE SUITE 201, WOODBRIDGE, VA

BAN20000992 MORTGAGE AMERICA BANKERS, LLC
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1738 ELTON ROAD, SUITE 320, SILVER SPRING, MD

BAN20000993 MORTGAGE AMERICA BANKERS, LLC
TO OPEN A MORTGAGE BROKER'S OFFICE AT 5625 ALLENTOWN ROAD, SUITE 104, CAMP SPRINGS, MD

BAN20000994 UNITED MORTGAGEE, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 2620 SOUTHERN BOULEVARD, VIRGINIA BEACH, VA TO 675 LYNNHAVEN PARKWAY, 2ND FLOOR, VIRGINIA BEACH, VA

BAN20000995 HOME ZIPR.COM CORP.
FOR A MORTGAGE LENDER AND BROKER LICENSE

BAN20000996 LOWESTLOAN.COM, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE

BAN20000997 BANK OF TAZEWELL COUNTY
TO OPEN A BRANCH AT 968 WEST MAIN STREET, ABINGDON, VA

BAN20000998 BANK OF TAZEWELL COUNTY
TO OPEN A BRANCH AT 185 EAST MAIN STREET, WYTHEVILLE, VA

BAN20000999 BANK OF TAZEWELL COUNTY
TO OPEN A BRANCH AT 303 SOUTH COMMERCE STREET, MARION, VA
BAN20001000 ABBEY MORTGAGE AND FINANCIAL SERVICES, INC. D/B/A ABBEY MORTGAGE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 804 MOOREFIELD PARK DRIVE, SUITE 106, RICHMOND, VA TO 300 ARBORETUM PLACE, SUITE 140, RICHMOND, VA
BAN20001001 SEVERN MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3601 W. HUNDRED ROAD, CHESTER, VA
BAN20001002 UNIVERSITY OF VIRGINIA COMMUNITY CREDIT UNION, INC.
TO OPEN A CREDIT UNION SERVICE OFFICE AT LOT 6 OF PETER JEFFERSON PLACE, ROUTE 250 EAST, CHARLOTTESVILLE, VA
BAN20001003 F & M BANK - WINCHESTER
TO RELOCATE OFFICE FROM 509 A AMHERST STREET, WINCHESTER, VA TO 1800 AMHERST STREET, WINCHESTER, VA
BAN20001004 COLUMBIA NATIONAL, INCORPORATED
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 572 RITCHIE HIGHWAY, SUITE F, SEVERNA PARK, MD TO EARLEIGH HEIGHTS SHOPPING CENTER, 160 GOVERNOR RITCHIE HIGHWAY, SUITE A-10, SEVERNA PARK, MD
BAN20001005 SOUTHERN TRUST MORTGAGE, LLC
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2130 PRIEST BRIDGE DRIVE, SUITE 5, PRIEST BRIDGE BUSINESS PARK, CROFTON, MD
BAN20001006 SHAW, JULIA KAY W. D/B/A KAY SHAW, MORTGAGE SERVICES
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2971 VALLEY AVENUE, WINCHESTER, VA TO 114 CREEKSIDE VILLAGE, WINCHESTER, VA
BAN20001007 HERITAGE BANK
TO OPEN A BRANCH AT 1737 KING STREET, ALEXANDRIA, VA
BAN20001008 BENEFICIAL VIRGINIA INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM DOMINION POINTE II, STERLING, VA TO SW ROUTE 7 AND DRANESVILLE ROAD, TOWN CENTER, STERLING, VA
BAN20001009 BENEFICIAL DISCOUNT CO. OF VIRGINIA
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM DOMINION POINT II, STERLING, VA TO SW ROUTE 7 AND DRANESVILLE ROAD, TOWN CENTER, STERLING, VA
BAN20001010 BENEFICIAL MORTGAGE CO. OF VIRGINIA
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM DOMINION POINT II, STERLING, VA TO SW ROUTE 7 AND DRANESVILLE ROAD, TOWN CENTER, STERLING, VA
BAN20001011 FIRST COUNTY MORTGAGE SERVICES INCORPORATED
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20001012 SECURITY ONE MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20001013 ACCENT MORTGAGE SERVICES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 604 1/2 HIGH STREET, SUITE 100, PORTSMOUTH, VA
BAN20001014 COMMUNITY FIRST BANK
TO OPEN A BRANCH AT 2301 LANGHORNE ROAD, LYNCHBURG, VA
BAN20001015 HOLLANDER FINANCIAL HOLDING, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20001016 PREMIER MORTGAGE COMPANY, LLC
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 11185 MAIN STREET, FAIRFAX, VA
BAN20001017 OLD DOMINION TRUST COMPANY
TO RELOCATE INDEPENDENT TRUST COMPANY MAIN OFFICE FROM 109 E. MAIN STREET, SUITE 410, NORFOLK, VA TO 100 EAST MAIN STREET, SUITE 200, NORFOLK, VA
BAN20001018 HERITAGE FUNDING, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2414 COLONIAL AVENUE, NORFOLK, VA TO 142 WEST YORK STREET, SUITE 305, NORFOLK, VA
BAN20001019 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 33 TRAFALGAR SQUARE, NASHUA, NH
BAN20001020 WILLOW FINANCIAL SERVICES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2736 CHAINBRIDGE ROAD, VIENNA, VA TO 440 BEULAH ROAD, NE, VIENNA, VA
BAN20001021 COMMUNITY MORTGAGE CENTERS, LLC
TO OPEN A MORTGAGE BROKER'S OFFICE AT 7630 LITTLE RIVER TURNPIKE, SUITE 710, ANNANDALE, VA
BAN20001022 COMMUNITY MORTGAGE CENTERS, LLC
TO OPEN A MORTGAGE BROKER'S OFFICE AT 9200 BASIL COURT, SUITE 221, LARGO, MD
BAN20001023 S. B. E. FINANCIAL, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20001024 RESIDENTIAL MORTGAGE CENTER, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20001025 CARDINAL MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 257 RIDGE-MCINTIRE ROAD, CHARLOTTESVILLE, VA TO 690 BERKMAR CIRCLE, CHARLOTTESVILLE, VA
BAN20001026 FINANCIAL RESOURCES MID-ATLANTIC
FOR A MORTGAGE LENDER'S LICENSE
BAN20001027 RAINBOW VISION, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN20001028 FIRST CONSOLIDATED MORTGAGE COMPANY
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20001029 FIDELITY CAPITAL MORTGAGE COMPANY
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20001030 BB&T CORPORATION
TO ACQUIRE FCNB CORP.
BAN20001031 BETHESDA-CHEVY CHASE MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 210 PIER ONE ROAD, SUITE 209, STEVENSVILLE, MD TO 200 QUEEN ANNE ROAD, STEVENSVILLE, MD
BAN20001032 HASHIM ENTERPRISES, INC.
FOR A MONEY ORDER LICENSE
BAN20001033 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1350 CARLBACK AVENUE, SUITE 310, WALNUT CREEK, CA
BAN20001034 FIRST PRIORITY MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20001035 COMMERCE BANK
TO MERGE INTO IT COUNTY BANK OF CHESTERFIELD
BAN20001036 COMMERCE BANK
TO MERGE INTO IT COMMERCE BANK OF VIRGINIA
BAN20001037 FNB CORPORATION
TO ACQUIRE CNB HOLDINGS, INC., PULASKI, VA
BAN20001038 PARKWAY MORTGAGE, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 20484 CHARTWELL CENTER DRIVE, CORNELIUS, NC TO 205 REGENCY EXECUTIVE PARK DRIVE, SUITE 410, CHARLOTTE, NC
BAN20001039 INDEPENDENT REALTY CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1855 WEST KATELLA AVENUE, SUITE 350, ORANGE, CA
BAN20001040 ADVANCED CALL CENTER TECHNOLOGIES, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20001041 WORTH FUNDING INCORPORATED
FOR A MORTGAGE LENDER'S LICENSE
BAN20001042 HAMILTON FUNDING CORP.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 6862 ELM STREET, SUITE 235, MCLEAN, VA
BAN20001043 VIRGINIA CREDIT UNION, INC.
TO OPEN A CREDIT UNION SERVICE OFFICE AT 456 CHARLES DIMMOCK PARKWAY STE 1, COLONIAL HEIGHTS, VA
BAN20001044 AMERICAN GENERAL FINANCE OF AMERICA, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE TERM LIFE INSURANCE BUSINESS WILL ALSO BE CONDUCTED
BAN20001045 AMERICAN GENERAL FINANCE OF AMERICA, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE PROPERTY INSURANCE BUSINESS WILL ALSO BE CONDUCTED
BAN20001046 AMERICAN GENERAL FINANCE OF AMERICA, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE LENDING WILL ALSO BE CONDUCTED
BAN20001047 AMERICAN GENERAL FINANCE OF AMERICA, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE OPEN-END LENDING WILL ALSO BE CONDUCTED
BAN20001048 FITZSIMMONS, LEWIS & WADE MORTGAGE SERVICES INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20001049 MID-STATES FINANCIAL GROUP, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20001050 WHITE OAK MORTGAGE GROUP, LLC, THE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 301 SOUTHLAKE BOULEVARD, SUITE 202, RICHMOND, VA
BAN20001051 ROY D. HANSEN MORTGAGE COMPANY, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2530 CARRIAGE LANE, SUITE 2D, FREDERICKSBURG, VA TO 511 TWIN BROOK LANE, STAFFORD, VA
BAN20001052 FIRST CHOICE MORTGAGE INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1322 W. MAIN STREET, RICHMOND, VA
BAN20001053 FREDERICKSBURG STATE BANK
TO BEGIN BANKING BUSINESS AT 400 GEORGE STREET, FREDERICKSBURG, VIRGINIA
BAN20001054 VIRGINIA CAPITAL BANCSHARES, INC.
TO ACQUIRE FREDERICKSBURG STATE BANK
BAN20001055 HERITAGE FUNDING, L.L.C.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 11350 RANDOM HILLS ROAD, SUITE 760, FAIRFAX, VA TO 4035 RIDGE TOP ROAD, SUITE 250, FAIRFAX, VA
BAN20001056 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3122 GOLANSKY BOULEVARD, SUITE 202, WOODBRIDGE, VA
BAN20001057 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO RELOCATE OFFICE FROM 105 N. MAIN STREET, HOPEWELL, VA TO 102 NORTH SECOND AVENUE, HOPEWELL, VA
BAN20001058 HOME LOAN CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 7810 BALLANTYNE COMMONS PARKWAY, SUITE 200, CHARLOTTE, NC
BAN20001059 CALVERT MORTGAGE COMPANY, L.L.C.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 341 NORTH CALVERT STREET, BALTIMORE, MD TO 2200 DEFENSE HIGHWAY, CROFTON, MD

BAN20001060 SOUTHLAND LOG HOMES MORTGAGE COMPANY, LLC
TO OPEN A MORTGAGE BROKER'S OFFICE AT 80 HAMPTON BOULEVARD, CHRISTIANSBURG, VA
BAN20001061 CHESAPEAKE MORTGAGE CONSULTANTS, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 198 THOMAS JOHNSON DRIVE, SUITE 10, FREDERICK, MD TO 198 THOMAS JOHNSON DRIVE, SUITES 205 AND 206, FREDERICK, MD
BAN20001062 FIRST-CITIZENS BANK & TRUST COMPANY
TO OPEN A BRANCH AT 305-7 EAST MAIN STREET, FRONT ROYAL, VA
BAN20001063 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 406 OAKMEARS CRESCENT, SUITE 102, VIRGINIA BEACH, VA
BAN20001064 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 564C GOVERNOR RITCHIE HIGHWAY, SUITE A-1, SEVERNA PARK, MD
BAN20001065 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 211 VILLAGE AVENUE, BUILDING V, YORKTOWN, VA TO 3279-B LAKE POWELL ROAD, WILLIAMSBURG, VA
BAN20001066 PRIME FINANCIAL CORP. (USED IN VA BY: PRIME MORTGAGE CORPORATION)
FOR A MORTGAGE BROKER'S LICENSE
BAN20001067 CITICORP TRAVEL PAYMENT SERVICES INC.
FOR A MONEY ORDER LICENSE
BAN20001068 BB&T CORPORATION
TO ACQUIRE BANKFIRST CORPORATION, KNOXVILLE, TN
BAN20001069 FARMERS & MERCHANTS BANK
TO OPEN A BRANCH AT 120 SOUTH MAIN STREET, EDINBURG, VA
BAN20001070 FARMERS & MERCHANTS BANK
TO OPEN A BRANCH AT 161 SOUTH MAIN STREET, WOODSTOCK, VA
BAN20001071 ACCENT MORTGAGE SERVICES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 6605 CATHERINE STREET, NORFOLK, VA TO 7525 TIDEWATER DRIVE, SUITE 223, NORFOLK, VA
BAN20001072 AEGIS MORTGAGE CORPORATION D/B/A UC LENDING
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 12101-C ELM FOREST WAY, FAIRFAX, VA TO 3200 ARROWHEAD CIRCLE, UNIT E, FAIRFAX, VA
BAN20001073 MCLEAN FINANCIAL MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20001074 CITIFINANCIAL, INC.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 1910 VIRGINIA AVENUE, MARTINSVILLE, VA TO THE ROCKY MOUNT MARKET PLACE, 400 OLD FRANKLIN TURNPIKE, SUITE 106, ROCKY MOUNT, VA
BAN20001075 CITIFINANCIAL SERVICES, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 1910 VIRGINIA AVENUE, MARTINSVILLE, VA TO THE ROCKY MOUNT MARKET PLACE, 400 OLD FRANKLIN TURNPIKE, SUITE 106, ROCKY MOUNT, VA
BAN20001076 JC MORTGAGE & FINANCIAL SERVICES, INC. D/B/A JC MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20001077 SUCCESS MORTGAGE, L.L.C.
FOR A MORTGAGE BROKER'S LICENSE
BAN20001078 NEW PEOPLES BANK, INC.
TO OPEN A BRANCH AT 685 EAST MAIN STREET, LEBANON, VA
BAN20001079 WEISS, LINDA OLIN
TO ACQUIRE 25 PERCENT OR MORE OF 1ST SECURITY MORTGAGE, INC.
BAN20001080 GARDEN STATE CONSUMER COUNSELING, INC.
TO OPEN A DEBT COUNSELING OFFICE
BAN20001081 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 525 EAST 100 SOUTH, SUITE 450, SALT LAKE CITY, UT
BAN20001082 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 20 KIMBLE AVENUE, SUITE 302 NORTH, SOUTH BURLINGTON, VT
BAN20001083 BANK OF BOTETOURT
TO OPEN A BRANCH AT UNIT 130, STONEWALL SQUARE SHOPPING CENTER, U.S. ROUTE 60, ROCKBRIDGE COUNTY, VA
BAN20001084 MORTGAGE EDGE CORPORATION D/B/A MEC ONLINE (LAKE RIDGE OFFICE ONLY)
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 12650 DARBY BROOKE COURT, LAKE RIDGE, VA TO 3174 GOLANSKY BOULEVARD, SUITE 101, WOODBRIDGE, VA
BAN20001085 RELIABLE TAX & FINANCIAL SERVICES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20001086 ROSE SHANIS FINANCIAL SERVICES OF VIRGINIA, LLC
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE SALES FINANCE BUSINESS WILL ALSO BE CONDUCTED
BAN20001087 PCLOANS.COM, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 877 BALTIMORE ANNAPOLIS BOULEVARD, SEVERNA PARK, MD TO 8334 VETERANS HIGHWAY, SUITE 1, MILLERSVILLE, MD
BAN20001088 PREFERRED HOME MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 123 NW 13TH STREET, SUITE 207, BOCA RATON, FL
BAN20001089 CONDOR FINANCIAL GROUP INCORPORATED
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 10688-D CRESTWOOD DRIVE, 2ND FLOOR, MANASSAS, VA TO 8805 SUDLEY ROAD, SUITE 202, MANASSAS, VA

BAN20001090 CENDANT MORTGAGE CORPORATION D/B/A PHH MORTGAGE SERVICES
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 6601 CLIFTON ROAD, CLIFTON, VA TO 14523 OAKMERE DRIVE, CENTREVILLE, VA
BAN20001091 ALLIED FUNDING CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20001092 MHSHOPPER.COM, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20001094 PHOENIX FINANCIAL CORPORATION D/B/A ABACUS MORTGAGE
FOR A MORTGAGE BROKER'S LICENSE
BAN20001095 ROB FUNDING COMPANY
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20001096 BURROWS, DAVID HOWARD D/B/A CRESCENT MORTGAGE
FOR A MORTGAGE BROKER'S LICENSE
BAN20001097 COMMUNITY BANK OF NORTHERN VIRGINIA
TO OPEN A BRANCH AT 5955 KINGSTOWNE TOWNE CENTER, SPRINGFIELD, VA
BAN20001098 1ST NATIONS MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 707 GULFWIND ROAD, CHESAPEAKE, VA
BAN20001099 OPTION ONE MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1834 WALDEN OFFICE SQUARE, SUITE 550, SCHAUMBURG, IL
BAN20001100 CAPITOL FINANCIAL SERVICES, INC. D/B/A CAPITOL HOME MORTGAGE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2211 DICKENS ROAD, SUITE 203, RICHMOND, VA
BAN20001101 INTEGRITY HOME MORTGAGE LLC
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 103 EAST MAIN STREET, SALEM, VA TO 856 WEST MAIN STREET, SALEM, VA
BAN20001102 GUILD MORTGAGE COMPANY
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 400 NORTH TUSTIN AVENUE, SUITE 101, SANTA ANA, CA TO 222 MOUNTAIN AVENUE, SUITE 201, UPLAND, CA
BAN20001103 MORTGAGE ALLIANCE OF ARIZONA, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20001104 RATEONE HOME LOANS, LLC
FOR A MORTGAGE LENDER'S LICENSE
BAN20001105 ATLANTIC BAY MORTGAGE GROUP, L.L.C.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1126 NORWOOD STREET, RADFORD, VA TO 430 EAST MAIN STREET, WYTHEVILLE, VA
BAN20001106 CONSUMER CREDIT COUNSELING SERVICE OF VIRGINIA, INC.
TO OPEN AN ADDITIONAL DEBT COUNSELING OFFICE AT 8136 OLD KEENE MILL ROAD, SUITE A-304, SPRINGFIELD, VA
BAN20001107 ACCREDITED HOME LENDERS, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT IRON MOUNTAIN STORAGE, 600 DISTRIBUTION DRIVE, ATLANTA, GA
BAN20001108 MOLTON, ALLEN & WILLIAMS MORTGAGE COMPANY, L.L.C.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1000 URBAN CENTER DRIVE, SUITE 500, BIRMINGHAM, AL
BAN20001109 MOLTON, ALLEN & WILLIAMS MORTGAGE COMPANY, L.L.C.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 10555 MAIN STREET, SUITE 200, FAIRFAX, VA
BAN20001110 CENTURY MORTGAGE CORPORATION OF GEORGIA (USED IN VA BY: CENTURY MORTGAGE CORPORATION)
TO OPEN A MORTGAGE LENDER'S OFFICE AT 7360 MCWHORTER PLACE, SUITE 200, ANNANDALE, VA
BAN20001111 SELECT MORTGAGE CORPORATION
FOR A MORTGAGE LENDER'S LICENSE
BAN20001112 ROCKINGHAM HERITAGE BANK
TO RELOCATE OFFICE FROM 51 FRANKLIN STREET, WEYERS CAVE, VA TO 54 FRANKLIN STREET, SUITE 102, WEYERS CAVE, VA
BAN20001113 BMG, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20001114 FIRST CAPITAL BANK
TO OPEN A BRANCH AT 113 JUNCTION DRIVE, ASHLAND, VA
BAN20001115 OLYMPIC MORTGAGE GROUP, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 5610 SOUTHPOINT CENTRE BOULEVARD, FREDERICKSBURG, VA
BAN20001116 SUPERIOR HOME MORTGAGE CORPORATION (USED IN VA BY: SUPERIOR MORTGAGE CORPORATION)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3972 HOLLAND ROAD, SUITE 114, VIRGINIA BEACH, VA
BAN20001117 ALLIANCE OF SAVINGS KLUB, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20001118 CAPITAL ONE BANK
TO OPEN A BRANCH AT 2 FIRST CANADIAN PLACE, 130 KING STREET WEST, 18TH FLOOR, TORONTO, ONTARIO, CANADA, NA
BAN20001119 TUNGSTEN GROUP, INC., THE
TO OPEN A CONSUMER FINANCE OFFICE
BAN20001120 BENNIE'S HOMES, INC. D/B/A COLONY HOMES (10875 WARDS ROAD ONLY)
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 12278 WARDS ROAD, RUSTBURG, VA TO 12006 WARDS ROAD, RUSTBURG, VA
BAN20001121 CARDINAL MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 750 WALKER ROAD, SUITE B, GREAT FALLS, VA TO 10400 PARKERHOUSE DRIVE, GREAT FALLS, VA

BAN20001122 SOUTHERN TRUST MORTGAGE, LLC
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT U-HAUL SELF STORAGE CENTER ARAGONA, UNIT 3003, 4950 VIRGINIA BEACH BLVD., VIRGINIA BEACH, VA
BAN20001123 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 5235 WESTVIEW DRIVE, SUITE 100, FREDERICK, MD TO 1003 WEST PATRICK STREET, FREDERICK, MD
BAN20001124 NETWORTH, A PARTNERSHIP
FOR A MORTGAGE BROKER'S LICENSE
BAN20001125 UNION MORTGAGE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20001126 DECANTIS, THOMAS SCOTT
TO ACQUIRE 25 PERCENT OR MORE OF FIRST EQUITABLE MORTGAGE AND INVESTMENT COMPANY, INCORPORATED
BAN20001127 U.S. MORTGAGE LENDING CORP.
FOR A MORTGAGE BROKER'S LICENSE
BAN20001128 SUNTRUST BANK, ATLANTA
TO OPEN A BRANCH AT 15 SPRADLIN FARM DRIVE, CHRISTIANSBURG, VA
BAN20001129 ROCKINGHAM HERITAGE BANK
TO OPEN A BRANCH AT 1406 GREENVILLE AVENUE, AUGUSTA COUNTY, VA
BAN20001130 MINERS AND MERCHANTS BANK AND TRUST COMPANY
TO OPEN A BRANCH AT 28 RUSSELL STREET, ST. PAUL, VA
BAN20001131 MINERS AND MERCHANTS BANK AND TRUST COMPANY
TO OPEN A BRANCH AT 16-18 MAIN STREET, LEBANON, VA
BAN20001132 WISH, ALEX G.
TO ACQUIRE 25 PERCENT OR MORE OF HERITAGE FUNDING, L.L.C.
BAN20001133 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7001 TRYSAIL CIRCLE, TAMPA, FL TO 1112 SOUTH DUNBAR AVENUE, TAMPA, FL
BAN20001134 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 9303 HAMILTON DRIVE, FAIRFAX, VA TO 900 CLEMENT AVENUE, BELPRE, OH
BAN20001135 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 5069 QUEENSWOOD DRIVE, BURKE, VA
BAN20001136 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 107 LAKE FRONT DRIVE, SUFFOLK, VA
BAN20001137 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 747 WAVERLY DRIVE, ELGIN, IL
BAN20001138 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3824 LARCHWOOD DRIVE, VIRGINIA BEACH, VA
BAN20001139 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 14 VALLEY STREET, CUMBERLAND, RI
BAN20001140 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 706 SCOTSDALE ROAD, WESTMINSTER, MD
BAN20001141 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1367 ROCK CHAPEL ROAD, HERNDON, VA
BAN20001142 HOMEOWNERS.COM, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 631 HOWARD STREET, SUITE 530, SAN FRANCISCO, CA TO 2130 HARRISON STREET, SUITE 10, SAN FRANCISCO, CA
BAN20001143 CUNA MUTUAL MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 725 EAST MIFFLIN STREET, MADISON, WI TO 637 EAST WASHINGTON AVENUE, MADISON, WI
BAN20001144 CUNA MUTUAL MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER'S OFFICE AT 725 NORTH REGIONAL ROAD, GREENSBORO, NC
BAN20001145 GREENE COUNTY BANK
TO OPEN A BRANCH AT 17510 LEE HIGHWAY, ABINGDON, VA
BAN20001146 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 6065 ROSWELL ROAD, ATLANTA, GA
BAN20001147 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1712 E. SPRING STREET, SUITE A, JEFFERSONVILLE, IN
BAN20001148 CENTURY MORTGAGE CORPORATION OF GEORGIA (USED IN VA BY: CENTURY MORTGAGE CORPORATION)
TO OPEN A MORTGAGE LENDER'S OFFICE AT 7360 MCWHORTER PLACE, SUITE 200, ANNANDALE, VA
BAN20001149 ROYAL MORTGAGE CORP.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 2301 E STREET, N.W., SUITE A-417, WASHINGTON, DC TO 2301 E STREET N.W., SUITE A-205, WASHINGTON, DC
BAN20001150 SEVERN MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 521C E. MARKET STREET, LEESBURG, VA
BAN20001151 BANK OF SOUTHSIDE VIRGINIA, THE
TO OPEN A BRANCH AT 115 MAIN STREET, SMITHFIELD, VA
BAN20001152 BANK OF SOUTHSIDE VIRGINIA, THE
TO OPEN A BRANCH AT 14003 BOYDTON PLANK ROAD, DINWIDDIE COUNTY, VA
BAN20001153 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3027 HIGHWAY 83, SUITE M, SEELEY LAKE, MT

BAN20001154 CLOWSER, KEVIN WAYNE T/A LINCOLN MORTGAGE
TO OPEN A MORTGAGE BROKER'S OFFICE AT 126 MILL RACE DRIVE, WINCHESTER, VA
BAN20001155 COUNTRYWIDE HOME LOANS, INC. D/B/A AMERICA'S WHOLESALE LENDER
TO OPEN A MORTGAGE LENDER'S OFFICE AT 220 E. MEADOW ROAD, SUITE 6, EDEN, NC
BAN20001156 COASTAL MORTGAGE SERVICES, INC. D/B/A COASTAL FUNDING GROUP
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 5950 FAIRVIEW ROAD, SUITE 810, CHARLOTTE, NC TO 11301 CARMEL COMMONS BOULEVARD, SUITE 309, CHARLOTTE, NC
BAN20001157 SUPERIOR HOME MORTGAGE CORPORATION (USED IN VA BY: SUPERIOR MORTGAGE CORPORATION)
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 5894 CLARENTON SPRINGS PLACE, CENTREVILLE, VA
BAN20001158 PRIMERICA FINANCIAL SERVICES HOME MORTGAGES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 300 ARBORETUM PLACE, SUITE 430, RICHMOND, VA TO 300 ARBORETUM PLACE, SUITE 360, RICHMOND, VA
BAN20001159 METSTAR MORTGAGE CORP.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7777 LEESBURG PIKE, SUITE 10LS, FALLS CHURCH, VA TO 4 CRISSWELL COURT, POTOMAC FALLS, VA
BAN20001160 MORTGAGE FACTORY, INC., THE (USED IN VA BY: RESOURCE ONE, INC.)
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 585 STEWART AVENUE, GARDEN CITY, NY TO 666 OLD COUNTRY ROAD, GARDEN CITY, NY
BAN20001161 TOWNE BANK
TO OPEN A BRANCH AT 2101 PARKS AVENUE, SUITE 100, VIRGINIA BEACH, VA
BAN20001162 BAYVIEW MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1336 K STREET, S.E., WASHINGTON, DC
BAN20001163 DIVINITY MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 5427 CROWS NEST COURT, FAIRFAX, VA
BAN20001164 TOWN AND COUNTRY FINANCIAL SERVICES, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 4810 BEAUREGARD STREET, SUITE 212, ALEXANDRIA, VA
BAN20001165 COMSTOCK MORTGAGE SERVICES, L.C.
FOR A MORTGAGE BROKER'S LICENSE
BAN20001166 INSTANTREFI.COM LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20001167 CITIFINANCIAL SERVICES, INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN20001168 CITIFINANCIAL SERVICES, INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN20001169 CITIFINANCIAL SERVICES, INC.
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BAN20001170 CITIFINANCIAL SERVICES, INC.
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BAN20001183 CITIFINANCIAL SERVICES, INC.
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BAN20001184 CITIFINANCIAL SERVICES, INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN20001185 CITIFINANCIAL, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 749 PINEY FOREST ROAD, DANVILLE, VA
BAN20001186 CITIFINANCIAL, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 12785 JEFFERSON AVENUE, NEWPORT NEWS, VA

BAN20001187 CITIFINANCIAL, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 4300 PLANK ROAD, SUITE 210, FREDERICKSBURG, VA
BAN20001188 CITIFINANCIAL, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 2710 ENTERPRISE PARKWAY, RICHMOND, VA
BAN20001189 CITIFINANCIAL, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 850 STATLER BOULEVARD, SUITE 113, STAUNTON, VA
BAN20001190 CITIFINANCIAL, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 209 ELDEN STREET, #101, HERNDON, VA
BAN20001191 CITIFINANCIAL, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 182 S. 10 NEFF AVENUE, HARRISONBURG, VA
BAN20001192 CITIFINANCIAL, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1324 FRONT STREET, RICHLANDS, VA
BAN20001193 CITIFINANCIAL, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 316 CONSTITUTION DRIVE, VIRGINIA BEACH, VA
BAN20001194 CITIFINANCIAL, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1900 RIO HILL CENTER, SUITE D1, CHARLOTTESVILLE, VA
BAN20001195 CITIFINANCIAL, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1562 N. FRANKLIN STREET, CHRISTIANSBURG, VA
BAN20001196 CITIFINANCIAL, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 8290 SHOPPERS SQUARE, MANASSAS, VA
BAN20001197 CITIFINANCIAL, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 164 RIVER JAMES SHOPPING CENTER, MADISON HEIGHTS, VA
BAN20001198 CITIFINANCIAL, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 2114 ANGUS ROAD, SUITE 102, CHARLOTTESVILLE, VA
BAN20001199 CITIFINANCIAL, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 13810-C BRADDOCK ROAD, CENTREVILLE, VA
BAN20001200 CITIFINANCIAL, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 6431 WILLIAMSON ROAD, N.W., ROANOKE, VA
BAN20001201 CITIFINANCIAL, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 10805 MIDLOTHIAN TURNPIKE, RICHMOND, VA
BAN20001202 CITIFINANCIAL, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 411 E. SOUTH STREET, FRONT ROYAL, VA
BAN20001203 CITIFINANCIAL, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 2124 PLEASANT VALLEY ROAD, WINCHESTER, VA
BAN20001204 CITIFINANCIAL, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1805 N. ROAN STREET, SUTIE E-1, JOHNSON CITY, TN
BAN20001205 CITIFINANCIAL, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 2357 FORT HENRY DRIVE, KINGSPORT, TN
BAN20001206 NEWPORT NEWS SHIPBUILDING EMPLOYEES' CREDIT UNION, INC.
TO OPEN A CREDIT UNION SERVICE OFFICE AT 500 WEST PARK LANE, HAMPTON, VA
BAN20001207 NEWPORT NEWS SHIPBUILDING EMPLOYEES' CREDIT UNION, INC.
TO OPEN A CREDIT UNION SERVICE OFFICE AT 4215 MARSHALL AVENUE, BUILDING 600, NEWPORT NEWS, VA
BAN20001208 NEWPORT NEWS SHIPBUILDING EMPLOYEES' CREDIT UNION, INC.
TO OPEN A CREDIT UNION SERVICE OFFICE AT 230 41ST. STREET, BUILDING 520, NEWPORT NEWS, VA
BAN20001209 NEWPORT NEWS SHIPBUILDING EMPLOYEES' CREDIT UNION, INC.
TO OPEN A CREDIT UNION SERVICE OFFICE AT 2900 WASHINGTON AVENUE, BUILDING 901, NEWPORT NEWS, VA
BAN20001210 NEWPORT NEWS SHIPBUILDING EMPLOYEES' CREDIT UNION, INC.
TO OPEN A CREDIT UNION SERVICE OFFICE AT 2700 HUNTINGTON AVENUE, BUILDING 902, NEWPORT NEWS, VA
BAN20001211 NEWPORT NEWS SHIPBUILDING EMPLOYEES' CREDIT UNION, INC.
TO OPEN A CREDIT UNION SERVICE OFFICE AT 60TH STREET GATE, NEWPORT NEWS SHIPYARD, NEWPORT NEWS, VA
BAN20001212 NEWPORT NEWS SHIPBUILDING EMPLOYEES' CREDIT UNION, INC.
TO OPEN A CREDIT UNION SERVICE OFFICE AT 35TH STREET GATE, NEWPORT NEWS SHIPYARD, NEWPORT NEWS, VA
BAN20001213 CBSK FINANCIAL GROUP, INC. D/B/A AMERICAN HOME LOANS
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 33920 US HIGHWAY 19 NORTH, SUITE 269, PALM HARBOR, VA
BAN20001214 PLATINUM CAPITAL GROUP, INC. (USED IN VA BY: PLATINUM CAPITAL GROUP)
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 1732 REYNOLDS AVENUE, IRVINE, CA TO 17101 ARMSTRONG AVENUE, SUITE 200, IRVINE, CA
BAN20001215 1ST PRIORITY MORTGAGE CORP. D/B/A AFFORDABLE MORTGAGE SOLUTIONS
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1021-A RED BANKS ROAD, GREENVILLE, NC
BAN20001216 METFUND MORTGAGE SERVICES CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7799 LEESBURG PIKE, SUITE 900 NORTH, TYSONS CORNER, VA TO 4505 WETHERILL ROAD, BETHESDA, MD
BAN20001217 CTX MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3200 NORTHLINE AVENUE, SUITE 240, GREENSBORO, NC
BAN20001218 GREATER POTOMAC MORTGAGE COMPANY
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 746 WALKER ROAD, SUITE 14, GREAT FALLS, VA TO 4521 PROFESSIONAL CIRCLE, VIRGINIA BEACH, VA
BAN20001219 CONGRESSIONAL FUNDING, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 77 SOUTH WASHINGTON ST., SUITE 205, ROCKVILLE, MD TO 15746A CRABBS BRANCH WAY, ROCKVILLE, MD

BAN20001220 SIGNATURE MORTGAGE SERVICES, INC.
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN20001221 FFP MONEY ORDER COMPANY, INC.
FOR A MONEY ORDER LICENSE
BAN20001222 FIRST UNITED MORTGAGEBANC, INC.
FOR A MORTGAGE LENDER'S LICENSE
BAN20001223 F & M NATIONAL CORPORATION
TO ACQUIRE ATLANTIC FINANCIAL CORP.
BAN20001224 MORTGAGE LOAN SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 223 NORTH MAIN STREET, SUITE 101, FRANKLIN, VA
BAN20001225 POPULAR FINANCIAL SERVICES, LLC
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20001226 FIRST NATIONS HOME FINANCE CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20001227 PRINCIPAL RESIDENTIAL MORTGAGE, INC.
FOR ADDITIONAL MORTGAGE AUTHORITY
BAN20001228 WHITE OAK MORTGAGE GROUP, LLC, THE
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2230 C TACKETT'S MILL DRIVE, LAKE RIDGE, VA
BAN20001229 AMERICAN ADVANTAGE MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 780 ELKRIDGE LANDING ROAD, SUITE 200, LINTHICUM, MD TO 5517 OREGON AVENUE, BALTIMORE, MD
BAN20001230 ASSOCIATES HOME EQUITY SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 9000 BROOKTREE ROAD, SUITE 202, WEXFORD, PA
BAN20001231 ASSOCIATES HOME EQUITY SERVICES, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2208 HIGHWAY 121, BEDFORD, TX
BAN20001232 TRANSOUTH MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 6212 JEFFERSON AVENUE, NEWPORT NEWS, VA TO 739 THIMBLE SHOALS BOULEVARD, SUITE 306, NEWPORT NEWS, VA
BAN20001233 KING, DONALD O. D/B/A ACCESS MORTGAGE KOD
TO OPEN A MORTGAGE BROKER'S OFFICE AT 10814 LONDON DRIVE, GLEN ALLEN, VA
BAN20001234 DONALD O. D/B/A ACCESS MORTGAGE KOD
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2219 COMMERCE PARKWAY, VIRGINIA BEACH, VA
BAN20001235 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 605 HUDSON AVENUE, SUITE 324, TAKOMA PARK, MD
BAN20001236 HOMECOMINGS FINANCIAL NETWORK, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 620 NEWPORT CENTER DRIVE, SUITE 400, NEWPORT BEACH, CA
BAN20001237 HOMECOMINGS FINANCIAL NETWORK, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 9 SYLVAN WAY, SUITE 100, PARSIPPANY, NJ
BAN20001238 CITIFINANCIAL SERVICES, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE TITLE INSURANCE BUSINESS WILL ALSO BE CONDUCTED
BAN20001239 CITIFINANCIAL SERVICES, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE PROPERTY INSURANCE BUSINESS WILL ALSO BE CONDUCTED
BAN20001240 CITIFINANCIAL SERVICES, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE OPEN-END LENDING WILL ALSO BE CONDUCTED
BAN20001241 CITIFINANCIAL SERVICES, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE LENDING WILL ALSO BE CONDUCTED
BAN20001242 CITIFINANCIAL SERVICES, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE SALES FINANCE BUSINESS WILL ALSO BE CONDUCTED
BAN20001243 EQUITY ONE CONSUMER LOAN COMPANY, INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN20001244 EQUITY ONE CONSUMER LOAN COMPANY, INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN20001245 EQUITY ONE CONSUMER LOAN COMPANY, INC.
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BAN20001246 EQUITY ONE CONSUMER LOAN COMPANY, INC.
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BAN20001258 EQUITY ONE CONSUMER LOAN COMPANY, INC.
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BAN20001259 EQUITY ONE CONSUMER LOAN COMPANY, INC.
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BAN20001260 EQUITY ONE CONSUMER LOAN COMPANY, INC.
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BAN20001261 EQUITY ONE CONSUMER LOAN COMPANY, INC.
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BAN20001262 EQUITY ONE CONSUMER LOAN COMPANY, INC.
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BAN20001263 EQUITY ONE CONSUMER LOAN COMPANY, INC.
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BAN20001264 EQUITY ONE CONSUMER LOAN COMPANY, INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN20001265 EQUITY ONE CONSUMER LOAN COMPANY, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE LENDING WILL ALSO BE CONDUCTED
BAN20001266 EQUITY ONE CONSUMER LOAN COMPANY, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE BROKERING WILL ALSO BE CONDUCTED
BAN20001267 EQUITY ONE CONSUMER LOAN COMPANY, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE SALES FINANCE BUSINESS WILL ALSO BE CONDUCTED
BAN20001268 LAMORTE, JOHN J.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4510 DALY DRIVE SUITE 300, CHANTILLY, VA TO 12135 WESTWOOD HILLS DRIVE, OAK HILL, VA
BAN20001269 ALLIED MORTGAGE CAPITAL CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 810 GLENEAGLES COURT, SUITE 300, TOWSON, MD TO 8344 BELAIR ROAD, BALTIMORE, MD
BAN20001270 MONARCH BANK
TO OPEN A BRANCH AT 2700 VIRGINIA BEACH BOULEVARD, VIRGINIA BEACH, VA
BAN20001271 FIELDSTONE MORTGAGE COMPANY
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2901 NORTH DALLAS PARKWAY, SUITE 410, PLANO, TX
BAN20001272 TEAR, CAROL KESSLER
FOR A MORTGAGE BROKER'S LICENSE
BAN20001273 CHOICE FINANCE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7720 WISCONSIN AVENUE, SUITE 206, BETHESDA, MD TO 6001 MONTROSE ROAD, SUITE 504, ROCKVILLE, MD
BAN20001274 TCD MORTGAGE CORPORATION
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20001275 CORNERSTONE MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 5615 INDEPENDENCE CIRCLE, ALEXANDRIA, VA
BAN20001276 COMMUNITY MORTGAGE CENTERS, LLC
TO OPEN A MORTGAGE BROKER'S OFFICE AT 8607 SUDLEY ROAD, MANASSAS, VA
BAN20001277 BERKLEY MORTGAGE CORP.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7231 FOREST AVENUE, RICHMOND, VA TO 1500 FOREST AVENUE, SUITE 114, RICHMOND, VA
BAN20001278 SALEM FINANCIAL, LC
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 329 KING GEORGE AVENUE, S.W., ROANOKE, VA TO 3002 BRANDON AVENUE, ROANOKE, VA
BAN20001279 HUBAND, EUGENE B. D/B/A ALPHA MORTGAGE FUNDING
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 9086 WESTONE ROAD, MECHANICSVILLE, VA TO 13310 LORA LYNN ROAD, CHESTER, VA
BAN20001280 KING, THOMAS S.
TO ACQUIRE 25 PERCENT OR MORE OF EQUITY 1 MORTGAGE AND FINANCIAL SERVICES CORPORATION
BAN20001281 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 4726 LARKSPUR SQUARE, VIRGINIA BEACH, VA
BAN20001282 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 102 BAYMEADOW LANE, VINTON, VA
BAN20001283 AMERITRUST MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1201 WINDSOR AVENUE, PULASKI, VA
BAN20001284 PIONEER BANK
TO OPEN A BRANCH AT 8315 SPOTSWOOD TRAIL, STANARDSVILLE, VA
BAN20001285 U.S. MORTGAGE CAPITAL, INC. D/B/A WORLDWIDE FINANCIAL RESOURCES
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 11350 RANDOM HILLS ROAD, SUITE 800, FAIRFAX, VA

BAN20001286 ROSE SHANIS FINANCIAL SERVICES OF VIRGINIA, LLC
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE PROPERTY INSURANCE BUSINESS WILL ALSO BE CONDUCTED
BAN20001287 FIRST-CITIZENS BANK & TRUST COMPANY
TO OPEN A BRANCH AT 239 NORTH CENTRAL AVENUE, STAUNTON, VA
BAN20001288 FIRST-CITIZENS BANK & TRUST COMPANY
TO OPEN A BRANCH AT 5005 LEE HIGHWAY, VERONA, VA
BAN20001289 NEW DIRECTIONS MORTGAGE CO. INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20001290 CFN FINANCE, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20001291 MORTGAGE SOURCE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 702 MIDDLEGROUND BOULEVARD, SUITE D, NEWPORT NEWS, VA
BAN20001292 CITIFINANCIAL SERVICES, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 6800 BACKLICK ROAD, SUITE 100, SPRINGFIELD, VA TO SPRINGFIELD PLAZA SHOPPING CENTER, 7219 COMMERCE STREET, SPRINGFIELD, VA
BAN20001293 CITIFINANCIAL, INC.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 6800 BACKLICK ROAD, SPRINGFIELD, VA TO SPRINGFIELD PLAZA SHOPPING CENTER, 7219 COMMERCE STREET, SPRINGFIELD, VA
BAN20001294 TRANSOUTH FINANCIAL CORPORATION
TO RELOCATE CONSUMER FINANCE OFFICE FROM 6212 JEFFERSON AVENUE, NEWPORT NEWS, VA TO 739 THIMBLE SHOALS BOULEVARD, SUITE 306, NEWPORT NEWS, VA
BAN20001295 BANK OF NORTHUMBERLAND, INCORPORATED
TO OPEN A BRANCH AT 437 NORTH MAIN STREET, KILMARNOCK, VA
BAN20001296 HATLEY, MARY CLARE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 8405 DORSEY CIRCLE, SUITE 201, MANASSAS, VA TO 8700 CENTREVILLE ROAD, SUITE 8696, MANASSAS, VA
BAN20001297 CITIFINANCIAL, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 111 EAST 300 SOUTH, SUITE 400, SALT LAKE CITY, UT
BAN20001298 CITIFINANCIAL, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 257 EAST 200 SOUTH STREET, SUITE 800, SALT LAKE CITY, UT
BAN20001299 CHOICE MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 18281 FOREST ROAD, LYNCHBURG, VA
BAN20001300 COAST TO COAST HOME EQUITY CORP.
FOR A MORTGAGE BROKER'S LICENSE
BAN20001302 U.S.A. FINANCIAL SERVICES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1321 JAMESTOWN ROAD, SUITE 101, WILLIAMSBURG, VA TO 3863-A PLAZA DRIVE, FAIRFAX, VA
BAN20001303 CENDANT HOME LOANS, LP
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20001304 CITY OF ALEXANDRIA EMPLOYEES CREDIT UNION, INC.
TO MERGE INTO IT ALLIED SERVICE EMPLOYEES CREDIT UNION, INCORPORATED ALEXANDRIA, VA
BAN20001305 CENTER FOR CHILD & FAMILY SERVICES, INC. D/B/A CONSUMER CREDIT COUNSELING SERVICE OF HAMPTON ROADS
TO OPEN AN ADDITIONAL DEBT COUNSELING OFFICE AT 1031 RICHMOND ROAD, WILLIAMSBURG, VA
BAN20001306 CONSECO FINANCE SERVICING CORP.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM REFLECTIONS III, SUITE 250, VIRGINIA BEACH, VA TO 200 GOLDEN OAK COURT, SUITE 100, VIRGINIA BEACH, VA
BAN20001307 BEAZER MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 8300 GREENSBORO DRIVE, SUITE 200, MCLEAN, VA TO 14901 BOGLE DRIVE, SUITE 102, CHANTILLY, VA
BAN20001308 REGIONAL ACCEPTANCE CORPORATION
TO OPEN A CONSUMER FINANCE OFFICE
BAN20001309 REGIONAL ACCEPTANCE CORPORATION
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE SALES FINANCE BUSINESS WILL ALSO BE CONDUCTED
BAN20001310 F & M NATIONAL CORPORATION
TO ACQUIRE COMMUNITY BANKSHARES OF MARYLAND, INC.
BAN20001311 SOUTHERN TRUST MORTGAGE, LLC
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 8104 ELM DRIVE, MECHANICSVILLE, VA
BAN20001312 ADVANTAGE MORTGAGE SERVICES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20001313 E Z CHECK CASHING, LC
TO OPEN A CHECK CASHER AT 1207 9TH. STREET, S.E., ROANOKE, VA
BAN20001314 COLEMAN MORTGAGE GROUP, INC., THE
FOR A MORTGAGE BROKER'S LICENSE
BAN20001315 ARCHWAY MORTGAGE SERVICES, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20001316 COMMUNITY HOME MORTGAGE OF VIRGINIA, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 5222 GEORGE WASHINGTON MEMORIAL HIGHWAY, GLOUCESTER, VA
BAN20001317 PRINCIPAL RESIDENTIAL MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT PIAZZA, 6012 MAIN STREET, VOORHEES, NJ

BAN20001318 FINANCIAL MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1206 LASKIN ROAD, VIRGINIA BEACH, VA
BAN20001319 FIRST GUARANTY MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 10630 LITTLE PATUXENT PARKWAY, COLUMBIA, MD TO 482 PROSPECT BOULEVARD, UNIT D, FREDERICK, MD
BAN20001320 LONGSTEIN INVESTMENTS, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20001321 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1981 PARKVIEW TERRACE, KENNESAW, GA TO 905-A FIFTH AVENUE, GARNER, NC
BAN20001322 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1512 COLONIAL AVENUE, SUITE C, NORFOLK, VA
BAN20001323 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1210 ASQUITH PINES PLACE, ARNOLD, MD
BAN20001324 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 520 CAMPBELL AVENUE, FRANKLIN, VA
BAN20001325 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3951 PATUXENT RIVER ROAD, HARWOOD, MD
BAN20001326 ADVANTAGE INVESTORS MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 7896 MAYFAIR CIRCLE, ELLICOTT CITY, MD
BAN20001327 GUBITOSI, LINDA
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 510 DALY DRIVE, SUITE 300, CHANTILLY, VA TO 15575 PEBBLEBROOK DRIVE, CENTREVILLE, VA
BAN20001328 SANFORD MORTGAGE COMPANY, LLC, THE
FOR A MORTGAGE BROKER'S LICENSE
BAN20001329 ADVOCATE MORTGAGE GROUP, INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20001330 JEFFERSON MORTGAGE CORPORATION
FOR A MORTGAGE BROKER'S LICENSE
BAN20001331 SUNTRUST BANK, ATLANTA
TO OPEN A BRANCH AT 22500 PLEASANT VALLEY ROAD, WINCHESTER, VA
BAN20001332 MORTGAGE CENTER, INC., THE
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20001333 MARTIN, JULIE C.
TO ACQUIRE 25 PERCENT OR MORE OF THE KNOX FINANCIAL GROUP, LLC
BAN20001334 SUNTRUST BANK, ATLANTA
TO OPEN A BRANCH AT MONTICELLO AVENUE AND POWHATAN PARKWAY, WILLIAMSBURG, VA
BAN20001335 BENCHMARK COMMUNITY BANK
TO RELOCATE OFFICE FROM 247 N. MAIN STREET, CHASE CITY, VA TO 845 E. SECOND STREET, CHASE CITY, VA
BAN20001336 AAMES FUNDING CORPORATION D/B/A AAMES HOME LOAN
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1407 YORK ROAD, SUITE 210, LUTHERVILLE, MD
BAN20001337 CORNERSTONE MORTGAGE GROUP INC.
FOR A MORTGAGE BROKER'S LICENSE
BAN20001338 JAMES MONROE BANK
TO OPEN A BRANCH AT 606 SOUTH KING STREET, LEESBURG, VA
BAN20001339 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1353 SOUTH MILITARY HIGHWAY, CHESAPEAKE, VA
BAN20001340 HANOVER BANK
TO OPEN A BRANCH AT 10374 LEADBETTER ROAD, ASHLAND, VA
BAN20001341 CONSUMER EDUCATION SERVICES, INC.
TO OPEN A DEBT COUNSELING OFFICE
BAN20001342 BANK OF TAZEWELL COUNTY
TO OPEN A BRANCH AT 108 SPRUCE STREET, BLUEFIELD, VA
BAN20001343 TELENVIOS DE MEXICO CORP.
FOR A MONEY ORDER LICENSE
BAN20001344 NUMERICA FUNDING, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20001345 CYBERLOANOFFICER.COM, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE
BAN20001346 SABATINI & ASSOCIATES, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20001347 EASTLAND MORTGAGE COMPANY, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 5705 LEE FARM LANE, SUFFOLK, VA TO 100 BUFORD ROAD, WILLIAMSBURG, VA
BAN20001348 SECURITY FEDERAL MORTGAGE & FINANCIAL SERVICES, INCORPORATED
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7320-I PARKWAY DRIVE, HANOVER, MD TO 3505 B-1 ELLICOTT MILLS DRIVE, ELLICOTT CITY, MD
BAN20001349 ALPHA MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 22648 GLENN DRIVE, SUITE 202, STERLING, VA
BAN20001350 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 300 EXECUTIVE CENTER DRIVE SUITE 206, GREENVILLE, SC

BAN20001351 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 3692 NC HIGHWAY 14, REIDSVILLE, NC
BAN20001352 COMMUNITY HOME MORTGAGE, LLC D/B/A COMMUNITY MORTGAGE GROUP, LLC
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1033 STAFFORD DRIVE, PRINCETON, WV
BAN20001353 OLD DOMINION FINANCIAL SERVICES, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 8010 RIDGE ROAD, SUITE F, RICHMOND, VA TO 10404 PATTERSON AVENUE, SUITE 101, RICHMOND, VA
BAN20001354 POSITIVE MORTGAGE, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 5610 B SANDY LEWIS DRIVE, FAIRFAX, VA TO 140 SYLVAN AVENUE, SUITE 10, ENGLEWOOD CLIFFS, NJ
BAN20001355 MORTGAGE LENDERS OF AMERICA, L.L.C.
FOR A MORTGAGE BROKER'S LICENSE
BAN20001356 PRIME FINANCIAL CORP. (USED IN VA BY: PRIME MORTGAGE CORPORATION)
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 11821 PARKLAWN DRIVE, SUITE 120, ROCKVILLE, MD TO 11615 TALL PINES DRIVE, GERMANTOWN, MD
BAN20001357 INDEPENDENT REALTY CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1405 NORTH SECOND STREET, EL CAJON, CA
BAN20001358 CITIZENS COMMUNITY BANK
TO OPEN A BRANCH AT 4205 GASBURG ROAD, GASBURG, VA
BAN20001359 VIRGINIA COMMERCE BANK
TO OPEN A BRANCH AT 2030 OLD BRIDGE ROAD, LAKE RIDGE, VA
BAN20001360 ELITE MORTGAGE, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20001361 EQUITY ONE CONSUMER LOAN COMPANY, INC.
TO OPEN A CONSUMER FINANCE OFFICE
BAN20001362 EQUITY ONE CONSUMER LOAN COMPANY, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE LENDING WILL ALSO BE CONDUCTED
BAN20001363 EQUITY ONE CONSUMER LOAN COMPANY, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE MORTGAGE BROKERING WILL ALSO BE CONDUCTED
BAN20001364 EQUITY ONE CONSUMER LOAN COMPANY, INC.
TO CONDUCT CONSUMER FINANCE BUSINESS WHERE SALES FINANCE BUSINESS WILL ALSO BE CONDUCTED
BAN20001365 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3959 ELECTRIC ROAD, ROANOKE, VA
BAN20001366 REAL ESTATE MORTGAGE GROUP, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1824 WESTMORELAND STREET, MCLEAN, VA TO 6925 POPPY DRIVE, MCLEAN, VA
BAN20001367 HERITAGE FUNDING, L.L.C.
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 11185 MAIN STREET, FAIRFAX, VA
BAN20001368 U.S. MORTGAGE CAPITAL, INC. D/B/A WORLDWIDE FINANCIAL RESOURCES
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 15200 SHADY GROVE ROAD, SUITE 350, ROCKVILLE, MD TO 12230 ROCKVILLE PIKE, SUITE 200, ROCKVILLE, MD
BAN20001369 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 117 WEST MAIN STREET, FLOYD, VA
BAN20001370 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 746 WALKER ROAD, SUITE 26, GREAT FALLS, VA
BAN20001371 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 3235 WINMOOR DRIVE, GREEN VALLEY, MD
BAN20001372 ALLIED MORTGAGE CAPITAL CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 9500-K COPPER COVE LANE, RICHMOND, VA
BAN20001373 M-POINT, LLC
FOR A MORTGAGE BROKER'S LICENSE
BAN20001374 KEY MORTGAGE COMPANY, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 8100 THREE CHOPT ROAD, SUITE 128, RICHMOND, VA TO 6806 PATTERSON AVENUE, RICHMOND, VA
BAN20001375 COVENANT FINANCIAL SERVICES, LLC D/B/A COVENANT MORTGAGE
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 300 GARRISONVILLE ROAD, SUITE 302, STAFFORD, VA TO 24 ONVILLE ROAD, STAFFORD, VA
BAN20001376 CENTURA BANK
TO OPEN A BRANCH AT 3012 PACIFIC AVENUE, VIRGINIA BEACH, VA
BAN20001377 CHESAPEAKE TRUST COMPANY
TO OPEN A SUBSIDIARY TRUST COMPANY AT 97 NORTH MAIN STREET, KILMARNOCK, VA
BAN20001378 BRINER INCORPORATED
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1103 PRINCESS ANNE STREET, FREDERICKSBURG, VA
BAN20001379 AEGIS MORTGAGE CORPORATION D/B/A UC LENDING
TO OPEN A MORTGAGE LENDER'S OFFICE AT 1855 WEST BASELINE ROAD, SUITE 200, MESA, AZ
BAN20001380 DANVILLE POSTAL CREDIT UNION, INCORPORATED
TO RELOCATE CREDIT UNION OFFICE FROM 700 MAIN STREET, DANVILLE, VA TO 105 TEAL COURT, DANVILLE, VA
BAN20001381 SUNSHINE MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2197 CANTON ROAD, SUITE 100, MARIETTA, GA
BAN20001382 SUNSHINE MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 5300 WESTVIEW DRIVE, SUITE 306, FREDERICK, MD

BAN20001383 SUNSHINE MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1120 C BENFIELD BOULEVARD, SUITE 116, MILLERSVILLE, MD

BAN20001384 SUNSHINE MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 2 INDUSTRIAL PARK DRIVE, SUITE D, WALDORF, MD

BAN20001385 AMERICAN GENERAL FINANCE, INC.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 1138 EMMETT STREET, CHARLOTTESVILLE, VA TO 1760 RIO HILL CENTER, CHARLOTTESVILLE, VA

BAN20001386 AMERICAN GENERAL FINANCE OF AMERICA, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 1138 EMMETT STREET, CHARLOTTESVILLE, VA TO 1760 RIO HILL CENTER, ALBEMARLE COUNTY, VA

BAN20001387 MORTGAGE MASTERS, INC. T/A MONEY MARKETING, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 8201 CORPORATE DRIVE, SUITE 620, LANDOVER, MD TO 11 HUNT CLUB COURT, EDGEWATER, MD

BAN20001388 1ST CONTINENTAL MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4103 CHAIN BRIDGE ROAD, SUITE B101, FAIRFAX, VA TO 13168 CENTERPOINTE WAY, SUITE 201, WOODBRIDGE, VA

BAN20001389 POTOMAC MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 7801 OLD BRANCH AVENUE, SUITE 403, CLINTON, MD TO 14408 OLD MILL ROAD, SUITE 201, UPPER MARLBORO, MD

BAN20001390 F & M BANK-RICHMOND
TO OPEN A BRANCH AT 7016 MECHANICSVILLE TURNPIKE, MECHANICSVILLE, VA

BAN20001391 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 8700 CENTREVILLE ROAD, SUITE 201, MANASSAS, VA TO 8700 CENTREVILLE ROAD, SUITE 110, MANASSAS, VA

BAN20001392 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 909 EAST BOULEVARD, CHARLOTTE, NC TO 101 N. CENTER STREET, WESTMINSTER, MD

BAN20001393 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 11733-66TH STREET, NORTH, LARGO, FL TO 13058 AUTUMN WOODS WAY, SUITE 101, FAIRFAX, VA

BAN20001394 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4021 CHESTNUT STREET, FAIRFAX, VA TO 10809 BROADWATER DRIVE, FAIRFAX, VA

BAN20001395 CARTERET MORTGAGE CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 13022 STURBRIDGE ROAD, WOODBRIDGE, VA TO 1629 GREENBRIAR COURT, RESTON, VA

BAN20001396 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 119 NEW MARKET CIRCLE, LEXINGTON, SC

BAN20001397 CARTERET MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 157 BISHOP DRIVE, WEST WEGO, LA

BAN20001398 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO RELOCATE OFFICE FROM 396 TOWNE CENTRE DRIVE, ABINGDON, VA TO INTERSECTION OF WYNDALE ROAD AND HIGHWAY 19, ABINGDON, VA

BAN20001399 BRANCH BANKING AND TRUST COMPANY OF VIRGINIA
TO RELOCATE OFFICE FROM 12355 SUNRISE VALLEY DRIVE, RESTON, VA TO INTERSECTION OF FAIRFAX COUNTY PKWY. AND DULLES TOLL ROAD, RESTON, VA

BAN20001400 NOVASTAR HOME MORTGAGE, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 867 WOODLANE ROAD, MOUNT HOLLY, NJ

BAN20001401 D AND D HOME LOANS INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2 EATON STREET, SUITE 503, HAMPTON, VA

BAN20001402 D AND D HOME LOANS INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 1808 COYOTE DRIVE, SUITE 100, CHESTER, VA

BAN20001403 GLOBAL FINANCIAL SERVICES, INC.
FOR A MORTGAGE BROKER'S LICENSE

BAN20001404 NATION'S STANDARD MORTGAGE CORP.
FOR A MORTGAGE LENDER AND BROKER LICENSE

BAN20001405 BARNES, BRIAN EDWARD
FOR A MORTGAGE BROKER'S LICENSE

BAN20001406 SERVICE 1ST MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 8258 VETERANS HIGHWAY, SUITE 1B, MILLERSVILLE, MD TO 8258 VETERANS HIGHWAY, SUITE 2, MILLERSVILLE, MD

BAN20001407 MORTGAGE PROS, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 13185 WARWICK BOULEVARD, NEWPORT NEWS, VA

BAN20001408 MORTGAGE SOLUTIONS CORPORATION
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 333 N. FAIRFAX STREET, SUITE 400, ALEXANDRIA, VA TO 5340 HOLMES RUN PARKWAY, SUITE 603, ALEXANDRIA, VA

BAN20001409 LENDEX, INC.
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 3030 W. LBJ FREEWAY, SUITE 300, DALLAS, TX TO 17311 DALLAS PARKWAY, SUITE 140, DALLAS, TX

BAN20001410 HOMEFIRST DIRECT, INC. (USED IN VA BY: HOMEFIRST MORTGAGE, INC.)
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 4299 MACARTHUR BOULEVARD, SUITE 200, NEWPORT BEACH, CA TO 30 EXECUTIVE PARK, SUITE 200, IRVINE, CA

BAN20001411 EQUITY ONE CONSUMER LOAN COMPANY, INC.
TO RELOCATE CONSUMER FINANCE OFFICE FROM 3531 COURTHOUSE ROAD, CHESTERFIELD COUNTY, VA TO 6725 LAKE HARBOUR DRIVE, CHESTERFIELD COUNTY, VA

BAN20001412 HARBOR BANK
TO OPEN A BRANCH AT 1312 JAMESTOWN ROAD, JAMES CITY COUNTY, VA

BAN20001413 FAIR EAST MORTGAGE, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 8212 B OLD COURTHOUSE ROAD, VIENNA, VA TO 9401 MATHY DRIVE, SUITE 380, FAIRFAX, VA

BAN20001414 SUPERIOR MORTGAGE CORPORATION
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 864 NORTH MECKLENBURG AVENUE, SOUTH HILL, VA TO 235 EAST ATLANTIC STREET, SOUTH HILL, VA

BAN20001415 UNITED GENERAL MORTGAGE CORPORATION
FOR A MORTGAGE LENDER'S LICENSE

BAN20001416 ALPHA MORTGAGE CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 433 ROME BEAUTY DRIVE, LINDEN, VA

BAN20001417 C.M.A. MORTGAGE, INC. D/B/A HOMELAND MORTGAGE COMPANY
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 160 W. CARMEL DRIVE, SUITE 244, CARMEL, IN TO 184 W. CARMEL DRIVE, CARMEL, IN

BAN20001418 LIBERTY FUNDING SERVICES, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE

BAN20001419 PRINCIPAL RESIDENTIAL MORTGAGE, INC.
TO OPEN A MORTGAGE LENDER'S OFFICE AT 9887 FOURTH STREET NORTH, SUITE 215, ST. PETERSBURG, FL

BAN20001420 FIRST BANK AND TRUST COMPANY, THE
TO OPEN A BRANCH AT 396 SOUTH HIGH STREET, HARRISONBURG, VA

BAN20001421 HOME TOWN MORTGAGE GROUP, INC.
TO OPEN A MORTGAGE BROKER'S OFFICE AT 2426 LEE HIGHWAY, SUITE 108, BRISTOL, VA

BAN20001422 GREENFIELD MORTGAGE, INC.
FOR A MORTGAGE LENDER AND BROKER LICENSE

BAN20001423 ASPEN NATIONAL CORP.
FOR A MORTGAGE BROKER'S LICENSE

BAN20001424 RAMSAY III, ALEXANDER S.
FOR A MORTGAGE BROKER'S LICENSE

BAN20001425 WAITE, BRADLEY H.
TO ACQUIRE 25 PERCENT OR MORE OF LAND/HOME FINANCIAL SERVICES, INC.

BAN20001426 H&R BLOCK MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 1317 ROUTE 73, SUITE 104, MOUNT LAUREL, NJ

BAN20001427 SUNSHINE MORTGAGE CORPORATION
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT ONE COLUMBUS CENTER, SUITE 665, VIRGINIA BEACH, VA

BAN20001428 FSC CORPORATION
TO OPEN A MORTGAGE BROKER'S OFFICE AT 12805 OAK HILL AVENUE, HAGERSTOWN, MD

BAN20001429 M/I FINANCIAL CORP.
FOR A MORTGAGE LENDER'S LICENSE

BAN20001430 SENECA FINANCIAL GROUP, LLC
FOR A MORTGAGE BROKER'S LICENSE

BAN20001431 LOAN EXPRESS, INC.
TO RELOCATE MORTGAGE BROKER'S OFFICE FROM 1228 GINGERCRESENT, VIRGINIA BEACH, VA TO 15-A EAST CHURCH STREET, SUITE B, MARTINSVILLE, VA

BAN20001432 FIRST RESIDENTIAL MORTGAGE NETWORK, INC.
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 5540 FALMOUTH STREET, SUITE 102, RICHMOND, VA TO 7231 FOREST AVENUE, SUITE 303, RICHMOND, VA

BAN20001433 GMAC MORTGAGE CORPORATION D/B/A DITECH.COM
TO OPEN A MORTGAGE LENDER AND BROKER'S OFFICE AT 100 CENTURY PARKWAY, MT. LAUREL, NJ

BAN20001434 BENEFICIAL MORTGAGE CO. OF VIRGINIA
TO RELOCATE MORTGAGE LENDER BROKER'S OFFICE FROM 530 RENFRO STREET, SUITE D, MOUNT AIRY, NC TO 328 S. SUMMIT SQUARE BLVD., SUITE C8, WINSTON-SALEM, NC

BAN20001435 BENEFICIAL DISCOUNT CO. OF VIRGINIA
TO RELOCATE MORTGAGE LENDER'S OFFICE FROM 530 RENFRO STREET, SUITE D, MOUNT AIRY, NC TO 328 S. SUMMIT SQUARE BLVD., SUITE C8, WINSTON-SALEM, NC

BFI000001 GREAT AMERICAN HOME MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE SEC. 6.1-413

BFI000002 PARMANN MORTGAGE ASSOCIATES, LP
ALLEGED VIOLATION OF VA CODE § 6.1-413

BFI000003 CHESAPEAKE MORTGAGE FINANCIAL CORPORATION
ALLEGED VIOLATION OF VA CODE § 6.1-425

BFI000004 GLOBAL FUNDING GROUP LC
ALLEGED VIOLATION OF VA CODE § 6.1-418

BFI000005 GREAT AMERICAN HOME MORTGAGE CORPORATION
ALLEGED VIOLATION OF VA CODE § 6.1-418

BFI000006	GULFSTREAM FINANCIAL SERVICES
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000007	HAVENWOOD FINANCIAL INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000009	FAIRFAX MORTGAGE INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000010	FEDERAL HOME FUNDING CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000011	FIRST EQUITY INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000012	FIRST HOME ACCEPTANCE MORTGAGE CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000013	FIRST MID ATLANTIC MORTGAGE CORP. INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000015	FUNDING GROUP INC., THE
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000016	EMPIRE MORTGAGE IX INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000017	EQUITABLE MORTGAGE GROUP
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000018	E-LOAN INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000019	EASTERN RESIDENTIAL MORTGAGE INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000020	DYNEX FINANCIAL INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000021	DOMAIN FINANCIAL GROUP
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000023	COMPLETE MORTGAGE CORPORATION
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000024	CONDOR FINANCIAL GROUP INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000025	COUNTRYSIDE MORTGAGE SERVICES
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000026	CROSSTOWNE MORTGAGE CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000027	DEGEORGE CAPITAL CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000028	CHESAPEAKE MORTGAGE SERVICES
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000029	CHAPLIN MORTGAGE INVESTMENT CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000030	CENTURION FINANCIAL LTD
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000031	CASTLETON CAPITAL CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000032	ATLANTIC COAST FINANCIAL
	ALLEGED VIOLATION OF VA CODE § 6.4-418
BFI000034	AMERICAN MORTGAGE BANKERS
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000035	AMERICAN MORTGAGE FINANCIAL & INVESTMENT CO., INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000036	AMERICAN MORTGAGE AND INVESTMENT CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000037	AMERICAN INTERNATIONAL MORTGAGE BANKERS INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000038	AMERICAN FUNDING NETWORK INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000039	AMERICAN AFFORDABLE HOMES
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000040	ADVANTAGE REAL ESTATE LLC
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000041	1ST PREFERENCE MORTGAGE CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000042	HOME FUNDING MORTGAGE CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000043	H K STONE FINANCIAL CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000044	MILLENNIUM FINANCING INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-418

BFI000045 MONARCH INC D/B/A MONARCH MORTGAGE
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000047 MORTGAGE AMERICA COMPANIES INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000048 MORTGAGE BANK LC, THE
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000050 MORTGAGE FUNDING NETWORK INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000051 MORTGAGE NETWORK USA INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000052 MORTGAGE RESOURCE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000053 MORTGAGE SERVICE CENTER INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000054 NATIONAL FINANCE CORPORATION
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000055 LOAN CONSOLIDATION & REFINANCING CO. LLC
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000056 MADISON MORTGAGE INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000057 MANDARIN MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000058 MARINA MORTGAGE CO. D/B/A CONSUMER FIRST MORTGAGE
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000059 MG INVESTMENTS INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000060 INTEGRITY MORTGAGE & FINANCE INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000061 FIRST ONE LENDING CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI000062 KIM, JOO DONG T/A DIME MORTGAGE
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000063 INTEGRITY HOME MORTGAGE
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000064 NATIONAL MORTGAGE CORP. D/B/A NMC MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000065 NORTH ATLANTIC MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000066 OLYMPIC MORTGAGE GROUP INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000067 OVERLAKE MORTGAGE COMPANY
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000068 PARKWAY MORTGAGE INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000069 PAYNE FINANCIAL SERVICES LTD
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000070 PHOENIX FINANCIAL CORPORATION OF VIRGINIA, INC., THE
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000071 PREMIER MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000072 SECURITY FEDERAL MORTGAGE FINANCIAL SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000073 SENIORS FIRST MORTGAGE CO. LLC
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000074 SERVICE CENTER OF AMERICA INC. D/B/A FINANCIAL FUNDING GROUP
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000075 SOUTHERN SHOWCASE FINANCE
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000076 SUNSHINE INC T/A SOUTH WEST MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000077 TRIANGLE FUNDING CORPORATION
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000078 USA MORTGAGE INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000079 US MORTGAGE CORP. OF VA
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000080 VISTA CAPITAL FUNDING INC.
ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000081 MAYDER, WESLEY D/B/A WESTERN CAPITAL MORTGAGE
ALLEGED VIOLATION OF VA CODE § 6.1-418

BFI000082	NATIONWIDE MORTGAGE SERVICES
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000083	NF INVESTMENTS INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000084	NMC MORTGAGE CORPORATION
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI000085	1ST CONTINENTAL MORTGAGE INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-416 B
BFI000086	UNIVERSITY MORTGAGE INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-428
BFI000087	RAPPAPORT, MICHAEL J.
	ALLEGED VIOLATION OF VA CODE § 6.1-416.1
BFI000088	CONSECO FINANCE SERVICING CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-416.B
BFI000089	FIRST HOUSEHOLD FINANCE CORP.
	FOR REVIEW OF DENIAL OF MORTGAGE BROKER'S LICENSE
BFI000090	SPECIALTY FINANCE PARTNERS
	ALLEGED VIOLATION OF VA CODE § 6.1-416.1
BFI000091	AMERICAN MORTGAGE FINANCIAL & INVESTMENT CO., INC.
	TO REINSTATE MORTGAG ELICENSE
BFI000092	A SAREEN MORTGAGE INC.
	ALLEGED VIOLATION OF VA CODE SECTION
BFI000093	COMMONWEALTH UNITED MORTGAGE COMPANY
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000094	CONTINENTAL MORTGAGE & INVESTMENT CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000095	DOMINION FIRST INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000096	MCLEAN FUNDING GROUP INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000097	MONUMENT MORTGAGE CORPORATION
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000098	MORTGAGE CONCEPTS INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-418
BFI000099	ISLAND MORTGAGE NETWORK D/B/A APPONLINE.COM
	ALLEGED VIOLATION OF VA CODE § 6.1-427
BFI000100	CHOICE MORTGAGE CORPORATION
	ALLEGED VIOLATION OF CHAPTER 16 OF TITLE 6.1
BFI000101	VETERANS CHOICE MORTGAGE INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI000102	TFC FINANCIAL GROUP INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI000103	UNITED MORTGAGEE INC.
	ALLEGED VIOLATION OF VA CODE §§ 6.1-413, ET SEQ.
BFI000104	COMSTAR MORTGAGE CORP.
	ALLEGED VIOLATION OF VA CODE §§ 6.1-413, ET SEQ.
BFI000105	BUKRIM MOBILE HOMES INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI000106	WHOLESALE MORTGAGE INC.
	ALLEGED VIOLATION OF VA CODE §§ 6.1-413, ET SEQ.
BFI000107	1ST CONTINENTAL MORTGAGE INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI000108	ALLIANCE ONE MORTGAGE CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-420
BFI000109	AMERICAN TRUST MORTGAGE CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-420
BFI000110	AMERITECH CONSTRUCTION CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-420
BFI000111	CALIFORNIA LENDING GROUP INC. D/B/A UNITED LENDING GROUP
	ALLEGED VIOLATION OF VA CODE § 6.1-420
FI000112	CAPITOL MORTGAGE BANKERS INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-420
BFI000113	CARTY, ROBERT W. D/B/A HIGHLAND MORTGAGE
	ALLEGED VIOLATION OF VA CODE § 6.1-420
BFI000114	COMSTAR MORTGAGE CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-420
BFI000115	DAVENPORT-DUKES MORTGAGE SERVICE CORP.
	ALLEGED VIOLATION OF VA CODE § 6.1-420
BFI000116	DIVERSIFIED MORTGAGE BROKERS INC.
	ALLEGED VIOLATION OF VA CODE § 6.1-420

BFI000117 DMR FINANCIAL SERVICES INC. D/B/A DMR MORTGAGE SERVICES
ALLEGED VIOLATION OF VA CODE § 6.1-420
BFI000118 DOMINION FIRST INC.
ALLEGED VIOLATION OF VA CODE § 6.1-420
BFI000119 ELITE FINANCIAL SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 6.1-420
BFI000120 EXECUTIVE LENDING SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 6.1-420
BFI000121 FIRST ALLIANCE MORTGAGE CO.
ALLEGED VIOLATION OF VA CODE § 6.1-420
BFI000122 GULFSTREAM FINANCIAL SERVICES OF NC, INC.
ALLEGED VIOLATION OF VA CODE § 6.1-420
BFI000123 IMPERIAL HOME LOANS INC.
ALLEGED VIOLATION OF VA CODE § 6.1-420
BFI000124 LAKELAND REGIONAL MORTGAGE CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-420
BFI000125 MERENDINO GROUP INC, THE
ALLEGED VIOLATION OF VA CODE § 6.1-420
BFI000126 METROPOLITAN HOME MORTGAGE CORP. OF NEW YORK
ALLEGED VIOLATION OF VA CODE § 6.1-420
BFI000127 PAN-AMERICAN MORTGAGE CO. INC.
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BFI000128 PREMIER MORTGAGE CORP.
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BFI000129 PUMPHREY FINANCIAL GROUP INC. D/B/A AMERICAN MORTGAGE SERVICES
ALLEGED VIOLATION OF VA CODE § 6.1-420
BFI000130 STOHR CAPITAL GROUP INC. D/B/A SOURCE FINANCIAL & PREFERRED INVESTMENT
ALLEGED VIOLATION VA CODE § 6.1-420
BFI000131 RBO FUNDING INC. T/A LOAN AID
ALLEGED VIOLATION OF VA CODE § 6.1-420
BFI000133 UNITED MORTGAGE & FINANCIAL SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 6.1-420
BFI000134 UNITED MORTGAGE INC.
ALLEGED VIOLATION OF VA CODE § 6.1-420
BFI000136 WASHINGTON NATIONWIDE MORTGAGES CORP.
ALLEGED VIOLATION OF VA CODE § 6.1-420
BFI000137 WHOLESALE EXPRESS MORTGAGE CORP. INC.
ALLEGED VIOLATION OF VA CODE § 6.1-420
BFI000138 WHOLESALE MORTGAGE INC.
ALLEGED VIOLATION OF VA CODE § 6.1-420
BFI000139 ALLIED SERVICES EMPLOYEES
FOR APPROVAL OF MERGER – ALLIED SERVICES EMPLOYEES CREDIT UNION, INC. AND CITY OF ALEXANDRIA EMPLOYEES CREDIT UNION
BFI000140 LANDMARK FINANCIAL SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI000141 LYONS, BENJAMIN M.
ALLEGED VIOLATION OF VA CODE § 6.1-416.1
BFI000142 SACHS, STEWART D.
ALLEGED VIOLATION OF VA CODE § 6.1-416.1
BFI000143 CALIFORNIA LENDING GROUP INC. D/B/A UNITED LENDING GROUP
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI000144 GULFSTEAM FINANCIAL SERVICES OF N.C., INC.
ALLEGED VIOLATION OF VA CODE § 6.1-413
BFI000145 FRANKLIN AMERICAN MORTGAGE CO.
ALLEGED VIOLATION OF VA CODE § 6.1-413

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CLK000010 EX PARTE, IN RE: AES LAS MAREAS INC.
FOR ORDER VOIDING CERTIFICATE
CLK000026 ELECTION OF CHAIRMAN
ELECTION OF CHAIRMAN PURSUANT TO VA CODE § 12.1-7
CLK000311 EX PARTE: REVISED SCC RULES
FOR REVISION OF STATE CORPORATION COMMISSION RULES OF PRACTICE AND PROCEDURE
CLK000357 TIDEWATER VINYL & SIGN SUPPLY
FOR ORDER OF INVOLUNTARY DISSOLUTION

INS: BUREAU OF INSURANCE

INS000001 EX PARTE: VIRGINIA BIRTH-RELATED NEUROLOGICAL INJURY COMPENSATION FUND
DETERMINATING WHETHER TO REINSTATE $250 ASSESSMENT TO VIRGINIA BIRTH-RELATED NEUROLOGICAL INJURY COMPENSATION FUND BY LICENSED NON-PARTICIPATING PHYSICIANS PURSUANT TO VA CODE § 38.2-5020 G

INS000002 PURSER, CHRISTOPHER AND U.S. BENEFITS ASSOCIATION
ALLEGED VIOLATIONS OF VA CODE §§ 38.2-502, 38.2-503, 38.2-512, ET AL.

INS000003 REESE, JR., WILLIAM JOSEPH
ALLEGED VIOLATION OF VA CODE § 38.2-4806 D

INS000004 RENTAL INDUSTRY SERVICES
ALLEGED VIOLATION OF VA CODE § 38.2-4806 D

INS000005 BROWN, SANDRA Y.
ALLEGED VIOLATION OF VA CODE § 38.2-1813

INS000006 BUELL, BRAD
ALLEGED VIOLATION OF VA CODE §§ 38.2-1812, ET AL.

INS000007 RGS TITLE LLC
ALLEGED VIOLATION OF VA CODE § 6.1-2.21

INS000008 DRAPEAU, BRENT R.
ALLEGED VIOLATIONS OF VA CODE §§ 38.2-4806 AND 38.2-4807

INS000009 LAWRIMORE, TERRY W. AND IPS INC.
ALLEGED VIOLATIONS OF VA CODE §§ 38.2-1813, ET AL.

INS000010 COTTINGHAM & BUTLER INSURANCE SERVICES INC. AND BONFIG, STEPHEN
ALLEGED VIOLATIONS OF VA CODE §§ 38.2-1802, ET AL.

INS000011 MARTIN, DAVID A. AND MARTIN INSURANCE AGENCY INC.
ALLEGED VIOLATION OF VA CODE § 38.2-1813, 38.2-1822, ET AL.

INS000012 SHAO, PAUL Y.
ALLEGED VIOLATIONS OF VA CODE §§ 38.2-1804, ET AL.

INS000013 GIBBONS, DEON E.
ALLEGED VIOLATIONS OF VA CODE § 38.2-512

INS000014 INTERSTATE INDEMNITY COMPANY
ALLEGED VIOLATION OF VA CODE §§ 38.2-1822, ET AL.

INS000015 AETNA US HEALTHCARE INC.
ALLEGED VIOLATION OF VA CODE §§ 38.2-316 A, ET AL.

INS000016 FRENCH, JUSTIN G.
ALLEGED VIOLATIONS OF VA CODE §§ 6.1-2.21, ET AL.

INS000017 HAFEY, JR., JAMES W.
ALLEGED VIOLATIONS OF VA CODE §§ 6.1-2.21, ET AL.

INS000018 SWECKER, WILLIAM S. AND SWECKER INC.
ALLEGED VIOLATION OF VA CODE §§ 38.2-1804, ET AL.

INS000019 SEAY, ROGER L.
ALLEGED VIOLATIONS OF VA CODE §§ 38.2-502 AND 38.2-512

INS000020 LEGION INSURANCE COMPANY
ALLEGED VIOLATION OF VA CODE §§ 38.2-1822 A, ET AL.

INS000021 ADVANCED MANAGEMENT SERVICES
FOR REVIEW OF HOW INSURANCE CO., ET AL. DEPUTY RECEIVER'S DETERMINATION OF APPEAL

INS000022 HARTFORD CASUALTY INSURANCE CO., ET AL.
ALLEGED VIOLATION OF VA CODE §§ 38.2-1822, ET AL.

INS000023 DRESS, HYMAN J. AND HY DRESS INSURANCE AGENCY INC.
ALLEGED VIOLATION OF VA CODE § 38.2-1822

INS000024 KAISER, BETH A.
ALLEGED VIOLATIONS OF VA CODE § 38.2-512

INS000025 LARRY'S HOMES OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE §§ 38.2-1822, ET AL.

INS000026 FIRST CONTINENTAL LIFE & ACCIDENT INSURANCE CO.
ALLEGED VIOLATION OF VA CODE § 38.2-1040

INS000027 METROPOLITAN PROPERTY & CASUALTY INSURANCE CO.
ALLEGED VIOLATION OF VA CODE §§ 38.2-305, ET AL.

INS000028 FARMERS INSURANCE GROUP, ET AL.
ALLEGED VIOLATION OF VA CODE §§ 38.2-304, ET AL.

INS000029 ALLSTATE INSURANCE CO.
ALLEGED VIOLATION OF VA CODE §§ 38-2-510 A 4, ET AL.

INS000030 CARRILLO-LOPEZ, LORENA D.
ALLEGED VIOLATIONS OF VA CODE § 38.2-1804

INS000031 CARRILLO, ANIBAL F.
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INS000032 PRINCE WILLIAM SELF-INSURANCE GROUP WORKERS' COMPENSATION ASSOCIATION
ALLEGED VIOLATION OF 14 VAC 5-370-80

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ALLEGED VIOLATION OF VA CODE §§ 38.2-1802, ET AL.

INS000034 PRIORITY HEALTH CARE INC.
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INS000035 ACACIA NATIONAL LIFE INSURANCE CO.
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INS000036 FEDERAL INSURANCE COMPANY
ALLEGED VIOLATION OF VA CODE §§ 38.2-2204 D, ET AL.
INS000037 RELIANCE NATIONAL INDEMNITY CO.
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INS000038 AMERICAN CHAMBERS LIFE INSURANCE CO.
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INS000040 RINGSAK, MARNELL AND NANCY
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INS000043 FLANARY, KARI A.
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INS000044 MADISON NATIONAL LIFE INSURANCE CO.
FOR APPROVAL OF ASSUMPTION REINSURANCE AGREEMENT PURSUANT TO VA CODE § 38.2-136 C
INS000045 MADISON NATIONAL LIFE INSURANCE CO INC.
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INS000046 HARRELL, JENNIFER R. AND HARRELL INSURANCE AGENCY
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INS000048 ANDREWS, CAROL B.
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INS000050 JONES, JR., HERBERT L.
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INS000051 TAYLOR, JACKQULINE KAY
ALLEGED VIOLATION OF VA CODE §§ 38.2-1809, ET AL.
INS000052 CONSUMER DENTAL CARE VA INC.
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INS000053 MARSH USA INC.
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INS000054 TRI-STATE GENERAL INSURANCE AGENCY
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INS000055 FRIENDSHIP MANOR APARTMENT VILLAGE CORPORATION
ALLEGED VIOLATION OF VA CODE § 38.2-4904
INS000056 CALIFORNIA COMPENSATION INSURANCE CO.
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INS000057 SUPERIOR NATIONAL INSURANCE CO.
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INS000058 COMMERCIAL COMPENSATION CASUALTY CO.
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FOR ORDER REVOKING DEFENDANT'S LICENSE
INS000060 JONES, JR., HERBERT L.
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INS000062 STATE AUTO PROPERTY & CASUALTY INSURANCE CO.
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INS000063 MATZ, ARTHUR D AND CONSUMERS INSURANCE AGENCY INC.
ALLEGED VIOLATION OF VA CODE §§ 38.2-1804, ET AL.
INS000064 FOSS, MATTHEW A. AND ABSOLUTE INSURANCE AGENCY INC.
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INS000067 WILLIAMS-BLOOD, DEBORAH ANN
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INS000068 RISCORP NATIONAL INSURANCE CO.
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INS000069 AETNA LIFE INSURANCE CO.
ALLEGED VIOLATION OF 14 VAC 5-234-40 C
INS000070 CENTRAL BENEFITS NATIONAL LIFE INSURANCE COMPANY
ALLEGED VIOLATION OF 14 VAC 5-234-40 C
INS000071 GEORGE WASHINGTON UNIVERSITY HEALTH PLAN, INC., THE
ALLEGED VIOLATION OF 14 VAC 5-234-40 C

INS000072 GREAT-WEST LIFE & ANNUITY INSURANCE CO.
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INS000073 GUARDIAN LIFE INSURANCE CO.
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INS000074 JOHN DEER HEALTH PLAN INC.
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INS000075 UNITED HEALTHCARE INSURANCE CO.
ALLEGED VIOLATION OF 14 VAC 5-234-40 C
INS000076 UNITED WISCONSIN LIFE INSURANCE CO.
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INS000077 SOUTHERN UNITED SETTLEMENTS LLC
ALLEGED VIOLATION OF VA CODE §§ 6.1-21 E, ET AL.
INS000078 CAPITAL TITLE AND ESCROW INC.
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INS000079 HAMILTON INSURANCE COMPANY
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INS000080 MARSHALL, TAYLOR M. AND MARSHALL INSURANCE AGENCY
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ALLEGED VIOLATIONS OF VA CODE § 38.2-512
INS000082 FIDELITY & GUARANTY INSURANCE CO.
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INS000083 FIDELITY & GUARANTY INSURANCE UNDERWRITERS INC.
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INS000084 UNITED STATES FIDELITY & GUARANTY CO.
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INS000086 MILLENIUM TITLE SERVICES LLC
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INS000087 AAA TITLE LLC
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INS000088 LIBERTY MUTUAL FIRE INSURANCE CO.
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ALLEGED VIOLATION OF CHAPTER 25 OF TITLE 38.2
INS000090 ARMSTRONG, JAMES EDWARD AND EAST COAST TITLE INC.
ALLEGED VIOLATIONS VA CODE §§ 38.2-1809, ET AL.
INS000091 MORRIS, BONIFACE AND ASSOCIATES TITLE SERVICES LLC
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INS000092 MOSES, JR., JAMES CARTER
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INS000093 CLOSING CO. OF CHARLOTTESVILLE INC., THE
ALLEGED VIOLATIONS OF VA CODE §§ 6.1-2.21, 6.1-2.23, ET AL.
INS000094 PRESS, MORTON H.
ALLEGED VIOLATION OF VA CODE § 6.1-2.23
INS000095 SENTARA HEALTH PLANS INC.
ALLEGED VIOLATION OF VA CODE §§ 38.2-510 A 5, 38.2-4301 C, ET AL.
INS000096 SUPREME TITLE INSURANCE AGENCY
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INS000097 FIRST AMERICAN TITLE INSURANCE CO.
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INS000098 EX PARTE: RULES
ADOPTING REVISIONS TO RULES GOVERNING INDEPENDENT EXTERNAL REVIEW OF FINAL ADVERSE UTILIZATION REVIEW DECISIONS
INS000099 GENERAL ACCIDENT INSURANCE CO. OF AMERICA
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INS000100 COMMERCIAL UNION INSURANCE CO.
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INS000101 GENERAL AMERICAN CORPORATION
ALLEGED VIOLATIONS OF VA CODE §§ 6.1-2.23, ET AL.
INS000102 TAYLOR, CHARLES M. AND TAYLOR'S BAIL BONDING INC.
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INS000103 OPTIMA HEALTH PLAN
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INS000105 HARLEYSVILLE MUTUAL INSURANCE CO.
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INS000106 ASSOCIATED INDEMNITY CORP.
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INS000107 NATIONAL SURETY CORPORATION
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INS000108 HURON INSURANCE COMPANY
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INS000109 PRUDENTIAL PROPERTY & CASUALTY INSURANCE CO.
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INS000110 GUIDEONE SPECIALTY MUTUAL INSURANCE CO.
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INS000111 FIREMAN'S FUND INSURANCE CO.
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INS000112 AMERICAN INSURANCE COMPANY
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INS000113 JOHNSON, MICHAEL G. AND INSURANCE SERVICES OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE §§ 38.2-1813, ET AL.

INS000114 INNOVATION HEALTH INC.
ALLEGED VIOLATION OF VA CODE §§ 38.2-316 A, ET AL.

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INS000117 TRANSCONTINENTAL TITLE COMPANY
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INS000118 CARRILLO, ANIBAL F.
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INS000119 PATTERSON, CAROLYN
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INS000120 OPTIMUM CHOICE INC.
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INS000121 MAMSI LIFE & HEALTH INSURANCE CO.
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INS000122 MD-INDIVIDUAL PRACTICE ASSOCIATION, INC.
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INS000123 WCAMC CONTRACTORS GROUP SELF-INSURANCE ASSOC.
ALLEGED VIOLATION OF 14 VAC 5-370-50, ET AL.

INS000124 UNITED HEALTHCARE OF VA INC.
ALLEGED VIOLATION OF VA CODE §§ 38.2-316 A, ET AL.

INS000126 SECURITY MUTUAL LIFE INSURANCE CO. OF NEW YORK
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INS000127 SCHMITT SUSSMAN ENTERPRISES INC.
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INS000129 EX PARTE: RULES
IN MATTER OF ADOPTING REVISIONS TO RULES GOVERNING GROUP SELF-INSURERS OF LIABILITY UNDER VIRGINIA WORKERS' COMPENSATION ACT

INS000130 EX PARTE: RULES
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INS000131 LIM, SO P.
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INS000132 PALMER & CAY OF VIRGINIA INC.
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INS000133 SHILLER, JEFFREY P.
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INS000134 ADVANCED TITLE CO. OF MICHIGAN
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INS000135 CHAMPION TITLE & SETTLEMENTS INC.
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INS000136 FERGUSON, ROYALL B. III AND FERGUSON INSURANCE GROUP
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INS000137 CONSOLIDATED GLOBAL INSURANCE SERVICES INC.
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INS000138 FERGUSON, ROYALL B. III AND TIDEWATER TRADING CO. LLC
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INS000144 UNITED WISCONSIN LIFE INSURANCE CO.
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INS000145 SPECTERA VISION INC.
ALLEGED VIOLATION OF VA CODE §§ 38-2-316 A, ET AL.

INS000146 ROYAL LAND TITLE LLC
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INS000147 ARNOLD, MICHAEL DAVID
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INS000148 FRANKLIN AMERICAN LIFE INSURANCE
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INS000149 EX PARTE: REGULATORY
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INS000151 AMERICAN PHYSICAL THERAPY ASSOCIATION
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INS000152 AMERICAN SMALL BUSINESSES ASSOCIATION
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INS000153 NEW ENGLAND SMALL GROUP TRUST, THE
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INS000154 AMERICAN MANAGEMENT TECHNOLOGIES INC.
ALLEGED VIOLATION OF 14 VAC 5-410-40 D

INS000155 UNITED SERVICES INDUSTRY TRUST
ALLEGED VIOLATION OF 14 VAC 5-410-40 D

INS000156 UNITED WHOLESALE INDUSTRY TRUST
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INS000157 UNITED RETAIL INDUSTRY TRUST
ALLEGED VIOLATION OF 14 VAC 5-410-40 D

INS000158 UNITED PLASTICS & SYNTHETIC MATERIALS INDUSTRY TRUST
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INS000159 UNITED FABRICATED METAL PRODUCTS INDUSTRY TRUST, THE
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INS000162 SELECT SERIES TRUST
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INS000163 SUPPLEMENTARY OR VOLUNTARY LIFE TRUST
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INS000164 INTERNATIONAL ASSOCIATION OF BUSINESSES
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INS000165 NORTHERN VIRGINIA GROUP HEALTH ALLIANCE
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INS000166 FEDERATION OF AMERICAN CONSUMERS & TRAVELERS
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INS000168 AULTMAN, HOWARD M.
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INS000170 EX PARTE: REFUNDS
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INS000185	FARMERS INSURANCE EXCHANGE
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INS000186	VICTORIA AUTOMOBILE INSURANCE CO.
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INS000189	UNIFIED PENINSULA TITLE INC.
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INS000190	AMERICAN HOME INSURANCE AGENCY INC.
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INS000192	WIDENER, STEVEN D.
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INS000196	EQUITABLE LIFE INSURANCE CO. OF IOWA
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INS000198	HIGHLANDS INSURANCE COMPANY
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INS000200	NEWARK INSURANCE COMPANY
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INS000201	NORTHWESTERN NATIONAL CASUALTY COMPANY
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INS000202	STATE CAPITAL INSURANCE CO.
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INS000203	UNITED LIFE & ANNUITY INSURANCE CO.
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INS000205	TRUMBULL INSURANCE COMPANY
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INS000206	COMMONWEALTH HUGHES INC.
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INS000209	FULTZ, HUBERT G. AND FULTZ ENTERPRISES, INC.
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	FOR ACQUISITION OF OLD GUARD GROUP AND SUBSIDIARIES ON BEHALF OF OHIO FARMERS INSURANCE
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INS000215 NATIONAL UNION FIRE INSURANCE CO. OF PITTSBURCH, PA
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INS000218 CITIZENS SECURITY LIFE INSURANCE CO.
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INS000219 PHELAN, ROBERT K.
ALLEGED VIOLATIONS OF VA CODE §§ 38.2-1822 AND 38.2-512
INS000220 MAYS JR., SAMUEL FLOYD, ET AL.
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INS000225 FLETCHER, JUANITA L. AND AAA AVAILABLE INSURANCE AGENCY, INC.
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INS000226 BANNER TITLE COMPANY OF VA
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INS000227 STARK, SETH T.
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INS000228 MAYNARD, REO H.
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INS000229 MORRISON, RANDOLPH S.
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INS000230 MORRISON, VALERIE M., T/A ALLIANCE INSURANCE AGENCY
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INS000234 NORTH AMERICAN MARINE & GENERAL INSURANCE CO.
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INS000236 CROUCH, EDWARD O. AND CROUCH INSURANCE SERVICES
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INS000241 ROLFES, III, BERNARD J.
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INS000242 SCHEMBRI, ALEXIS AND TOTAL TITLE SERVICES LLC
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INS000243 CHASE, DAVID H.
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INS000244 VIRGINIA COMMERCE GROUP SELF-INSURANCE ASSOCIATION
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INS000245 SAMMONS, MOLLY K.
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INS000246 BAGGETT, CHRISTOPHER M.
ALLEGED VIOLATION OF VA CODE § 38.2-1809
INS000247 GE FINANCIAL ASSURANCE HOLDINGS INC.
FOR REFUND OF RETALIATORY COSTS INCURRED DURING 1999 TAXABLE YEAR

INS000248 HENRY, MARK A.
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INS000249 CORPORATE BENEFITS
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INS000256 STEWART TITLE GUARANTY CO.
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INS000257 HOOPES, BRADLEY B. AND NATIONAL TITLE INSURANCE CORP.
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INS000258 MERIT TITLE LC
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INS000259 DICKINSON, SR., DOUGLAS S.
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INS000260 AMICA MUTUAL INSURANCE CO.
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INS000261 DAIRYLAND INSURANCE COMPANY
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INS000262 EAGLE AMERICAN INSURANCE CO.
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INS000263 AMERICAN SPIRIT INSURANCE CO.
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INS000264 ATLANTIC MUTUAL INSURANCE CO.
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INS000265 CENTENNIAL INSURANCE COMPANY
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INS000266 HARTFORD UNDERWRITES INSURANCE CO.
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INS000267 TWIN CITY FIRE INSURANCE CO.
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INS000268 HARTFORD INSURANCE CO. OF THE MIDWEST
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INS000269 HARTFORD ACCIDENT & INDEMNITY CO.
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INS000270 HARTFORD FIRE INSURANCE CO.
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INS000271 HARTFORD CASUALTY INSURANCE CO.
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INS000272 CRUMP INSURANCE SERVICES OF MEMPHIS INC.
ALLEGED VIOLATION OF VA CODE §§ 38.2-1304, ET AL.
INS000273 HORNER, JR., ERA E.
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INS000274 IGF INSURANCE COMPANY
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INS000276 STEVENS, BETTY G. AND ANY TIME BAIL BOND LLC
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INS000277 RILEY, JR., JOSEPH AND RICHMOND BAIL BONDS LLC
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INS000278 AMERICAN ALTERNATIVE INSURANCE CO
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INS000279 FEDERATED MUTUAL INSURANCE CO.
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INS000280 CREDIT GENERAL INSURANCE CO.
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INS000281 BRANTLEY, PEGGY A.
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INS000282 GOVERNMENT EMPLOYEES INSURANCE CO.
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INS000283 CARRILLO, LUIS SANTIAGO
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INS000284 MCCLUNG, ROBERT N. AND GEORGETOWN FINANCIAL SERVICE CORP.
ALLEGED VIOLATION OF VA CODE § 38.2-1813

INS000285 GRAPHIC ARTS BENEFIT CORP.
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INS000286 MONTIEGEL, JAMES AND JUDY
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INS000287 EX PARTE: ASSESSEMENT
ASSESSMENT UPON CERTAIN CO.'S AND SURPLUS LINES BROKERS TO PAY EXPENSE OF BUREAU OF INSURANCE FOR YEAR 2001

INS000288 ANNER LIFE INSURANCE CO.
ALLEGED VIOLATION OF VA CODE §38.2-610

INS000289 MASON, THOMAS A.
ALLEGED VIOLATIONS OF VA CODE §§ 38.2-512 AND 38.2-604

INS000290 JONES, ANDREW D.
ALLEGED VIOLATION OF VA CODE § 38.2-512

INS000291 BAGGETT, CHRISTOPHER M.
ALLEGED VIOLATION OF VA CODE § 38.2-1809

INS000292 MELTZER, ALAN L.
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INS000293 WILLIAMS, ERIC M.
ALLEGED VIOLATION OF VA CODE §§ 38.2-1804, ET AL.

INS000294 HISS, RONALD L.
ALLEGED VIOLATIONS OF VA CODE §§ 38.2-1804, 38.2-1809, ET AL.

INS000295 JONES, DANA J.
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INS000296 INTERNATIONAL INDEMNITY CO.
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INS000297 MCCAW, RUTH M. AND INSURANCE GROUP INC., THE
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INS000298 SPURGEON, JIMMY AND CECELIA
FOR REVIEW OF HOW INSURANCE CO., ET AL. DEPUTY RECEIVER'S DETERMINATION OF APPEAL

INS000299 YEAGER, TERRY LEE AND THORNBURG INSURANCE AGENCY
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INS000300 CARR, MICHELLE C., CLINEDINST, CHRYSTAL M. AND AA CARR INSURANCE AGENCY
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INS000301 LEGAL SERVICE PLANS OF VA INC.
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INS000302 BANKERS FIDELITY LIFE INSURANCE CO.
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INS000303 CENTENNIAL LIFE INSURANCE CO.
FOR APPROVAL OF ASSUMPTION REINSURANACE AGREEMENT PURSUANT TO VA CODE § 38.2-136 C

INS000304 DENNIE, PERRY T/A MID-ATLANTIC INSURANCE AGENCY
ALLEGED VIOLATION OF VA CODE §§ 38.2-1804, ET AL.

INS000305 CAMERON, JOSEPH M.
ALLEGED VIOLATIONS OF VA CODE §§ 38.2-1809, 38.2-1822, 38.2-1813 AND 38.2-512

INS000306 DJORDJEVIC, PETER J. AND RESOURCES DEVELOPMENT GROUP LLC
ALLEGED VIOLATIONS OF VA CODE §§ 38.2-1809, 38.2-1822, 38.2-1813 AND 38.2-512

INS000307 CHAS. LUNSFORD SONS & ASSOCIATES, INC.
ALLEGED VIOLATIONS OF VA CODE § 38.2-310

INS000308 AMERICAN GUARANTEE & LIABILITY
ALLEGED VIOLATION OF VA CODE § 38.2-2220

INS000309 LAWYERS ADVANTAGE TITLE GROUP
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INS000310 NORTH AMERICAN MORTGAGE INSURANCE
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INS000311 AON RISK SERVICES INC.
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INS000312 BROWN, WILLIAM P.
ALLEGED VIOLATIONS OF VA CODE §§ 38.2-502, 38.2-503, AND 38.2-512

INS000313 GENERAL ELECTRIC CAPITAL
ALLEGED VIOLATION OF VA CODE § 38.2-610

INS000314 CIGNA HEALTHCARE
ALLEGED VIOLATION OF VA CODE §§ 38.2-316 A, 38.2-316 B, ET AL.

INS000315 BRICKELL FINANCIAL SERVICES-MOTOR CLUB INC.
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INS000316 THOMPSON, RONNIE C. AND JAMES
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INS000317 NEAL, RICHARD H.
ALLEGED VIOLATIONS OF VA CODE §§ 38.2-1804, 38.2-1809 AND 38.2-1813
INS000318 JAMES, CAROL
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INS000319 HUFFORD, THOMAS M. AND HUFFORD INSURANCE AND INVESTMENT AGENCY
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PST: DIVISION OF PUBLIC SERVICE TAXATION

PST000001 APPALACHIAN POWER CO.
FOR CORRECTION OF STATE AND GROSS RECEIPTS TAX AND REFUND

PUA: DIVISION OF PUBLIC UTILITY ACCOUNTING

PUA990079 APPALACHIAN POWER COMPANY
FOR CONSENT AND APPROVAL OF MODIFICATION TO EXISTING INTER-COMPANY AGREEMENT
PUA990082 GTE SOUTH INCORPORATED AND GTE CONSOLIDATED SERVICES, INC.
FOR APPROVAL TO ENTER INTO BILLING SERVICES AGREEMENT
PUA000002 GTE SOUTH INCORPORATED, ET AL.
FOR APPROVAL OF AFFILIATE AGREEMENT
PUA000003 PEOPLES MUTUAL TELEPHONE CO. AND MJD VENTURES, INC.
FOR AUTHORITY TO ENTER INTO AFFILIATE AGREEMENT
PUA000004 VIRGINIA ELECTRIC & POWER CO.
FOR AUTHORITY TO SELL PUBLIC SERVICE CORPORATION PROPERTY
PUA000005 WINNEY, ROBERT A. D/B/A WATERWORKS CO. OF FRANKLIN COUNTY, THE AND MALLARD POINT PROPERTY OWNERS ASSOCIATION INC.
FOR AUTHORITY TO DISPOSE OF UTILITY ASSETS
PUA000006 DELMARVA POWER & LIGHT CO.
FOR APPROVAL OF CERTAIN AFFILIATE TRANSACTIONS
PUA000007 POTOMAC EDISON CO. D/B/A ALLEGHENY POWER
FOR AUTHORITY TO ACQUIRE UTILITY ASSETS
PUA000008 DPI-TELECONNECT LLC
FOR APPROVAL OF SALE OF MAJORITY INTEREST
PUA000010 WASHINGTON GAS LIGHT COMPANY
FOR APPROVAL OF TRANSACTIONS RELATED TO FORMATION OF HOLDING COMPANY
PUA000011 POTOMAC EDISON CO. D/B/A ALLEGHENY POWER
FOR AUTHORITY TO TRANSFER UTILITY SECURITIES AND ENTER CONTRACT WITH AFFILIATED INTEREST
PUA000012 AQUASOURCE UTILITY INC.
FOR APPROVAL OF CHANGE OF CONTROL OF VIRGINIA PUBLIC UTILITY CO. AND RELATED MATTERS
PUA000014 SHENANDOAH VALLEY ELECTRIC COOPERATIVE
FOR APPROVAL OF AFFILIATE TRANSACTION
PUA000015 MECKLENBURG ELECTRIC COOPERATIVE
FOR AUTHORITY TO INCUR DEBT TO PROVIDE ZERO-INTEREST LOAN
PUA000017 GTE SOUTH INC. AND GTE CONSOLIDATED SERVICES INC.
FOR APPROVAL OF AFFILIATED TRANSACTIONS
PUA000018 GTE SOUTH INCORPORATED AND GTE INFORMATION SERVICES INC.
FOR APPROVAL OF AFFILIATED TRANSACTIONS
PUA000019 GTE SOUTH INCORPORATED AND GTE INFORMATION SERVICES INC.
FOR APPROVAL OF AFFILIATED TRANSACTIONS
PUA000020 POWERGEN, LG&E ENERGY CORP. AND KENTUCKY UTILITIES CO. D/B/A OLD DOMINION POWER CO.
FOR APPROVAL OF MERGER
PUA000021 VIRGINIA-AMERICAN WATER CO.
FOR AUTHORITY TO ENTER INTO AFFILIATE AGREEMENT
PUA000022 GTE SOUTH INCORPORATED AND GTE COMMUNICATIONS CORP.
FOR APPROVAL OF AFFILIATE AGREEMENT
PUA000023 VIRGINIA ELECTRIC & POWER CO.
FOR EXTENSION OF TIME TO FILE ANNUAL REPORT OF AFFILIATED TRANSACTIONS
PUA000024 NISOURCE INC. AND COLUMBIA ENERGY GROUP
FOR APPROVAL OF AGREEMENT AND PLAN OF MERGER
PUA000025 VIRGINIA ELECTRIC & POWER CO. AND RAPPAHANNOCK ELECTRIC COOPERATIVE
FOR AUTHORITY TO SELL PUBLIC SERVICE CORPORATION PROPERTY
PUA000026 WEST ROCKINGHAM WATER CO. INC.
FOR AUTHORITY TO DISPOSE OF ASSETS AND TO CEASE OPERATION AS WATER CO.
PUA000028 EX PARTE: REGULATED AND UNREGULATED BUSINESSES
IN MATTER CONCERNING SEPARATION OF REGULATED AND UNREGULATED BUSINESSES OF UTILITY CONSUMER SERVICES COOPERATIVES AND UTILITY AGGREGATION COOPERATIVES

PUA000029 EX PARTE: FUNCTIONAL SEPARATION
IN MATTER CONCERNING FUNCTIONAL SEPARATION OF INCUMBENT ELECTRIC UTILITIES UNDER VIRGINIA ELECTRIC UTILITY RESTRUCTURING ACT
PUA000030 SOUTHWESTERN VIRGINIA GAS CO.
FOR APPROVAL OF AFFILIATE TRANSACTION WITH MIDWAY BOTTLE GAS CO., INC.
PUA000031 DALE SERVICE CORP.
FOR APPROVAL OF LEASE AGREEMENT UNDER AFFILIATES ACT
PUA000032 DELMARVA POWER & LIGHT CO.
FOR APPROVAL OF TRANSFER OF CERTAIN GENERATING FACILITIES AND ASSETS
PUA000033 VIRGINIA ELECTRIC & POWER CO.
FOR EXEMPTION OF WHOLESALE SALES OF POWER AT MARKET-BASED RATES TO AFFILIATED MARKETERS
PUA000034 CAROLINA POWER & LIGHT CO. & INTERPATH COMMUNICATIONS, INC.
FOR AUTHORITY PURSUANT TO UTILITY TRANSFERS ACT
PUA000035 ATX TELECOMMUNICATIONS SERVICES CORECOMM LTD.
FOR TRANSFER OF CONTROL OF ATX TELECOMMUNICATIONS SERVICES INC.
PUA000036 GTE SOUTH INCORPORATED AND GTE CONSOLIDATED SERVICES INC.
FOR APPROVAL OF AFFILIATE AGREEMENT
PUA000037 VIRGINIA ELECTRIC & POWER CO., VPS COMMUNICATIONS INC. AND DOMINION RESOURCES INC.
FOR APPROVAL OF AFFILIATE TRANSACTION
PUA000038 VIRGINIA-AMERICAN WATER CO. AND AMERICAN WATER CAPITAL CORP.
FOR AUTHORITY TO ENTER INTO FINANCIAL SERVICES AGREEMENT
PUA000039 APPALACHIAN POWER COMPANY
ANNUAL FINANCIAL AND OPERATING REPORT
PUA000040 VIRGINIA ELECTRIC & POWER CO.
FOR CONFIDENTIAL TREATMENT OF ANNUAL FINANCIAL AND OPERATING REPORT FOR YEAR ENDED 12/31/99
PUA000041 VIRGINIA ELECTRIC & POWER CO.
FOR APPROVAL OF SALE OF UNDIVIDED OWNERSHIP INTEREST IN NATURAL GAS PIPELINE
PUA000042 POTOMAC EDISON COMPANY, THE
FOR AUTHORITY TO DIPSOSE OF UTILITY ASSETS
PUA000043 UNIDIAL COMMUNICATIONS OF VIRGINIA
FOR APPROVAL OF INDIRECT MINORITY TRANSFER OF CONTROL
PUA000045 VIRGINIA GAS DISTRIBUTION CO.
FOR AUTHORITY TO ENTER INTO AGREEMENTS WITH AFFILIATES
PUA000047 VF COMMUNICATIONS INC F/K/A PINNACLE TELECOMMUNICATIONS OF VA, INC.
FOR APPROVAL OF ACQUISITION OF VF COMMUNICATIONS INC.
PUA000048 CFW COMMUNICATIONS CO.
FOR AUTHORITY TO ACQUIRE CFW BY WELSH, CARSON, ANDERSON & STOWE VIII, LP
PUA000049 AQUASOURCE UTILITY INC.
FOR APPROVAL OF ACQUISITION OF SHAWNEE LAND UTILITIES CO. INC.
PUA000050 KENTUCKY UTILITIES CO., ET AL.
FOR APPROVAL OF AFFILIATES SERVICE AGREEMENT
PUA000051 APPALACHIAN POWER COMPANY
FOR CONSENT TO AND APPROVAL OF MODIFICATION TO EXISTING INTER-COMPANY AGREEMENT
PUA000052 FAIRPOINT COMMUNICATIONS INC. AND THOMAS H. LEE EQUITY FUND IV, LP
FOR AUTHORITY PURSUANT TO UTILITY TRANSFER ACT
PUA000053 VIRGINIA PILOT ASSOCIATION
FOR REVISION OF RATES OF PILOTAGE
PUA000054 DOMINION RESOURCES INC., ET AL.
FOR APPROVAL OF STOCK PURCHASE AGREEMENT
PUA000055 POTOMAC EDISON CO., THE D/B/A ALLEGHENY POWER AND OHIO VALLEY ELECTRIC CORP.
FOR CONSENT TO AND APPROVAL OF MODIFICATION TO EXISTING INTER-COMPANY AGREEMENT
PUA000056 R&B COMMUNICATIONS INC. AND CFW COMMUNICATIONS CO.
FOR AUTHORITY PURSUANT TO UTILITY TRANFERS ACT, VA CODE § 56-88. ET SEQ.
PUA000057 CAVALIER TELEPHONE LLC
FOR DECLARATORY JUDGMENT REGARDING APPLICABILITY OF UTILITY TRANSFERS ACT
PUA000059 VIRGINIA GAS PIPELINE CO.
FOR APPROVAL OF RELEASE OF CERTAIN UTILITY ASSESTS
PUA000060 VIRGINIA NATURAL GAS INC. AND AGL SERVICES CO.
FOR APPROVAL OF SERVICES AGREEMENT
PUA000061 VIRGINIA-AMERICAN WATER CO. AND AMERICAN WATER RESOURCES INC.
FOR APPROVAL OF LEASE AGREEMENT
PUA000062 ADELPHIA BUSINESS SOLUTIONS OF VA LLC
FOR AUTHORITY TO TRANSFER CONTROL AS PART OF PRO FORMA CORPORATE RESTRUCTURING
PUA000063 VERIZON VIRGINIA INC. AND VERIZON SOUTH INC.
FOR APPROVAL OF AFFILIATES AGREEMENT
PUA000064 ALLEGHENY POWER
FOR AUTHORITY TO TRANSFER UTILITY ASSETS AND UTILITY SECURITIES TO AFFILIATE
PUA000065 APPALACHIAN POWER COMPANY
FOR APPROVAL OF AFFILIATE TRANSACTION
PUA000066 APPALACHIAN POWER COMPANY
FOR APPROVAL OF AFFILIATE TRANSACTION

PUA000067 WASHINGTON GAS LIGHT CO.
FOR AUTHORITY TO PARTICIPATE IN SYSTEM "MONEY POOL"
PUA000068 NORTHERN VIRGINIA ELECTRIC COOPERATIVE
FOR AUTHORIZATION FOR AFFILIATE TRANSACTIONS
PUA000069 VERIZON SOUTH INC.
FOR AUTHORITY TO ENTER INTO AGREEMENTS RELATING TO SALE OF ADVANCED SERVICES
PUA000070 NORTHPOINT COMMUNICATIONS GROUP, INC. AND BELL ATLANTIC CORP. D/B/A VERIZON COMMUNICATIONS
FOR APPROVAL OF AGREEMENT AND PLAN OF MERGER
PUA000071 RCN TELECOM SERVICES INC.
FOR APPROVAL OF TRANSFER OF CONTROL
PUA000072 ONEPOINT COMMUNICATIONS AND BELL ATLANTIC CORP.
FOR AUTHORITY PURSUANT TO UTILITY TRANSFERS ACT
PUA000073 VERIZON SOUTH INC.
FOR APPROVAL OF AFFILIATE TRANSACTIONS
PUA000074 ATMOS ENERGY CORPORATION
FOR APPROVAL TO ISSUE SHARES OF COMMON STOCK
PUA000075 1-800-RECONEX INC. AND NOVA COMMUNICATIONS LLC
FOR AUTHORITY TO SELL AND TRANSFER STOCK AND CHANGE OF CONTROL
PUA000076 POTOMAC EDISON COMPANY
FOR AUTHORITY TO DISPOSE OF UTILITY ASSETS
PUA000077 VIRGINIA ELECTRIC & POWER CO.
FOR APPROVAL AND TERMINATION OF AGREEMENTS AND FOR TRANSFER OF ASSETS
PUA000078 POTOMAC ELECTRIC POWER D/B/A SOUTHERN ENERGY POTOMAC RIVER, LLC
FOR AUTHORITY TO DISPOSE OF AND ACQUIRE UTILITY ASSETS
PUA000079 NUI CORPORATION, VGC ACQUISITION, INC., AND VIRGINIA GAS COMPANY
FOR APPROVAL OF AGREEMENT AND PLAN OF REORGANIZATION
PUA000080 FOCAL COMMUNICATIONS CORP.
FOR AUTHORITY TO EFFECT PRO FORMA CORPORATE REORGANIZATION
PUA000082 APPALACHIAN POWER COMPANY
FOR AUTHORITY TO ENTER INTO AFFILIATE TRANSACTION
PUA000083 KENTUCKY UTILITIES COMPANY
FOR APPROVAL OF TRANSFER OF INTEREST IN TWO COMBUSTION TURBINES
PUA000085 VIRGINIA NATURAL GAS INC. AND AGL ENERGY SERVICES, INC.
FOR APPROVAL OF ENERGY SERVICES AGREEMENT
PUA000087 WORLDCOM, INC. AND INTERMEDIA COMMUNICATIONS
FOR APPROVAL TO TRANSFER CONTROL OF INTERMEDIA COMMUNICATIONS INC. VA OPERATING SUBSIDIARY TO WORLDCOM, INC.
PUA000088 WASHINGTON GAS LIGHT CO.
FOR APPROVAL TO ENGAGE IN AFFILIATE TRANSACTIONS AND FOR APPROVAL OF AFFILIATE
PUA000090 VARTEC TELECOM INC.
FOR APPROVAL TO PURCHASE CONVERTIBLE NOTES
PUA000091 BUSINESS TELECOM OF VA INC.
FOR APPROVAL FOR INDIRECT MINORITY TRANSFER OF CONTROL
PUA000094 UNIVERSAL ACCESS OF VIRGINIA INC.
FOR APPROVAL OF INTERNAL CORPORATE REORGANIZATION
PUA000095 WILDWOOD FOREST WATER CO. INC.
FOR APPROVAL TO TRANSFER ASSESTS TO TRAVERS, DAVID
PUA000096 VIRGINIA ELECTRIC & POWER CO. AND DOMINION TELECOM INC.
FOR APPROVAL OF AFFILIATES TRANSACTION AND PETITION FOR EXEMPTION
PUA000098 VIRGINIA ELECTRIC & POWER CO.
FOR AUTHORITY TO SELL PUBLIC SERVICE CORPORATION PROPERTY
PUA000100 RAPPAHANNOCK ELECTRIC COOPERATIVE
FOR AUTHORITY TO FURNISH ADMINISTRATIVE, OPERATION AND MANAGEMENT SERVICES TO AFFILIATE

PUC: DIVISION OF COMMUNICATIONS

PUC990093 ALLIED RISER OF VIRGINIA
FOR CERTIFICATE TO PROVIDE INTEREXCHANGE, RESALE AND LOCAL EXCHANGE SERVICES
PUC990144 WORLDWIDE FIBER NETWORKS INC. OF VA
FOR CERTIFICATE TO PROVIDE FACILITY-BASED INTEREXCHANGE SERVICES
PUC990157 JONES, JR., ROBERT E. LEE V. MCI WORLDCOM NETWORK SERVICES OF VIRGINIA INC.
FORMAL COMPLAINT
PUC990176 DITTON, MICHAEL H.
PETITION FOR REDRESS AND RELIEF
PUC990177 FIBERGATE INC.
FOR CERTIFICATE TO PROVIDE COMPETITIVE LOCAL EXCHANGE SERVICE
PUC990178 CONNECT CCCVA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES
PUC990199 LD TOTAL CONNECT INC.
FOR CERTIFICATE TO PROVIDE TELECOMMUNICATIONS SERVICES

PUC990201 ESSENTIAL.COM INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC990210 GCR TELECOMMUNICATIONS INC.
FOR CERTIFICATE TO PROVIDE TELECOMMUNICATIONS SERVICES

PUC990220 MCI TELECOMMUNICATIONS CORP.
FOR CHANGES IN CERTIFICATES DUE TO CORPORATE RESTRUCTURING

PUC990221 AMERICAN FIBER NETWORK INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICAITONS SERVICES

PUC990237 GAMEWOOD TELECOM INC.
FOR CERTIFICATE TO PROVIDE FACILITIES-BASED, RESOLD LOCAL EXCHANGE, EXCHANGE ACCESS AND INTEREXCHANGE SERVICES

PUC990244 MCI WORLDCOM INC. AND SPRINT CORP.
FOR APPROVAL TO TRANSFER CONTROL OF SPRINT CORP.'S VIRGINIA OPERATING SUBSIDIARIES TO MCI WORLDCOM INC.

PUC990245 CONCENTRIC CARRIER SERVICES
FOR CERTIFICATE TO PROVIDE RESOLD AND FACILITIES-BASED LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC990246 BARNES, JEFFREY D. V. MCI WORLDCOM NETWORK SERVICES OF VIRGINIA, INC.
FORMAL COMPLAINT

PUC990247 GTE SOUTH INCORPORATED AND HIGHLAND CELLULAR
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000001 VERIZON SOUTH INC.
FOR EXEMPTION FROM PROVIDING PHYSICAL COLLOCATION

PUC000002 DPI-TELECONNECT LLC
FOR APPROVAL OF SALE OF MAJORITY INTEREST

PUC000003 EX PARTE: INVESTIGATION
INVESTIGATION OF APPROPRIATE LEVEL OF INTRASTATE ACCESS SERVICE PRICES

PUC000005 BELL ATLANTIC-VIRGINIA, INC. AND ADVANCED TELCOM GROUP INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000006 BELL ATLANTIC-VIRGINIA, INC. AND INTERPATH COMMUNICATIONS, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000007 ADELPHIA BUSINESS SOLUTIONS
FOR AUTHORITY TO AMEND CERTIFICATES

PUC000008 BELL ATLANTIC-VIRGINIA, INC. AND APPALACHIAN CELLULAR LLC
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000009 BELL ATLANTIC-VIRGINIA, INC. AND APPALACHIAN CELLULAR LLC
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000010 NET2000 COMMUNICATIONS OF VIRGINIA LLC
FOR CERTIFICATE TO PROVIDE FACILITIES-BASED INTEREXCHANGE SERVICES

PUC000011 ADELPHIA BUSINESS SOLUTIONS OF VIRGINIA
FOR AUTHORITY TO AMEND CERTIFICATES

PUC000012 BELL ATLANTIC-VIRGINIA, INC. AND JONES TELECOMMUNICATIONS OF VA INC.
FOR APPROVAL OF AMENDMENT TO INTERCONNECTION AGREEMENT

PUC000013 BELL ATLANTIC-VIRGINIA, INC. AND DMJ COMMUNICATIONS
FOR APPROVAL OF A RESALE INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000014 ONSITE ACCESS LOCAL LLC
FOR CERTIFICATE TO PROVIDE FACILITIES-BASED AND RESOLD LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000015 GTE SOUTH INC. AND DIECA COMMUNICATIONS
FOR APPROVAL OF AMENDMENT TO INTERCONNECTION AGREEMENT

PUC000016 GTE SOUTH INC. AND PV TEL OF VA
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000017 INTERNATIONAL TELEPHONE GROUP OF VIRGINIA, INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC000019 AT&T COMMUNICATIONS OF VA INC. V. BELL ATLANTIC-VIRGINIA, INC.
FOR ORDER DIRECTING BELL ATLANTIC-VIRGINIA, INC. TO STOP ANTI-COMPETITIVE INTRALATA TOLL MARKETING PRACTICE

PUC000020 EX PARTE: RELIEF
FOR RELIEF ALTERNATIVES FOR 757 NPA

PUC00002 GLOBAL NAPS SOUTH INC.
FOR EXTENSION OF DATE BY WHICH AUDITED FINANCIAL STATEMENTS ARE TO BE FILED

PUC000022 VERIZON SOUTH, INC. F/K/A GTE SOUTH INC. AND NORTHPOINT COMMUNICATIONS OF VIRGINIA INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000023 GTE SOUTH INC. AND EZ TALK COMMUNICATIONS LLC
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000024 GTE SOUTH INC. AND ADVANCED TELCOM GROUP OF VIRGINIA, INC.
FOR APPROVAL OF AMENDMENT TO INTERCONNECTION AGREEMENT

PUC000025 BELL ATLANTIC-VIRGINIA, INC. AND STARPOWER COMMUNICATIONS LLC
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000026 EX PARTE: STANDARDS
ESTABLISHMENT OF COLLABORATIVE COMMITTEE TO INVESTIGATE MARKET OPENING MEASURES

PUC000027 VERIZON VIRGINIA INC.
FOR APPROVAL OF TARIFF FILING TO INTRODUCE COLLOCATION SERVICE

PUC000028 O1 COMMUNICATIONS OF VA LLC
FOR CERTIFICATE TO PROVIDE TELECOMMUNICATIONS SERVICES

PUC000029 BELL ATLANTIC-VIRGINIA, INC. AND 2ND CENTURY COMMUNICATIONS
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000030 UNITED TELEPHONE-SOUTHEAST INC. AND INTERPATH COMMUNICATIONS, INC.
FOR APPROVAL OF RESALE INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000031 BELL ATLANTIC-VIRGINIA, INC. AND US WEST !NTERPRISE AMERCIA OF VIRGINIA INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000032 CENTRAL TELEPHONE CO. OF VIRGINIA AND INTERPATH COMMUNICATIONS INC.
FOR APPROVAL OF RESALE INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000033 BELL ATLANTIC-VIRGINIA, INC. AND AFFINITY NETWORK INC.
FOR APPROVAL OF RESALE INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000034 BELL ATLANTIC-VIRGINIA, INC. AND ICG TELECOM GROUP OF VA
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000035 EX PARTE: 3RD PARTY TESTING
IN MATTER OF THIRD PARTY TESTING OF OPERATION SUPPORT SYSTEMS FOR BELL ATLANTIC-VIRGINIA, INC.

PUC000036 GTE SOUTH INC. AND CHESAPEAKE TELECOMMUNICATIONS CORP.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000037 FAIRPOINT COMMUNICATIONS CORP. – VIRGINIA
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC000038 SASNET INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC000040 IXC COMMUNICATIONS SERVICES OF VIRGINIA INC.
TO AMEND CERTIFICATE TO REFLECT NEW NAME BROADWING COMMUNICATIONS SERVICES OF VIRGINIA INC.

PUC000041 UNIVERSAL ACCESS OF VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE INTRASTATE END-USER COMMUNICATIONS SERVICES

PUC000042 GTE SOUTH INC. AND AIRTOUCH PAGING
FOR APPROVAL OF AMENDMENT TO INTERCONNECTION AGREEMENT

PUC000043 BELL ATLANTIC-VIRGINIA INC.
FOR EXEMPTION FROM PHYSICAL COLLOCATION AT MIDLOTHIAN AND DULLES CORNER CENTRAL OFFICES

PUC000044 CENTRAL TELEPHONE CO. OF VIRGINIA
TO EXTEND LOCAL SERVICE FROM STANARDSVILLE EXCHANGE TO CHARLOTTESVILLE EXCHANGE

PUC000045 EX PARTE: INVESTIGATION
INVESTIGATION TO IMPLEMENT 711 ABBREVIATED DIALING ACCESS TO TELECOMMUNICATIONS RELAY SERVICE IN VIRGINIA

PUC000046 PF.NET VIRGINIA CORP.
FOR CERTIFICAET TO PROVIDE FACILITIES-BASED INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000047 !NTERPRISE-ALTERNET OF VA
FOR CANCELLATION OF CERTIFICATES AND TARIFFS

PUC000048 !NTERPRISE-HYPERION OF VA
FOR CANCELLATION OF CERTIFICATES AND TARIFFS

PUC000049 BROADSLATE NETWORKS OF VA INC.
FOR AMENDMENT TO CERTIFICATE TO REFLECT NEW NAME

PUC000050 BELL ATLANTIC-VIRGINIA, INC. AND QUANTREX COMMUNICATIONS
FOR APPROVAL OF RESALE INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000051 BELL ATLANTIC-VIRGINIA, INC. AND CARDINAL COMMUNICATIONS
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000052 BELL ATLANTIC-VIRGINIA, INC. AND PAGEMART WIRELESS INC. N/K/A WEBLINK WIRELESS
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000053 BROADPLEX LLC
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC000054 KMC TELECOM IV OF VA INC.
FOR CERTIFICATE TO PROVIDE FACILITIES-BASED AND RESOLD LOCAL EXCHANGE AND SWITCHED AND SPECIAL ACCESS TELECOMMUNICATIONS SERVICES

PUC000055 MPOWER COMMUNICATIONS OF VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC000056 BELL ATLANTIC-VIRGINIA, INC.
FOR APPROVAL OF TARIFF REVISIONS TO INTRODUCE VAN SINGLE RATE SERVICE AND CLASSIFY IT AS COMPETITIVE

PUC000057 VERIZON VIRGINIA INC. F/K/A BELL ATLANTIC-VIRGINIA, INC.
TO IMPLEMENT ADDITIONAL COMMUNITY CHOICE PLAN ROUTES

PUC000058 NET-TEL CORPORATION OF VA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000059 USN COMMUNICATIONS VA INC.
FOR AUTHORITY TO CANCEL CERTIFICATE AND TARIFFS

PUC000060 TELERGY NETWORK SERVICES OF VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000061 BELL ATLANTIC-VIRGINIA, INC.
FOR EXEMPTION FROM PHYSICAL COLLOCATION (BETHIA, GAYTON RD. AND HERNDON OFFICES)

PUC000062 BELL ATLANTIC-VIRGINIA, INC.
FOR EXEMPTION FROM PHYSICAL COLLOCATION

PUC000063 BROADVIEW NETWORKS OF VA
FOR CERTIFICATE TO PROVIDE TELECOMMUNICATIONS SERVICES

PUC000064 EGIX NETWORKS SERVICES INC.
FOR CERTIFICATE TO PROVIDE TELECOMMUNICATIONS SERVICES

PUC000065 EX PARTE: RULES
IN MATTER OF REVISING RULES FOR PAY TELEPHONE SERVICE AND INSTRUMENTS PURSUANT TO PAY TELEPHONE REGISTRATION ACT

PUC000066 PUREPACKET COMMUNICATIONS OF VA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE SERVICES, EXCHANGE ACCESS SERVICE, INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000067 LIGHTSHIP TELECOM LLC
FOR CERTIFICATES TO PROVIDE FACILITIES-BASED, AND RESOLD LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000068 UNITED TELEPHONE-SOUTHEAST INC. AND GCR TELECOMMUNICATIONS, INC.
FOR APPROVAL OF AMENDMENT TO INTERCONNECTION AGREEMENT

PUC000069 GTE SOUTH INCORPORATED AND CAVALIER TELEPHONE
FOR APPROVAL OF INTERCONNECTION, RESALE, AND UNBUNDLING AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000070 GTE SOUTH INC. AND PRISM VIRGINIA
FOR APPROVAL OF INTERCONNECTION, RESALE, AND UNBUNDLING AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000071 GTE SOUTH INC. AND 2ND CENTURY COMMUNICATIONS OF VIRGINIA INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000072 GTE SOUTH INC. AND DSLNET
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000073 EVEREST CONNECTIONS CORP. OF VIRGINIA
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000074 BELL ATLANTIC-VIRGINIA, INC. AND NEW EDGE NETWORKS, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000075 BELL ATLANTIC-VIRGINIA, INC.
TO INTRODUCE NEW VOLUME INCENTIVE PLAN TO TARIFF

PUC000076 BROADSTREET COMMUNICATIONS OF VIRGINIA LLC
FOR CERTIFICATE TO PROVIDE FACILITIES-BASED LOCAL EXCHANGE, ACCESS SERVICE, AND RESOLD INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000077 BELL ATLANTIC-VIRGINIA, INC. AND RCN TELECOM SERVICES OF VA, INC.
FOR APPROVAL OF INTERCONNECITON AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000079 FOCAL COMMUNICATIONS CORP. AND BELL ATLANTIC-VIRGINIA, INC.
FOR ARBITRATION OF TELECOMMUNICATIONS ACT

PUC000080 PEREZ, MARIA C. T/A AT&T CO.
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC000081 B&S INVESTMENTS, INC
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC000082 NEFF, BARRY INC. T/A CAPITAL GYMNASTICS
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC000083 BAE SYSTEMS HOLDINGS INC. F/K/A BRITISH AEROSPACE NORTH AMERICA INC.
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC000084 YUNG, JOY IM T/A CAPITOL WIG
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC000085 CREATIVE HOSPITALITY, INC.
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC000086 JOHNSON, CURTIS T/A QUANITA'S HAIR & NAIL SALON
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC000087 ROUSSIS, DIMOS T/A DT&T COMMUNICATIONS
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC000088 GERLACH AL T/A GERLACH ENTERPRISES
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC000089 NJUGUANA, HANNAH WAINIMU
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC000090 JAUNDOO, JAMES B.
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC000091 KANGAROO LEASING INC.
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.

PUC000092 KAR CORP. D/B/A ALAN'S EXXON
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.
PUC000093 MORAN, KEVIN J. T/A THE DIAMOND GROUP
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.
PUC000094 KNOWLEDGE CONNECTIONS INC.
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.
PUC000095 BARGEN, KYLE VON T/A KVB TELEPHONE
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.
PUC000096 TAYLOR, KWAME
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.
PUC000097 MCMILLAN, LEE A. T/A LEE'S BEAUTY & BARBERING INC.
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.
PUC000098 LEWIS, ROMANUEL T/A LEWIS COMMUNICATION
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.
PUC000099 ABADDI, MOHAMAD
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.
PUC000100 BOTSCH, PAUL W.
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.
PUC000101 PURSLEY, RICHARD T/A PURCOM ENTERPRISES
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.
PUC000102 KRUCELYAK, ROBERT T/A RJK TELECOM
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.
PUC000103 MYLES, JO ANN P. T/A SPENCER TELECOM CORP.
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.
PUC000104 SCHNEIDER, STEVEN J. T/A SJS ENTERPRISES
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.
PUC000105 BLANCHARD, ANTHONY W. T/A TANDU SALES AND SERVICE
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.
PUC000106 STELMACK, WILLIAM T/A THE TELEPHONE CONNECTION INC.
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.
PUC000107 CHO, THOMAS H. T/A HILLCREST RESTAURANT & MOTEL
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.
PUC000108 PALMER-BEY, WESLEY J. T/A NEW CREATION
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.
PUC000109 BACK STREET HAIR DESIGN
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.
PUC000110 RUSSELL, III, FRANCIS C. T/A RUSSELL'S TOWING & SALVAGE & AUTO REPAIR
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.
PUC000111 SUTER, JOSEPH BERNARD T/A BBB INVESTMENT OF VIRGINIA
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.
PUC000112 SONG, MOON SUP T/A THE LIGHT MISSION CHURCH
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.
PUC000113 VITTS NETWORKS OF VIRGINIA LLC
FOR CERTIFICATE TO PROVIDE LOCAL AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES
PUC000114 BELL ATLANTIC-VIRGINIA, INC. AND MCI WORLDCOM COMMUNICATIONS OF VA INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252 (E) OF THE TELECOMMUNICATIONS ACT OF 1996
PUC000115 CENTRAL TELEPHONE CO. OF VIRGINIA, UNITED TELEPHONE-SOUTHEAST INC. AND NEW EDGE NETWORK, INC.
FOR APPROVAL OF RESALE AND INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996
PUC000116 MCIMETRO ACCESS TRANSMISSION SERVICES OF VA INC.
FOR MEDIATION OF UNRESOLVED ISSUES WITH BELL ATLANTIC-VIRGINIA, INC.
PUC000117 EBERSOLE, KURT W.
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.
PUC000118 LEWIS, ROMANUEL T/A LEWIS COMMUNICATION
ALLEGED VIOLATION OF VA CODE §§ 56-508.15, ET AL.
PUC000119 OPENBAND OF VIRGINIA INC. F/K/A DEAN NETWORKS OF VIRGINIA, INC.
FOR AMENDED CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES
PUC000120 MCIWORLDCOM COMMUNICATIONS OF VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE FACILITIES-BASED INTEREXCHANGE TELECOMMUNICATIONS SERVICES
PUC000121 VIRGINIA GLOBAL COMMUNICATIONS SYSTEMS
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES
PUC000122 CENTRAL TELEPHONE CO. OF VIRGINIA AND RHYTHMS INKS INC.-VA
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996
PUC000123 UNITED TELEPHONE-SOUTHEAST, INC. AND RHYTHMS LINKS INC.-VA
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996
PUC000124 BELL ATLANTIC-VIRGINIA, INC. AND WE CONNECT COMMUNICATIONS OF VA, INC.
FOR APPROVAL OF RESALE INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000125 BELL ATLANTIC-VIRGINIA, INC. AND HOOKS COMMUNICATIONS GROUP, INC.
FOR APPROVAL OF RESALE INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000126 BELL ATLANTIC-VIRGINIA, INC. AND MEDIA LOG INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000127 MAXCESS OF VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATION SERVICES

PUC000128 MVX.COM COMMUNICATIONS OF VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000129 US TELEPACIFIC CORP. (VA) D/B/A TELEPACIFIC COMMUNICATIONS
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000130 LIGHTNETWORKS OF VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC000131 GEMINI NETWORKS VA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000132 URBAN MEDIA OF VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000133 ONFIBER CARRIER SERVICES-VA INC.
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000135 MOUNTAINET TELEPHONE CO. INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC000136 TRANSBEAM OF VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000137 INNERVIEW LTD
ALLEGED VIOLATION OF VA CODE § 56-265.24 A

PUC000138 GTE SOUTH INC. AND TSR WIRELESS
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000139 360 COMMUNICATIONS CO. OF CHARLOTTESVILLE D/B/A ALLTELL, CENTRAL TELEPHONE CO. OF VIRGINIA AND SPRINT
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000140 BELL ATLANTIC-VIRGINIA, INC. AND JATO COMMUNICATIONS CORP. OF VIRGINIA
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000141 GTE SOUTH INC. AND 360 COMMUNICATIONS CO. OF CHARLOTTESVILLE D/B/A ALLTEL
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000142 GTE SOUTH INC. AND BROADSLATE NETWORKS OF VA INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000143 GTE SOUTH INC. AND SBC TELECOM INC.
FOR APPROVAL OF AMENDMENT TO INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000144 PREMIER NETWORK SERVICES INC.
FOR CERTIFICATE TO PROVIDE TELECOMMUNICATIONS SERVICES

PUC000145 BELL ATLANTIC-VIRGINIA, INC. AND NA COMMUNICATIONS, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000146 GTE SOUTH, INC. AND AFFINITY NETWORK INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000147 VERIZON SOUTH INC. F/K/A GTE SOUTH INC. AND NOS COMMUNICATIONS INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000148 YIPES TRANSMISSION VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC000149 NEXTLINK VIRGINIA LLC
FOR APPROVAL TO DISCONTINUE CALLING CARD SERVICE

PUC000151 MOTIENT SERVICES INC. OF VA
FOR CANCELLATION AND REISSUANCE OF CERTIFICATE TO REFLECT NEW CORP NAME

PUC000152 BELL ATLANTIC-VIRGINIA, INC.
FOR EXEMPTION FROM PHYSICAL COLLOCATION FOR LEWINSVILLE AND STERLING PARK OFFICES

PUC000153 SINGLE SOURCE OF VA INC.
FOR EXTENSION OF DATE BY WHICH AUDITED FINANCIAL STATEMENTS ARE TO BE FILED

PUC000154 EDGE CONNECTIONS INC.
FOR CERTIFICATE TO PROVIDE TELECOMMUNICATIONS SERVICES

PUC000155 UNITED TELEPHONE-SOUTHEAST, INC. AND SPRINT COMMUNICATIONS CO.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000156 CENTRAL TELEPHONE CO. OF VIRGINIA AND SPRINT COMMUNICATIONS CO.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000158 CENTRAL TELEPHONE CO. OF VIRGINIA AND PATHNET, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000159 UNITED TELEPHONE SOUTHEAST, INC. AND PATHNET, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000160 DIGITAL BROADBAND COMMUNICATIONS OF VA LLC
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000162 BELL ATLANTIC-VIRGINIA, INC. AND BROADBAND OFFICE COMMUNICATIONS-VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000163 KMC TELECOM V VA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC000164 LIGHTYEAR COMMUNICATIONS INC.
FOR APPROVAL OF NAME CHANGE ON CERTIFICATE

PUC000168 VERIZON VIRGINIA, INC.
TO IMPLEMENT EXTENDED LOCAL SERVICE FROM VERIZON-VA, INC.'S NEWPORT NEWS METROPOLITAN AREA TO VERIZON SOUTH INC.'S CRITTENDEN EXCHANGE

PUC000169 GTE SOUTH INCORPORATED AND NET-TEL CORPORATION
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000170 VERIZON VIRGINIA, INC. AND SERVISENSE.COM, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000171 BELL ATLANTIC-VIRGINIA, INC. AND ONESTAR LONG DISTANCE, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000173 SERVISENSE.COM OF VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC000175 LOOKING GLASS NETWORKS OF VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000176 BELL ATLANTIC-VIRGINIA, INC. AND BROADSTREET COMMUNICATIONS OF VA LLC
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000177 INLEC COMMUNICATIONS VA LLC
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000178 NEWSOUTH COMMUNICATIONS OF VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000179 VERIZON VIRGINIA INC. F/K/A BELL ATLANTIC-VIRGINIA, INC. AND SBC TELECOM, INC.
FOR APPROVAL OF AMENDMENT TO INTERCONNECTION AGREEMENT

PUC000181 VERIZON ADVANCED DATA-VIRGINIA
FOR CERTIFICATE TO PROVIDE INTRA-LATA, LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000182 VERIZON SOUTH INC. F/K/A GTE SOUTH INC. AND FAIRPOINT COMMUNICATIONS CORP – VIRGINIA
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000183 SIGMA NETWORKS TELECOMMUNICATIONS OF VA
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICTIONS SERVICES

PUC000184 CHOICE ONE COMMUNICATIONS OF VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000185 UNITED TELEPHONE-SOUTHEAST, INC. AND BROADSTREET COMMUNICATIONS OF VA, LLC
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000186 TALKINGNETS HOLDINGS LLC
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000187 BELL ATLANTIC-VIRGINIA, INC. AND AFFINITY NETWORK INC.
FOR APPROVAL OF RESALE AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000188 BELL ATLANTIC-VIRGINIA, INC. AND MPOWER COMMUNICATIONS OF VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000189 VERIZON VIRGINIA INC. F/K/A BELL ATLANTIC-VIRGINIA, INC. AND BELL ATLANTIC NETWORK DATA-VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000190 VERISON SOUTH INC. F/K/A GTE SOUTH INC. AND BELL ATLANTIC NEWORK DATA-VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000192 VERIZON SOUTH INC. F/K/A GTE SOUTH INCORPORATED
ANNUAL INFORMATIONAL FILING

PUC000193 CBEYOND COMMUNICATIONS LLC
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC000197 PATHNET OPERATING OF VA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000198 BLUESTAR NETWORKS OF VA INC.
FOR CANCELLATION OF CERTIFICATES

PUC000199 LIGHTBONDING.COM OF VA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000200 METTEL OF VA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000201 BELL ATLANTIC-VIRGINIA, INC. AND DIGITAL BROADBAND COMMUNICATIONS OF VA LLC
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000202 PLAN B COMMUNICATIONS OF VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATINOS SERVICES

PUC000203 BELL ATLANTIC-VIRGINIA, INC AND NET-TEL CORP. OF VA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000204 VERIZON VIRGINIA INC. AND VERIZON SOUTH INC.
TO IMPLEMENT EXPANDED LOCAL CALLING PLAN

PUC000205 VF COMMUNICATIONS INC.
TO AMEND CERTIFICATES TO REFLECT NEW CORPORATE NAME

PUC000206 CENTRAL TELEPHONE CO. OF VIRGINIA, UNITED TELEPHONE-SOUTHEAST INC. AND GTE WIRELESS OF THE SOUTH INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000207 CENTRAL TELEPHONE CO. OF VIRGINIA, UNITED TELEPHONE-SOUTHEAST INC. AND GTE MOBILNET OF TENNESSEE INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000208 VERIZON SOUTH INC. F/K/A GTE SOUTH INC. AND BROADBAND OFFICE COMMUNICATIONS-VIRGINIA INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000209 VERIZON SOUTH INC. AND TELIGENT OF VIRGINIA INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000210 CENTRAL TELEPHONE CO. OF VIRGINIA, UNITED TELEPHONE-SOUTHEAST, INC. AND SPRINT SPECTRUM LP, ET AL.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000211 VERIZON SOUTH INC. F/K/A GTE SOUTH INC. AND CAT COMMUNICATIONS INTERNATIONAL INC. D/B/A CCI
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000212 COX VIRGINIA TELCOM INC.
FOR DECLARATORY JUDGMENT AND CONDITIONAL PETITION FOR ARBITRATION OR ALTERNATIVE PETITION FOR DISMISSAL

PUC000213 VERIZON SOUTH INC. F/K/A GTE SOUTH INC. AND AMERICAN FIBER NETWORK OF VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000214 VERIZON SOUTH INC. F/K/A GTE SOUTH INC. AND MFN OF VA LLC
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000217 VERIZON VIRGINIA INC.
TO AMEND CERTIFICATES TO REFLECT NEW CORPORATE NAME

PUC000218 VERIZON SOUTH INC.
TO AMEND CERTIFICATES REFLECT NEW CORPORATE NAME

PUC000219 ENRON BROADBAND SERVICES OF VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE FACILITIES-BASED INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000220 VERIZON SOUTH INC. AND MEDIAONE TELECOMMUNICATIONS OF VA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000221 IPVOICE COMMUNICATIONS OF VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000222 HJN TELECOM OF VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000223 LIGHTYEAR COMMUNICATIONS OF VIRGINIA INC.
FOR AUTHORITY TO CHANGE NAME ON CERTIFICATE

PUC000224 TIDALWAVE TELEPHONE INC.
FOR AUTHORITY TO EXTEND FILING DATE OF FINANCIAL STATEMENTS

PUC000225 MCIMETRO ACCESS TRANSMISSION SERVICES OF VIRGINIA INC. AND BELL ATLANTIC-VIRGINIA, INC.
PETITION FOR ARBITRATION

PUC000226 UNITED TELEPHONE-SOUTHEAST, INC., CENTRAL TELEPHONE CO. OF VIRGINIA, INC. AND FAIRPOINT COMMUNICATIONS SOLUTIONS CORP. – VIRGINIA
FOR APPROVAL OF RESALE AND INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000227 VERIZON VIRGINIA, INC. F/K/A BELL ATLANTIC-VIRGINIA, INC. AND ESSEX TELECOMMUNICATIONS OF VIRGINIA INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000228 ATX TELECOMMUNICATIONS SERVICES OF VIRGINIA, LLC
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC000229 CITYNET TELECOM OF VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000230 VERIZON VIRGINIA, INC. AND WILLIAMS COMMUNICATIONS OF VIRGINIA INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000231 VERIZON SOUTH INC. AND NEW EDGE NETWORKS OF VA INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000232 UNITED TELEPHONE-SOUTHEAST, INC., CENTRAL TELEPHONE CO OF VIRGINIA, INC. AND BROADBAND OFFICE COMMUNICATIONS INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000233 UNITED TELEPHONE-SOUTHEAST, INC., CENTRAL TELEPHONE CO. OF VIRGINIA, AND IG2, INC .
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000234 VERIZON SOUTH INC. AND METROCALL INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000235 EVOLUTION NETWORKS NORTH INC.
FOR CERTIFICATES TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000237 MCI WORLDCOM COMMUNICATIONS
MOTION TO ACCEPT TARIFF FILING

PUC000238 DYNAMIC TELCOM ENGINEERING II
FOR CERTIFICATE TO PROVIDE RESOLD AND FACILITIES-BASED TELECOMMUNICATIONS SERVICES

PUC000239 WORLDWIDE FIBER NETWORKS OF VA
TO AMEND CERTIFICATE TO REFLECT NEW CORPORATE NAME

PUC000242 EX PARTE: INVESTIGATION
INVESTIGATION OF APPROPRIATE LEVEL OF INTRASTATE ACCESS SERVICE PRICES OF VERIZON VIRGINIA INC.

PUC000244 IDS TELECOM LLC
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000245 CENTRAL TELEPHONE CO. OF VIRGINIA
FOR AMENDED CERTIFICATE

PUC000246 CENTRAL TELEPHONE CO. OF VIRGINIA
FOR AMENDED CERTIFICATE

PUC000247 VERIZON VIRGINIA INC. F/K/A BELL ATLANTIC-VIRGINIA INC.
FOR AMENDED CERTIFICATE

PUC000248 CENTRAL TELEPHONE CO. OF VIRGINIA
FOR AMENDED CERTIFICATE

PUC000250 VERIZON VIRGINIA INC.
FOR EXEMPTION FROM PHYSICAL COLLOCATION AT MADISON, REMINGTON, SPOTSYLVANIA AND THE CROSSINGS CENTRAL OFFICES

PUC000252 TELERA COMMUNICATIONS OF VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000253 TRANS NATIONAL COMMUNICATIONS INTERNATIONAL OF VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

PUC000254 SBC TELECOM INC.
FOR LIMITED WAIVERS OF PRICE CEILINGS FOR DIRECTORY ASSISTANCE AND CERTAIN OPERATOR SERVICES

PUC000255 AMELIA TELEPHONE, NEW CASTLE TELEPHONE CO., ET AL.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000256 SPHERA OPTICAL NETWORKS (VIRGINIA) NA INC.
FOR CERTIFICATE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000257 VERIZON SOUTH INC. F/K/A GTE SOUTH INC. AND NETTEL CORP. OF VA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000258 VERIZON SOUTH INC. F/KA GTE SOUTH INC. AND NEXTEL PARTNERS
FOR APPROVAL OF INTERCONNECTION AGREEEMNT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000259 VERIZON VIRGINIA INC. AND FOCAL COMMUNICATIONS CORPORATION OF VIRGINIA
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000260 VERIZON SOUTH INC. F/K/A GTE SOUTH INC. AND PATHNET OPERATING OF VIRGINIA, INC.
FOR APPRPOVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000261 AT&T COMMUNICATIONS OF VA INC.
FOR DECLARATORY JUDGMENT

PUC000262 CAVALIER TELEPHONE LLC
FOR EMERGENCY RELIEF TO HALT UNLAWFUL CUSTOMER DISCONNECTS BY VERIZON

PUC000264 VERIZON SOUTH INC. AND SPRINT COMMUNICATIONS OF VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000265 VERIZON SOUTH INC.
FOR APPROVAL OF PLAN FOR ALTERNATIVE REGULATION

PUC000266 VERIZON SOUTH INC.
ANNUAL INFORMATIONAL FILING

PUC000268 CAVALIER TELEPHONE, LLC
FOR ARBITRATION PURSUANT TO § 252(E) OF 1996 TELECOMMUNICATIONS ACT TO ESTABLISH INTERCONNECTION AGREEMENT WITH VERIZON VIRGINIA

PUC000269 DEAN NETWORKS OF VIRGINIA INC.
FOR APPROVAL TO AMEND CERTIFICATE TO REFLECT NEW NAME

PUC000270 CENTRAL TELEPHONE CO. OF VIRGINIA, UNITED TELEPHONE-SOUTHEAST INC. AND WEBLINK WIRELESS, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000272 VERIZON VIRGINIA INC. AND PLAN B COMMUNICATIONS OF VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000273 TOUCH AMERICA INC.
FOR CERTIFICATE TO PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000274 LIGHTWAVE COMMUNICATIONS LLC
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000275 VERIZON VIRGINIA INC.
FOR WITHDRAWAL OF INTRASTATE ADVANCED SERVICES

PUC000276 VERIZON VIRGINIA INC.
TO IMPLEMENT EXTENDED LOCAL SERVICE FROM HAMPTON EXCHANGE TO CRITTENDEN EXCHANGE

PUC000277 VERIZON VIRGINIA INC.
TO IMPLEMENT EXTENDED LOCAL SERVICE FROM CHATHAM EXCHANGE TO WHITMELL EXCHANGE

PUC000278 VERIZON VIRGINIA INC.
TO IMPLEMENT EXTENDED LOCAL SERVICE FROM LYNCHBURG EXCHANGE TO RUSTBURG EXCHANGE

PUC000280 AMELIA TELEPHONE CORP., NEW CASTLE TELPHONE CO., ET AL.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000282 AT&T COMMUNICATIONS, ET AL.
FOR ARBITRATION OF CONNECTION RATES, TERMS AND CONDITIONS AND RELATED ARRANGEMENT WITH VERIZON VIRGINIA, INC.

PUC000283 EX PARTE: INVESTIGATION
INVESTIGATION OF APPROPRIATE LEVEL OF INTRASTATE ACCESS SERVICE PRICES OF VERIZON SOUTH INC.

PUC000284 UNITED TELEPHONE-SOUTHEAST INC., CENTRAL TELEPHONE CO. OF VIRGINIA AND USA DIGITAL INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000285 VERIZON SOUTH INC. AND BROADSTREET COMMUNICATIONS OF VIRGINIA LLC
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000286 MOUNTAINET TELEPHONE COMPANY
FOR CERTIFICATE TO PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICE AND TO AMEND CERTIFICATE

PUC000287 VERIZON VIRGINIA INC. AND BTI BUSINESS TELECOM OF VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000288 VERIZON VIRGINIA INC. AND AQUIS WIRELESS COMMUNICATIONS INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000289 AFN TELECOM, LLC
FOR CERTIFICATE TO PROVIDE NONSWITCHED FACILITIES-BASED INTEREXCHANGE AND DEDICATED ACCESS INTERSTATE TELECOMMUNICATIONS SERVICES

PUC000290 UNITED TELEPHONE-SOUTHEAST INC. AND 1-800-RECONEX
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000291 CENTRAL TELEPHONE CO. OF VIRGINIA AND 1-800-RECONEX
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000292 AMELIA TELEPHONE CORP., ET AL. AND & US CELLULAR CORP.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000293 CENTRAL TELEPHONE CO. OF VIRGINIA, ET AL. AND WINSTAR WIRELESS, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000295 REFLEX COMMUNICATIONS OF VA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000296 GLOBAL METRO NETWORK DC LLC
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTER-EXCHANGE TELECOMMUNICATIONS SERVICES

PUC000297 VERIZON VIRGINIA INC. AND MVX.COM COMMUNICATIONS OF VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF TELECOMMUNICATIONS OF 1996

PUC000298 VERIZON VIRGINIA INC. AND CHOCTAW COMMUNICATIONS OF VIRGINIA, INC. D/B/A SMOKE SIGNAL COMMUNICATIONS
FOR APPROVAL OF RESALE AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000299 VERIZON VIRGINIA INC. AND PUREPACKET COMMUNICATIONS OF VIRGINIA, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000300 OPENBAND OF VIRGINIA INC.
FOR AMENDMENT TO CERTIFICATE TO REFLECT NEW CORPORATE NAME

PUC000301 LIGHTRADE INC.
FOR DECLARATORY JUDGMENT

PUC000302 VERIZON SOUTH INC. AND METRO TELECONNECT, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000304 EX PARTE: IMPLEMENTATION
IN MATTER OF IMPLEMENTATION OF NUMBER CONSERVATION MEASURES GRANTED TO VIRGINIA IN FEDERAL COMMUNICATIONS COMMISSION ORDER RELEASED 7/20/00

PUC000306 STICKDOG TELECOM INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000307 VERIZON VIRGINIA INC.
FOR EXEMPTION FROM COLLOCATION AT BETHIA OFFICE

PUC000308 VERIZON VIRGINIA, INC. AND URBAN MEDIA
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000310 CENTRAL TELEPHONE CO. OF VIRGINIA, ET AL. AND NPCR, INC.
FOR APPROVAL OF COMMERCIAL MOBILE RADIO SERVICES INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000311 @LINKNETWORKS OF VIRGINIA INC.
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000312 UNITED TELEPHONE-SOUTHEAST, INC. AND METRO TELECONNECT, INC.
FOR APPROVAL OF RESALE AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000313 CENTRAL TELEPHONE CO. OF VIRGINIA AND METRO TELECONNECT, INC.
FOR APPROVAL OF RESEALE AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000314 VERIZON VIRGINIA INC. AND TEL-SAVE HOLDING OF VA, INC. D/B/A TALK.COM HOLDING, CORP.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000315 VERIZON VIRGINIA INC. AND NEXTLINK VA LLC
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000316 EVEREST BROADBAND NETWORKS
FOR CERTIFICATE TO PROVIDE LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES

PUC000317 DOMINION TELECOM INC.
TO CANCEL AND REISSUE CERTIFICATES REFLECTING NEW CORPORATE NAME

PUC000318 VERIZON VIRGINIA INC. AND NETWORK ACCESS SOLUTIONS LLC
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000319 VERIZON VIRGINIA INC. AND COMPASS TELECOMMUNICATIONS, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000320 CENTRAL TELEPHONE CO. OF VIRGINIA, UNITED TELEPHONE-SOUTHEAST, INC. AND MOUNTAINET TELEPHONE CO., INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000321 CENTRAL TELEPHONE CO. OF VIRGINIA, UNITED TELEPHONE-SOUTHEAST, INC. D/B/A SPRINT AND @LINK NETWORKS, INC. D/B/A @LINK
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000322 VERIZON VIRGINIA INC. AND HJN TELECOM OF VA
FOR APPROVAL OF RESALE AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996

PUC000323 VERIZON VIRGINIA INC. AND PHONE RECONNECT OF AMERICA, LLC
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996
PUC000325 EX PARTE: INVESTIGATION
INVESTIGATION OF PROVISION OF SERVICE OF PICUS COMMUNICATIONS OF VA, INC.
PUC000326 UNITED TELEPHONE-SOUTHEAST, INC. AND VIRGINIA GLOBAL COMMUNICATIONS SYSTEMS, INC.
FOR APPROVAL OF INTERCONNECTION AGREEMENT UNDER § 252(E) OF THE TELECOMMUNICATIONS ACT OF 1996
PUC000327 MCI WORLDCOM COMMUNICATIONS
FOR ORDER AGAINST VERIZON VIRGINIA, INC. FOR INADEQUATE AND DISCRIMINATORY INTRASTATE ACCESS SERVICE PROVISIONING
PUC000328 NCN VIRGINIA INC.
FOR CANCELLATION OF CERTIFICATES

PUE: DIVISION OF ENERGY REGULATION

PUE990781 COLUMBIA GAS OF VIRGINIA INC.
FOR APPROVAL OF SPECIAL RATE AND CONTRACT
PUE990785 WOLF HILLS ENERGY LLC
FOR APPROVAL OF CERTIFICATE PURSUANT TO VA CODE § 56-265.2 AND FOR EXEMPTION FROM CHAPTER 10, TITLE 56
PUE990814 GROUNDHOG MOUNTAIN PROPERTY OWNERS INC.
FOR CERTIFICATE TO PROVIDE WATER AND SEWER SERVICE IN PATRICK AND CARROLL, VA
PUE990881 ROANOKE GAS COMPANY
ANNUAL INFORMATIONAL FILING
PUE000001 DELMARVA POWER & LIGHT CO.
FOR APPROVAL IN CHANGES TO SERVICE CLASSIFICATION "X"
PUE000003 TA SHEETS MECHANICAL GENERAL CONTRACTOR INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000004 POTOMAC EDISON COMPANY
TO REVISE FUEL FACTOR PURSUANT TO VA CODE § 56-249.6
PUE000005 VIRGINIA-AMERICAN WATER CO.
ANNUAL INFORMATIONAL FILING
PUE000006 NORTHERN VIRGINIA UTILITY PROTECTION SERVICE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.16:1 B
PUE000007 POOLS BY YOUNG LTD
ALLEGED VIOLATION OF VA CODE § 56-265.24 F
PUE000008 UNDERGROUND TECHNOLOGY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE000009 VIRGINIA ELECTRIC & POWER CO.
FOR APPROVAL OF EXPENDITURES FOR NEW GENERATION FACILITIES AND FOR CERTIFICATE
PUE000010 VIRGINIA ELECTRIC & POWER CO.
FOR APPROVAL AND CERTIFICATION OF ELECTRIC TRANSMISSION FACILITIES
PUE000011 A&B CONCRETE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000012 ASH-GAYLE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000013 BELDA CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 B
PUE000014 EH IVES CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.18
PUE000015 GRIFFIN CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000016 JL WARREN INCORPORATED
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000017 JOHN BONNER PLUMBING
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000018 PREMIER COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000019 DEBOSE & SONS CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000020 E G MIDDLETON INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000021 UTILX CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000022 APAC-VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000023 BASIC CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000024 EDDIE'S REMODELING & CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000025 FOUR POINTS EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE000026 G & H CONTRACTING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000027 GAYLES CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000028 H & W CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000029 HAMMOND-MITCHELL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000030 HOLLADAY CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000031 J P TURNER & BROTHERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000032 DA FOSTER COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE000033 HENDERSON INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE000034 JWS COMMUNICATIONS
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000035 MASTEC NORTH AMERICA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000036 ATLANTIC CLEARING & GRADING CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000037 NORTHERN PIPELINE CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000038 KINGERY BROS INC.
ALLEGED VIOLATION OF VA CODE 56-265.17 A
PUE000039 STRICKLAND & WILSON CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000040 LEO CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000041 TIDEWATER UNDERGROUND COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000042 MARC-O-CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000043 TIDEWATER UTILITY CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000044 MAUST ENTERPRISES OF VA
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000045 VIRGINIA NATURAL GAS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE000046 MID-ATLANTIC PIPELINERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000047 ALLEGHANY CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000048 ONE CALL CONCEPTS LOCATING SERVICES, INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000049 APPLETON-CAMPBELL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000050 BLUE RIDGE PLUMBING
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000051 COMMONWEALTH CONSTRUCTORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE000052 PYRAMID CONSTRUCTION OF VA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000053 CROSS CUTTERS QUALITY LAWN MAINTENANCE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000054 DAVE HINKLE ELECTRIC INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000055 R R SNIPES CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000056 S STEPHENS CABLE CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000057 WASHINGTON CONCRETE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000058 WILLIAMS COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE000059 AMERICAN PROPERTY CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000060 R V CAREY'S PLUMBING & HEATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A

PUE000061 JOHNSON BUILDING CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000062 R E LEE ELECTRIC CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000063 R V CAREYS PLUMBING & HEATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000064 ROCKINGHAM CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE000065 S AND N COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000066 DUNNAM & DUNNAM, INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000067 MAGNUM SERVICES OF VA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000068 PEARCE CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000069 SOUTHSIDE UTILITIES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000070 VIRGINIA UNDERGROUND UTILITY PROTECTION SERVICE, INC.
ALLEGED VIOLATION OF VA CODE § 56-265.22 A
PUE000071 ONE CALL CONCEPTS LOCATING SERVICES INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000072 MYERS CABLE INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24, A ET AL.
PUE000073 KEYSTONE PIPELINE SERVICE INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.17, A ET AL.
PUE000074 HUBBARD TELEPHONE CONTRACTORS INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 D, ET AL.
PUE000075 FOWLER CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.17 A, ET AL.
PUE000076 COLUMBIA GAS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE000077 B & K CONSTRUCTION CO. OF TIDEWATER INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE000078 UNITED CITIES GAS CO.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000079 W R HALL INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE000080 VIRGINIA ELELCTRIC & POWER CO.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE000081 WASHINGTON GAS LIGHT CO.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000082 UTILIQUEST, LLC
ALLEGED VIOLATION OF VA CODE §§ 56-265.19, A ET AL.
PUE000083 NOCUTS INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000084 INDIAN RIVER WATER COMPANY
TO CANCEL EXISTING CERTIFICATE AND ISSUE NEW CERTIFICATE
PUE000086 DELMARVA POWER & LIGHT CO.
FOR APPROVAL OF PLAN FOR FUNCTIONAL SEPARATION OF GENERATION
PUE000087 POTOMAC EDISON CO., THE D/B/A ALLEGHENY POWER
FOR ABBREVIATED FILING OF ANNUAL INFORMATIONAL FILING
PUE000088 RAPPAHANNOCK ELECTRIC COOPERATIVE
FOR APPROVAL OF ELECTRICITY RETAIL ACCESS PILOT PROGRAM
PUE000089 OLD DOMINION ELECTRIC COOPERATIVE
FOR PARTIAL WAIVER FROM COMMISSION RULES GOVERNING BIDDING PROGRAMS TO PURCHASE ELECTRICITY
PUE000091 MONTA VISTA WATER COMPANY INC.
FOR CANCELLATION OF CERTIFICATE
PUE000092 DOSWELL LIMITED PARTNERSHIP
FOR CERTIFICATE AND FOR EXEMPTION FROM PROVISIONS OF CHAPTER 10 OF TITLE 56, ET AL.
PUE000093 WATERWORKS COMPANY OF FRANKLIN COUNTY, THE
TO CHANGE RATES AND CHARGES
PUE000095 WINNEY, ROBERT A. D/B/A WATERWORKS CO. OF FRANKLIN COUNTY, THE
FOR CANCELLATION OF CERTIFICATE
PUE000097 VIRGINIA ELECTRIC & POWER CO.
ANNUAL INFORMATIONAL FILING
PUE000098 ATMOS ENERGY CORPORATION
FOR APPROVAL OF CONDEMNATION OF EASEMENT ACROSS PROPERTY
PUE000099 ASAP ELECTRICAL & PLUMBING
ALLEGED VIOLATION OF VA CODE § 56-265.17 B

PUE000100	CHERRY HILL CONSTRUCTION INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE000101	ATLANTIC MARINE CONSTRUCTION ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000102	CABLE-LA INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000103	GENE GOODE CEMENT FINISHING ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000104	OME LIGHTING SYSTEMS ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000105	INFRACORPS OF VA INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000106	ATLANTIC GENERAL CONTRACTORS INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000107	B FRANK JOY CO. INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000108	C J HUGHES CONSTRUCTION INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000109	CONSOLIDATED BUILDING INDUSTRIES ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000110	ELLICOTT CITY UNDERGROUND INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000111	FREDERICK CONTRACTORS INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000112	LARRY V. COOK & SONS INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000113	LEO CONSTRUCTION COMPANY ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000114	S STEPHENS CABLE CONSTRUCTION INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000115	SUMMIT USA LAND DEVELOPMENT CORP. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000116	T & J LAWN SERVICE ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000117	TAPCO ENTERPRISES INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000118	TIDEWATER DECK & FENCE ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000119	VAC BUILDERS ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000120	VIRGINIA CONCRETE CONSTRUCTION CO., INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000121	B & D CONSTRUCTION ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000122	BOLIN ELECTRICAL CONTRACTORS INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000123	CLOG BUSTERS PLUMBING ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000124	COMMONWEALTH PLUMBING SERVICES INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000125	DYNAELECTRIC COMPANY ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000126	FLIPPO CONSTRUCTION CO. INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000127	H & H ENTERPRISES ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000128	JOSE FERNANDO INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000129	JOSEPH KENT EXCAVATING INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000130	KOBANE INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000131	LANE CONSTRUCTION CORP., THE ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE000132	MICHAEL & SON ELECTRIC SERVICE ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000133	MYERS CABLE, INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000134	NORTHERN VIRGINIA & MARYLAND CO. ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE000135 REDEE CONCRETE CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000136 SEGMENTAL WALL SPECIALISTS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000137 T A SHEETS MECHANICAL GENERAL CONTRACTOR INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE000138 C RICHARD DOBSON BUILDERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000139 D EDWARD LYONS EXCAVATING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000140 EMS ENVIRONMENTAL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000141 GRAHAM CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000142 HAMMOND - MITCHELL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000143 HENKELS & MCCOY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000144 OSBURN, WARRICK
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000145 PETERS & WHITE CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000146 PREMIER COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.17 A, ET AL.
PUE000147 HAWK INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000148 R L BROWN EXCAVATING CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000149 VICKERS ACCOUSTICS
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000150 VIRGINIA ELECTRIC & POWER CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000151 CHRISTIANSBURG ELECTRICAL & PLUMBING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000152 KEYSTONE PIPELINE SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000153 M L P CONCEPTS
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000154 S W RODGERS COMPANY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000155 SOUTHERN CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE000156 SANITARY ENGINEERING CO. INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE000157 D A FOSTER COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE000158 CONTRACTING ENTERPRISES INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE000159 BATTLEFIELD UTILITY CONTRACTOR INC.
ALLLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000160 AMERICAN EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000161 WASHINGTON GAS LIGHT COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE000162 UTILIQUEST LLC
ALLEGED VIOLATIONS OF VA CODE § 56-265.19 A
PUE000163 COLUMBIA GAS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000164 UNDERGROUND TECHNOLOGY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE000165 NOCUTS INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000167 WASHINGTON GAS LIGHT CO. AND SHENANDOAH GAS CO.
TO CANCEL AND REISSUE CERTIFICATES FOLLOWING MERGER
PUE000168 VIRGINIA GAS DISTRIBUTION CO.
FOR EXTENSION OF DATE TO FILE ANNUAL INFORMATIONAL FILING
PUE000169 NORTHERN NECK WATER INC.
FOR CERTIFICATE AND FOR AUTHORITY TO ACQUIRE CERTAIN WATER UTILITY ASSETS
PUE000170 PRECISION LANDSCAPING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE000171 UNITED CITIES GAS COMPANY
FOR GENERAL INCREASE IN RATES
PUE000172 BUSKILL, PEGGY, ET AL V. PELHAM MANOR WATER SUPPLY
PETITION IN OBJECTION OF PROPOSED RATE INCREASE
PUE000173 APPALACHIAN POWER COMPANY
ANNUAL INFORMATIONAL FILING
PUE000174 DELMARVA POWER & LIGHT CO.
FOR APPROVAL TO DELAY FILING OF ANNUAL INFORMATIONAL FILING
PUE000175 EX PARTE: CERTIFICATE
IN MATTER OF CANCELLATION OF CERTIFICATE OF CHARLES M. BLYTHE WATER COMPANY INC.
PUE000176 WASHINGTON GAS LIGHT CO.
ANNUAL INFORMATIONAL FILING
PUE000177 COLUMBIA GAS OF VIRGINIA INC.
ANNUAL INFORMATIONAL FILING
PUE000178 KENTUCKY UTILITIES COMPANY
ANNUAL INFORMATIONAL FILING
PUE000179 SOUTHSIDE ELECTRIC COOPERATIVE
FOR CLARIFICATION OF CERTIFICATED AREAS OR IN ALTERNATIVE RECLASSIFICATION AND CERTIFICATION OF PREVIOUS SERVICE AREAS
PUE000180 VIRGINIA-AMERICAN WATER CO.
TO DELAY FILING OF ANNUAL INFORMATIONAL FILING
PUE000181 FRED A FRANK CONSTRUCTION
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE000182 HENDERSON CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.17 A, ET AL.
PUE000183 STRONG COMPANIES INC, THE
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE000184 CABLE-LA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000185 EL BLACKWELL ELECTRIC INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000186 HOWARD'S ELECTRIC CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000187 MARTIN AND GAS INCORPORATED
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000188 ROBINSON PAVING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000189 TJO COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000190 ATLANTIC CABLE SERVICE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000191 BIERNOT LANDSCAPING-CONCRETE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000192 C A BARRS CONTRACTOR INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE000193 CHESAPEAKE BAY CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000194 KIERSTEAD CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000195 MASTEC NORTH AMERICA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000196 PRECON CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000197 RAD ELECTRIC
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE000198 TIDEWATER UTILITY CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000199 VIRGINIA NATURAL GAS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE000200 COLONIAL MECHANICAL CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000201 COMMERCIAL CONCRETE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000202 E V WILLIAMS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000203 H P ALEXANDER INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000204 ATLANTIC CABLE & TRENCH INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000205 NEW YORK CONCRETE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE000206 OWENS & DOVE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000207 QUALITY EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000208 S B COX INCORPORATED
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000210 T A SHEETS MECHANICAL GENERAL CONTRACTOR INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE000211 BLAKE ROHRER INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000212 BOWER HURLEY & SAUNDERS
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000213 C & P PLUMBING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000214 IVY NURSERY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000215 MYERS CABLE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000216 R G GRIFFITH INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000217 RUMSEY'S EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000218 C & S CABLE CONTRACTING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000219 EL DE CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000220 WASHINGTON GAS LIGHT COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE000221 UTILIQUEST LLC
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE000222 UNDERGROUND TECHNOLOGY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE000223 ROCKINGHAM CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000224 COLUMBIA GAS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE000225 BASIC CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000226 AGRA CABLE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000227 UNITED CITIES GAS COMPANY
ALLEGED VIOLATION OF VA CODE §§ 56-265.19, A ET AL.
PUE000228 NOCUTS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE000229 EX PARTE: SEPARATION
IN MATTER OF SEPARATION OF REGULATED AND UNREGULATED BUSINESSES OF UTILITY CONSUMER SERVICES COOPERATIVES AND UTILITY AGGREGATION COOPERATIVES
PUE000230 MARTEEN CONCRETE COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000231 A&N ELECTRIC COOPERATIVE, ET AL.
FOR DECLARATORY JUDGMENT
PUE000232 BARC ELECTRIC COOPERATIVE
FOR GENERAL INCREASE IN RATES
PUE000233 BEN LEWIS PLUMBING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000234 CABLE ASSOCIATES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000235 DEVELOPMENT SERVICE INDUSTRIES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000236 LEO CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 B
PUE000237 LISBON CONCRETE CORP. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000238 RC LANDSCAPING COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000239 MILLS, ROGER
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000240 TARGET MASONRY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000241 TRUSWOOD INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A

PUE000242	UNITED FOUNDATIONS INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000243	VIRGINIA ELECTRIC & POWER CO. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000244	KETOCTIN LAND COMPANY ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000245	COMMONWEALTH PLUMBING SERVICES ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000246	L E BALLANCE ELECTRICAL SERVICE INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000247	BALZER & ASSOCIATES INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000248	CASCADE CONTRACTING INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000249	CRUMLEY GROUP INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000250	HAMILTON CONTRACTORS INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000251	HUBBARD TELEPHONE CONTRACTORS INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000252	J HOY INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000253	JAMES RIVER ENTERPRISES ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000254	MAXWELL LANDSCAPE SERVICES INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000255	SMITH & KEENE ELECTRICAL SERVICE INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000256	STEPHENS CONTRACTING CO. INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000257	STEVEN D JONES INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000258	SUBURBAN GRADING & UTILITIES INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000259	AARON J CONNER GENERAL CONTRACTOR INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000260	B&W EXCAVATING & LAND CLEARING CO. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000261	CONSTRUCTION CONCEPTS INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000262	ATLAS PLUMBING & MECHANICAL INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000263	BREAKELL INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000264	MID-ATLANTIC PIPELINERS INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000265	PIEDMONT ELECTRICAL COMPANY ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000266	TYREE ORGANIZATION, THE ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000267	UNITED CITIES GAS COMPANY ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE000268	P&M CONSTRUCTION SERVICES INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000269	GERALD M MOORE & SON INC. ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000270	UTILIQUEST LLC ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000271	R&P LUCAS UNDERGROUND UTILITIES INC. ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000272	MASTEC NORTH AMERICA INC. ALLEGED VIOLATION OF VA CODE §§ 56-265.17 A, ET AL.
PUE000273	CURRY JOHN J. ALLEGED VIOLATION OF VA CODE § 56-265.24
PUE000274	VIRGINIA NATURAL GAS INC. ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE000275	UNDERGROUND TECHNOLOGY INC. ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE000276	ALL CLEAR LOCATING SERVICES D/B/A NOCUTS, INC. ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.

PUE000277	INNERVIEW LTD
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000278	SHENANDOAH GAS DIVISION
	FOR AUTHORITY TO FILE 2000 ANNUAL INFORMATIONAL FILING BASED ON TEST YEAR ENDING 6/30/00
PUE000279	WINNEY, ROBERT A. D/B/A WATERWORKS CO. OF FRANKLIN COUNTY, THE
	ALLEGED VIOLATION OF VA CODE § 56-265.13:5
PUE000280	ALLEGHENY POWER
	FOR APPROVAL OF FUNCTIONAL SEPARATION PLAN
PUE000281	STONE MOUNTAIN ENERGY LC
	NOTIFICATION OF INTENT TO FURNISH GAS SERVICE TO THE FEDERAL BUREAU OF PRISONS
PUE000282	VIRGINIA GAS STORAGE CO.
	ANNUAL INFORMATIONAL FILING
PUE000283	VIRGINIA GAS PIPELINE CO.
	ANNUAL INFORMATIONAL FILING
PUE000284	COLUMBIA GAS OF VIRGINIA INC.
	TO EXTEND CUSTOMER CHOICE PILOT PROGRAM
PUE000285	COLONIAL WATERWORKS INC.
	FOR CANCELLATION OF CERTIFICATE
PUE000286	VIRGINIA ELECTRIC & POWER CO.
	FOR CERTIFICATE TO CONSTRUCT AND OPERATE 230 KV TRANSMISSION LINE IN PRINCE WILLIAM COUNTY
PUE000287	WATERLOO PROPERTY OWNERS ASSOCIATIONS WATER SYSTEM
	FOR CERTIFICATE AND AUTHORIZATION TO ACQUIRE UTILITY ASSETS
PUE000288	DUNNAM & DUNNAM INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000289	F G PRUITT INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000290	LEGEND PROPERTIES INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000291	M L P CONCEPTS
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000292	PARTNERS EXCAVATING CO.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000293	S W RODGERS COMPANY INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000294	VICO CONSTRUCTION CORPORATION
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000295	CHESAPEAKE ELECTRICAL SYSTEMS
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000296	COMMONWEALTH PUBLIC SERVICE CORP.
	ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE000297	PERIMETER FENCING
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000298	R E W CORPORATION
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000299	SELCO SEEDING INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000300	SHORELINE POOL BUILDERS
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000301	UNITED SECURITY ALLIANCE INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000302	CARL R. JACKSON CO.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000303	H & S CONSTRUCTION CO.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000304	H T BOWLING INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000305	MADISON COUNTY CABLE
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000306	JAMES BUCK HEATING & PLUMBING
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000307	FOLEY PLUMBING, INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000308	R E LEE ELECTRIC COMPANY
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000309	SANTA FE CONSTRUCTION CO. INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000310	SUPERIOR BACKHOE SERVICE
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000311	STRONG COMPANIES INC, THE
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A

PUE000312 UTILX CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000314 VILLAGE CONCRETE CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000315 WCC CABLE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000316 ACS ENVIRONMENTAL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000317 CABLE ASSOCIATES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000318 HENRY S. BRANSCOME INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000319 HI & SONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE000320 HOWARD B. HAWKINS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000321 J L MOSIER CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000322 K L HUDDLE ENTERPRISES
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000323 MR. PLUMBER INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000324 ONE SOURCE LANDSCAPING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000325 ORION ASSOCIATES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000326 PRECON CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000327 TIDEWATER UTILITY CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000328 VIRGINIA BEACH PAINTING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000329 WAYJO INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000330 UTILIQUEST LLC
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000331 VIRGINIA NATURAL GAS INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000332 WASHINGTON GAS LIGHT COMPANY
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000333 UNDERGROUND TECHNOLOGY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE000334 UNITED CITIES GAS COMPANY
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000335 MASTEC NORTH AMERICA INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.18, ET AL.
PUE000336 LEO CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE000337 CENTRAL LOCATING SERVICE LTD
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000338 ALL CLEAR LOCATING SERVICES INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000339 NOCUTS INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000340 VALLEY RIDGE WATER COMPANY
FOR INCREASE IN RATES
PUE000341 AQUASOURCE UTILITY INC.
FOR APPROVAL OF PURCHASE OF ASSETS AND FOR CERTIFICATE
PUE000342 EX PARTE: ELECTRICITY
IN MATTER OF RECOMMENDATIONS AND DRAFT PLAN FOR LEGISLATIVE TRANSITION TASK FORCE IN ELECTRICITY METERING SERVICES
PUE000343 VIRGINIA ELECTRIC & POWER CO.
FOR APPROVAL OF GENERATION FACILITIES OR, IN THE ALTERNATIVE, FOR APPROVAL OF EXPENDITURES AND FOR CERTIFICATE
PUE000344 PEPCO ENERGY SERVICES INC.
FOR LICENSE TO PROVIDE ELECTRICITY AND NATURAL GAS SERVICES IN INTERIM RETAIL ACCESS PILOT PROGRAMS
PUE000345 OLD DOMINION ELECTRIC COOPERATIVE
FOR LICENSE TO CONDUCT BUSINESS AS COMPETITIVE SERVICE PROVIDER IN ELECTRIC AND NATURAL GAS RETAIL ACCESS PILOT PROGRAMS
PUE000346 EX PARTE: ELECTRICITY
IN MATTER OF DRAFT PLAN FOR RETAIL ELECTRIC METERING AND BILLING SERVICES

PUE000347 READ MOUNTAIN WATER CO.
FOR CANCELLATION OF CERTIFICATE

PUE000348 STONE MOUNTAIN ENERGY LC
NOTICE OF INTENT TO FURNISH GAS SERVICE TO PIZZA PLUS, IN ROSE HILL AREA

PUE000349 DOMINION ENERGY DIRECT SALES INC.
FOR LICENSE TO CONDUCT BUSINESS AS COMPETITIVE SERVICE PROVIDER

PUE000351 DTE ENERGY MARKETING INC.
FOR LICENSE TO CONDUCT BUSINESS AS COMPETITIVE SERVICE PROVICER IN ELECTRIC RETAIL ACCESS PILOT PROGRAMS

PUE000352 DOMINION RETAIL, INC. F/K/A CNG RETAIL SERVICES CORP.
FOR LICENSE TO CONDUCT BUSINESS AS COMPETITIVE SERVICE PROVIDER

PUE000353 WASHINGTON GAS LIGHT COMPANY
FOR APPROVAL OF SPECIAL RATE AND CONTRACT

PUE000354 WASHINGTON GAS ENERGY SERVICES
FOR LICENSE TO CONDUCT BUSINESS AS COMPETITIVE SERVICE PROVIDER IN ELECTRIC AND NATURAL GAS PILOT PROGRAMS

PUE000356 ISLAND CABLE CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE000357 JRG CONTRACTORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A

PUE000358 NUCKOLS ENTERPRISES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE000359 PARAMOUNT CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE000360 PARTNERS EXCAVATING CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A

PUE000361 PATTON HARRIS RUST & ASSOCIATES
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE000362 WARREN & ASSOCIATES
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE000363 ACCURATE LOCATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE000364 C & D MASONRY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE000365 DERE HOME CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE000366 M & J BACKHOE SERVICES
ALLEGED VIOLATION OF VA CODE § 56-165.17 A

PUE000367 ROCKINGHAM CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A

PUE000368 SENECA EXCAVATION & LANDSCAPING, INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE000369 SUPERIOR BACKHOE SERVICE
ALLEGED VIOLATION OF VA CODE § 56-265.24 A

PUE000370 WRECKING CORPORATION OF AMERICA
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE000371 A-AJACK CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE000372 ENGLISH CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE000373 ERKILETIAN CONSTRUCTION CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE000374 FORT MYER CONSTRUCTION CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE000375 GRINNELL FIRE PROTECTION SYSTEMS CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE000376 COLLINS, HARRY F.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE000377 JWS COMMUNICATIONS
ALLEGED VIOLATION OF VA CODE § 56-265.24 A

PUE000378 KINGERY BROS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE000379 PAUL'S LANDSCAPING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE000380 R L LUCAS CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE000381 RIDGE LIMITED COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE000382 TOMMY ENGLISH EXCAVATING & GRADING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE000383 W L HARRIS GENERAL CONTRACTING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000384 ATLAS PLUMBING & MECHANICAL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000385 HUBBARD TELEPHONE CONTRACTORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000386 ESSENTIAL.COM INC.
FOR LICENSE AS COMPETITIVE SERVICE PROVIDER OF ELECTRIC AND NATURAL GAS SERVICE
PUE000387 CITY OF VIRGINIA BEACH
FOR APPROVAL OF CONDEMNATION OF STUMPY LAKE AND ASSOCIATED WATER SUPPLY
PUE000388 COLUMBIA GAS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE §§ 56-234, ET AL.
PUE000389 MILES ELECTRIC CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000390 SMITH'S EXCAVATING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000391 BASIC CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000392 SHELTON CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000393 STEWART CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000394 ALL CLEAR LOCATING SERVICES INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000395 WASHINGTON GAS LIGHT COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE000396 VIRGINIA ELECTRIC & POWER CO.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE000397 UNITED CITIES GAS COMPANY
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000398 S AND N COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24, ET AL.
PUE000399 ALL CLEAR LOCATING SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000400 CENTRAL LOCATING SERVICE LTD
ALLEGED VIOLATION OF VA CODES § 56-265.19 A
PUE000401 UTILIQUEST LLC
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000402 UNDERGROUND TECHNOLOGY INC.
ALLEGED VIOLATIONS OF VA CODE § 56-265.19 A
PUE000404 ALLEGHENY ENERGY SUPPLY
FOR LICENSE TO CONDUCT BUSINESS AS COMPETITIVE SERVICE PROVIDER
PUE000405 BEST CONCRETE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000406 ALL CLEAR LOCATING SERVICES
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000407 WASHINGTON GAS LIGHT CO.
FOR APPROVAL OF SPECIAL RATES
PUE000408 AEP RETAIL ENERGY LLC
FOR LICENSE TO CONDUCT BUSINESS AS COMPETITIVE SERVICE PROVIDER
PUE000409 BROOKFIELD WATER COMPANY
FOR CERTIFICATE TO PROVIDE UTILITY SERVICES
PUE000410 ENERGY WINDOW INC.
FOR LICENSE TO CONDUCT BUSINESS AS AGGREGATOR IN ELECTRIC RETAIL ACCESS PILOT PROGRAMS
PUE000411 NORTHERN VIRGINIA ELECTRIC COOPERATIVE
FOR WAIVER FROM COMPLIANCE WITH FILING DEADLINE
PUE000412 SMARTENERGY.COM INC.
FOR LICENSE TO CONDUCT BUSINESS AS ELECTRICITY AND NATURAL GAS COMPETITIVE SERVICE PROVIDER AND AGGREGATOR
PUE000414 BRANCH HIGHWAYS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000415 SOUTHWEST CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000416 UTILX CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000417 MASTEC NORTH AMERICA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000418 ECHO STAR COMMUNICATIONS
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000419 FINE CARPENTRY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A

PUE000420	FOLEY PLUMBING INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000421	GUS 3 CONSTRUCTION
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000422	J AND P CONSTRUCTION CO.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000423	KELLY'S MASONRY INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000424	NATIONAL CABLE CONSTRUCTION INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000425	POTOMAC CONCRETE CO. INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000426	PRO BUILT GENERAL CONTRACTING
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000427	R B HINKLE CONSTRUCTION INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000428	SUMMIT USA LAND DEVELOPMENT CORP.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000429	TAVARES CONCRETE COMPANY
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000430	TEETS EXCAVATING INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000431	WISE GUYS CONTRACTING INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000432	HERITAGE SITE DEVELOPMENT INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000433	HI & SONS INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000434	PEMBROKE CONSTRUCTION CO. INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000435	NEW POWER COMPANY
	FOR LICENSE TO CONDUCT BUSINESS AS NATURAL GAS COMPETITIVE SERVICE PROVIDER AND AGGREGATOR
PUE000436	C & S CABLE CONTRACTING INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE000437	DISTINCTIVE EVENT RENTALS INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000438	EASTERN TECHNICAL COMMUNICATIONS INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000439	HENDERSON INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000440	MALLORY ELECTRIC CO.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000441	NOCUTS, INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE000442	S W RODGERS COMPANY INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.18
PUE000443	BIERNOT, VINCE
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000444	VIRGINIA MARINE STRUCTURES INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000445	A & M CONCRETE CORP.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000446	B G CONSTRUCTION CO.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000447	HATHAWAY-DUKE CONSTRUCTION CO.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000448	JAMES RIVER NURSERIES INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000449	JOHN MARSHALL ELECTRIC
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000450	JSC CONCRETE CONSTRUCTION INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000451	PREMIER COMMUNICATIONS INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000452	NAGEL, ROLF
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000453	VIRGINIA ELECTRIC & POWER CO.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000454	D A FOSTER COMPANY
	ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.

PUE000455 COLUMBIA GAS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000456 HUBBARD TELEPHONE CONTRACTORS INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE000457 WASHINGTON GAS LIGHT COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE000458 UNITED CITIES GAS COMPANY
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000459 BATTLEFIELD UTILITY CONTRACTORS INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.17 A, ET AL.
PUE000460 ATLANTIC CABLE & TRENCH INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000461 VIRGINIA NATURAL GAS INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000462 UNDERGROUND TECHNOLOGY INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000463 CENTRAL LOCATING SERVICE LTD
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000464 UTILIQUEST LLC
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000465 ALL CLEAR LOCATING SERVICES INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000466 B & B PAVING
ALLEGED VIOLATION OF VA CODE § 56-265.17
PUE000467 LUCADO CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17
PUE000468 MIKE ATKINS EXCAVATING
ALLEGED VIOLATION OF VA CODE § 56-265.17
PUE000469 SALEM CURB AND GUTTER INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17
PUE000470 COLUMBIA GAS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE §§ 56-234, ET AL.
PUE000471 ENERGY SERVICES MANAGEMENT VIRGINIA LLC
FOR LICENSE TO CONDUCT BUSINESS AS AGGREGATOR
PUE000472 AMERADA HESS CORPORATION
FOR LICENSE TO CONDUCT BUSINESS AS COMPETITIVE SERVICE PROVIDER IN ELECTRIC AND NATURAL GAS RETAIL ACCESS PILOT PROGRAM
PUE000473 COLUMBIA ENERGY SERVICES CORP.
FOR WAIVER FROM COMPLIANCE WITH FILING DEADLINE
PUE000474 WASHINGTON GAS LIGHT CO.
FOR APPROVAL OF PLAN FOR IMPLEMENTING RETAIL SUPPLY CHOICE
PUE000475 BOLLINGER ENERGY CORP.
FOR LICENSE TO CONDUCT BUSINESS AS NATURAL GAS COMPETITIVE SERVICE PROVIDER
PUE000476 SOUTHSIDE ELECTRIC COOPERATIVE
FOR APPROVAL OF SPECIAL RATE AND CONTRACT
PUE000477 TXU ENERGY SERVICES
FOR WAIVER FROM PROVISIONS OF 20 VAC 5-311-10, ET SEQ.
PUE000479 AMERICAS ENERGY ALLIANCE INC.
FOR LICENSES TO CONDUCT BUSINESS AS COMPETITIVE SERVICE PROVIDER IN ELECTRIC AND NATURAL GAS RETAIL ACCESS PROGRAMS AND AS AGGREGATOR
PUE000480 ONLINECHOICE.COM
FOR LICENSE TO CONDUCT BUSINESS AS COMPETITIVE SERVICE PROVIDER AND AGGREGATOR IN ELECTRIC AND NATURAL GAS RETAIL ACCESS PILOT PROGRAMS
PUE000481 POWERTRUST.COM INC.
FOR LICENSE TO CONDUCT BUSINESS AS COMPETITIVE SERVICE PROVIDER OR AGGREGATOR
PUE000482 UNITED ENERGY INC. D/B/A UNITED ENERGY OF VA INC.
FOR LICENSE TO CONDUCT BUSINESS AS COMPETITIVE SERVICE PROVIDER IN NATURAL GAS RETAIL ACCESS PILOT PROGRAM
PUE000483 AGF DIRECT GAS SALES & SERVICING, INC.
FOR EXTENSION OF TIME TO FILE LICENSE APPLICATION
PUE000484 BGE COMMERCIAL BUILDING SYSTEM INC.
FOR LICENSE TO CONDUCT BUSINESS AS COMPETITIVE SERVICE PROVIDER IN RETAIL GAS ACESS PILOT PROGRAMS
PUE000485 CITY OF NORFOLK
FOR DECLARATORY JUDGMENT
PUE000487 TIGER NATURAL GAS INC.
FOR LICENSE TO CONDUCT BUSINESS AS COMPETITIVE SERVICE PROVIDER IN NATURAL GAS RETAIL ACCESS PILOT PROGRAMS
PUE000488 ENRON ENERGY SERVICES INC.
FOR LICENSE TO CONDUCT BUSINESS AS COMPETITIVE SERVICE PROVIDER IN NATURAL GAS RETAIL ACCESS PILOT PROGRAMS

PUE000489 ENRON ENERGY MARKETING CORP.
FOR LICENSE TO CONDUCT BUSINESS AS COMPETITIVE SERVICE PROVIDER AND AGGREGATOR
PUE000491 AM PLUMBING SERVICE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000492 ALL DECKED OUT HOME
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000493 FSN CONSTRUCTION CORPORATION
ALLEGED VIOLATION OF VA CODE § 546-265.17 A
PUE000494 GREEN VILLAGE CONCRETE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000495 LAKESIDE CONCRETE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000496 NETWORK TECHNOLOGIES GROUP INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000497 ENGLISH CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000498 KEN CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000499 KRAUSS CONSTRUCTION CO. OF VA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000500 RIVER CITY CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000501 SCHWAB REMODELING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000502 ATLAS PLUMBING & MECHANICAL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000503 CLARK CONCRETE CONTRACTORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE000504 DIRECTIONAL BORING LLC
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000505 DOWN UNDER CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000506 UNITED TECHNOLOGY INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 B
PUE000507 TANKNOLOGY/NDE CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000508 TRU GREEN LANDCARE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000509 R&J HAULING & GRADING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000510 VIRGINIA ELECTRIC & POWER CO.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE000511 A&B CONTRACTOR INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000512 ATLANTIC CABLE & TRENCH INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000513 BASIC CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000514 BRANCHE INDUSTRIES
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000515 C&S CABLE CONTRACTING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE000516 CABLE ASSOCIATES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000517 CASCADE CONTRACTING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000518 CONCRETE CONCEPTS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000519 SOUTHWESTERN VIRGINIA GAS CO.
ANNUAL INFORMATIONAL FILING
PUE000520 DAVIS & SONS PLUMBING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000522 F&W CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000523 DESIGN LANDSCAPING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000524 GREEN SCOPE LANDSCAPING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000525 NOCUTS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A

PUE000526 OASIS POOLS
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000527 ORION ASSOCIATES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000528 VICO CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000529 VIRGINIA SPRINKLER CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000530 ADKINS PLUMBING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000531 AFFORDABLE CONTRACTING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000532 COX, ALBERT
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000533 BELMONT CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000534 COLES EXCAVATING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000535 RICHARD L CROWDER CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000536 D&M CONCRETE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000537 EDWARDS ELECTRIC COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000538 FT EVANS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000539 JOHNSON EXCAVATING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000540 PARKER CONCRETE COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000541 PEARCE CORPORATION
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000542 PHOENIX DEVELOPMENT CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000543 RAGNAROK INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000544 RICK CARNEY IRRIGATION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000545 HARRIS, SHANE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000546 SOUTHWOOD BUILDERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000547 POTOMAC ELECTRIC POWER CO. D/B/A SOUTHERN ENERGY POTOMAC RIVER, LLC
FOR AUTHORITY TO DISPOSE OF AND ACQUIRE UTILITY ASSETS AND FOR REVISIONS TO ISSUANCE OF CERTIFICATES
PUE000550 EX PARTE: REGIONAL TRANSMISSION ENTITIES
IN RE: APPALACHIAN POWER CO. D/B/A AMERICAN ELECTRIC POWER CO., INC.; REGIONAL TRANSMISSION ENTITIES
PUE000551 EX PARTE: REGIONAL TRANSMISSION ENTITIES
IN RE: VIRGINIA ELECTRIC AND POWER CO.; REGIONAL TRANSMISSION ENTITIES
PUE000553 VIRGINIA NATURAL GAS INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000556 MASTEC NORTH AMERICAN INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE000557 WASHINGTON GAS LIGHT CO.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000558 ROCKINGHAM CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE000559 UNITED CITIES GAS COMPANY
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000560 MADISON COUNTY CABLE TV INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE000561 COLUMBIA GAS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000562 CABLECOM INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE000563 ALL CLEAR LOCATING SERVICE INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000564 COMCAST CABLEVISION OF PRINCE WILLIAM COUNTY
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000565 CENTRAL LOCATING SERVICE LTD
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.

PUE000566 UTILIQUEST LLC
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE000567 AUBON WATER COMPANY
ALLEGED VIOLATION OF PROVISIONS OF FINAL ORDER ISSUED IN CASE NO. PUE990002
PUE000569 KENTUCKY UTILITES CO. D/B/A OLD DOMINION POWER COMPANY
FOR APPROVAL OF TRANSFER OF OPERATIONAL CONTROL OF TRANSMISSION FACILITIES
PUE000574 OLD MILL POWER COMPANY
FOR LICENSE TO CONDUCT BUSINESS AS COMPETITIVE SERVICE PROVIDER AND AGGREGATOR IN ELECTRIC AND GAS RETAIL ACCESS PILOT PROGRAM
PUE000575 UGI ENERGY SERVICES INC. D/B/A GASMARK
FOR TEMPORARY WAIVER OF LICENSING REQUIREMENTS FOR COMPETITIVE SERVICE PROVIDERS
PUE000576 POWERTRUST ENERGY SERVICES INC.
FOR LICENSE TO CONDUCT BUSINESS AS COMPETITIVE SERVICE PROVIDER AND AGGREGATOR
PUE000577 VIRGINIA NATURAL GAS INC.
ANNUAL INFORMATIONAL FILING
PUE000582 UGI ENERGY SERVICES INC.
FOR LICENSE TO CONDUCT BUSINESS AS COMPETITIVE SERVICE PROVIDER AND AGGREGATOR OF NATURAL GAS AND ELECTRICITY
PUE000583 CENTRAL VIRGINIA ELECTRIC COOPERATIVE
FOR GENERAL INCREASE IN RATES
PUE000584 VIRGINIA ELECTRIC & POWER CO.
FOR APPROVAL OF FUNCTIONAL SEPARATION PLAN
PUE000585 VIRGINIA ELECTRIC & POWER CO.
TO REVISE FUEL FACTOR
PUE000586 SNYDER, STACY A., ET AL. V. VIRGINIA GAS PIPELINE CO.
TO REINSTATE COMMISSION DOCKET IN CASE NO. PUE990167 AND RECONSIDER AND/OR VACATE COMMISSION'S FINAL ORDER IN THAT CASE GRANTING CERTIFICATE
PUE000587 R&P LUCAS UNDERGROUND UTILITIES, INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000588 WCC CABLE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000589 HUDGINS CONTRACTING CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000590 LOUIS SMITH CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000591 MLP CONCEPTS
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000592 MASTEC NORTH AMERICA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000593 MAUGHAN CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000594 MID-ATLANTIC PIPELINERS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000595 ATLANTIC CLEARING & GRADING CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000596 BASIC CONSTRUCTION CO. LLC
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000597 CONTRACTING ENTERPRISES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000598 DAWSON CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000599 EDMONDS CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000600 GL HOWARD INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000601 GREAT FALLS SEPTIC SERVICE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000602 HENRY S BRANSCOME INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000603 TYREE ORGANIZATION, THE
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000604 BEACH CONCRETE
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000605 EB & RAY WILSON INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000606 GIVENS SERVICES
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000607 INNERVIEW LTD
ALLEGED VIOLATION OF VA CODE § 56-265.18
PUE000608 WILMIK INCORPORATED
ALLEGED VIOLATION OF VA CODE § 56-265.24

PUE000609	ATLANTIC CABLE & TRENCH INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000610	BROTHERS CONCRETE CONSTRUCTION INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000611	COMCAST CABLEVISION OF PRINCE WILLIAM COUNTY
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000612	AM PLUMBING SERVICE INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000613	BELL ELECTRIC OF BLACKSBURG INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000614	BOVIS CONSTRUCTION CORP.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000615	C&H UNDERGROUND
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000616	COOKS PLUMBING
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000617	DA FOSTER COMPANY
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000618	DR. PLUMBER INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000619	HOUSTON-STAFFORD ELECTRIC INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000620	JSC CONCRETE CONSTRUCTION INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000621	KRL CORP.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000622	MAR CONCRETE CORP.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000623	MARUMSCO EQUIPMENT CORPORATION
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000624	NEW SPECTRUM ELECTRIC INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000625	OC BUILDERS INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000626	RL BROWN EXCAVATING CORP.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000627	ROBINSON PAVING INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000628	LANE CONSTRUCTION CORP, THE
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000629	WILLIAM B HOPKE CO. INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000630	BUDGET PLUMBING
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000631	ROCKINGHAM CONSTRUCTION CO. INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000632	WC SPRATT INCORPORATED
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000633	COMCAST CABLE COMMUNICATIONS
	ALLEGED VIOLATION OF VA CODE § 56-2165.19 A
PUE000634	HL DAVIS ASPHALT SEALING
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000635	HAMMOND-MITCHELL INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000636	KEYSTONE PIPELINE SERVICES INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000637	GRADE SOLUTIONS INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000638	GREENE VILLAGE CONCRETE INC.
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000639	LEO CONSTRUCTION COMPANY
	ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000640	NEW RIVER VALLEY BACKHOE
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000641	PEYTON LAWN SERVICE
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000642	BROTHERS SIGNAL CO. INC., THE
	ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000643	UNITED CITIES GAS COMPANY
	ALLEGED VIOLATION OF VA CODE § 56-265.19 A

PUE000644 HUBBARD TELEPHONE CONTRACTORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE000645 ENGLISH CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000646 VIRGINIA NATURAL GAS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE000647 VIRGINIA ELECTRIC & POWER CO.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE000648 VICO CONSTRUCTION CORPORATION
ALLEGED VIOLATION OF VA CODE §§ 56-265.17 C, ET AL.
PUE000649 OSP CONSULTANTS INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE000650 PERRY ENGINEERING CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000651 PRECON CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000652 RW FENCE COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000653 COLUMBIA GAS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000654 ASH-GAYLE INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.24 A, ET AL.
PUE000655 WASHINGTON GAS LIGHT CO.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE000656 A&W CONTRACTORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000657 ALL CLEAR LOCATING SERVICES
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000658 CENTRAL LOCATING SERVICE LTD
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000659 UTILIQUEST LLC
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000660 C&P ISLE OF WIGHT WATER CO.
TO ELIMINATE CERTAIN REPORTING REQUIREMENTS ESTABLISHED IN CASE NO. PUE950062
PUE000662 EX PARTE: RULES
IN MATTER OF ADOPTING RULES GOVERNING MANNER OF INSTALLING UNDERGROUND UTILITY LINES
PUE000665 WATERWORKS CO. OF FRANKLIN COUNTY, THE
TO CHANGE RATES AND CHARGES
PUE000666 KEYSTONE PIPELINE SERVICES
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000667 MAGELLAN TELECOMMUNICATIONS LLC
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000668 RYAN INCORPORATED CENTRAL
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000669 VIRGINIA NATURAL GAS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE000670 ALIFF CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000671 BYER HARMON & JOHNSON GENERAL CONTRACTORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000672 COMMONWEALTH CONSTRUCTORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000673 GREGORY SEEDING AND LANDSCAPING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000674 ROBERSON CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000675 WB & COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000676 ACTION PAVING & CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000677 BATTLEFIELD UTILITY CONTRACTOR INC.
ALLEGED VIOLATION OF VA CODE § 56-265.18
PUE000678 BENNETT'S GRADING & SEEDING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000679 BROAD RUN CONTRACTING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000680 CEDAR RUN CONSTRUCTION
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000681 D&F CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A

PUE000682 DIRECTIONAL BORING LLC
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000683 JAMES G DAVIS CONSTRUCTION CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000684 MASTEC NORTH AMERICA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000685 MAUGHAN CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000686 NEW CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000687 NORTHERN PIPELINE CONSTRUCTION CO.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000688 RJ SMITH CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000689 STONEHEDGE LANDSCAPING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000690 SUBURBAN CABLE COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000691 TRISONS ELECTRIC CONTRACTORS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000692 WILLIAM A HAZEL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000693 DUKE EXCAVATING SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000694 EXCALIBUR CONSTRUCTION CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000695 HENDERSON CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 C
PUE000696 IVAN M BREWER INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000697 LEO CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000698 PORTSMOUTH PLUMBING SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000699 WORLEY READY MIX CONCRETE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000700 WINN CARIBE COMMUNICATIONS INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000701 ALL AMERICAN PLUMBING INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000702 BAKER INSTALLATIONS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000703 BLACKWATER ELECTRIC CO.
ALLEGED VIOLATION OF VA CODE § 56-264.17 A
PUE000704 CABLE WORKS
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000705 COLD HARBOR LANDSCAPING
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000706 KEVCOR CONTRACTING CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000707 PRINCE WILLIAM PIPELINE CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000708 RIDGELINE CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000709 RONNIE RITCHIE SERVICE CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000710 T A SHEETS MECHANICAL GENERAL CONTRACTOR INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000711 FISHEL COMPANY, THE
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000712 PERRY ENGINEERING CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000713 R B HINKLE CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000714 ROCKINGHAM CONSTRUCTION CO. INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000715 SUMMIT USA LAND DEVELOPMENT CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000716 UNITED CITIES GAS COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.19 A

PUE000717 COMCAST CABLE COMMUNICATIONS
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE000718 COMMERCIAL SCAPES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000719 DUNN CONSTRUCTION COMPANY
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000720 LAKESIDE CONCRETE INC.
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000721 RICHARD L CROWDER CONSTRUCTION INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000722 WILLIAM SMITH CONCRETE SERVICES
ALLEGED VIOLATION OF VA CODE § 56-265.17 A
PUE000723 VICO CONSTRUCTION CORP.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000724 VIRGINIA ELECTRIC & POWER CO.
ALLEGED VIOLATION OF VA CODE § 56-265.17 C
PUE000725 WC SPRATT INCORPORATED
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000726 WASHINGTON GAS LIGHT CO.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE000727 ALL CLEAR LOCATING SERVICES INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE000728 COMCAST CABLEVISION OF PRINCE WILLIAM COUNTY
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE000729 COLUMBIA GAS OF VIRGINIA INC.
ALLEGED VIOLATION OF VA CODE § 56-265.19 A
PUE000730 CENTRAL LOCATING SERVICE LTD
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000731 ATLAS PLUMBING & MECHANICAL INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000732 ATLANTIC CABLE & TRENCH INC.
ALLEGED VIOLATION OF VA CODE § 56-265.24 A
PUE000733 ALL CLEAR LOCATING SERVICES INC.
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000734 PRINCE GEORGE ELECTRIC COOPERATIVE
FOR GENERAL RATE PROCEEDING PURSUANT TO VIRGINIA ELECTRIC UTILITY RESTRUCTURING ACT
PUE000736 EX PARTE: REGIONAL TRANSMISSION ENTITIES
EX PARTE: POTOMAC EDISON CO. D/B/A ALLEGHENY POWER REGIONAL TRANSMISSION ENTITIES
PUE000737 UNITED ENERGY INC. D/B/A UNITED ENERGY OF VIRGINIA. INC.
ALLEGED VIOLATION OF INTERIM RULES FOR COMPETITIVE SERVICE PROVIDERS
PUE000738 POWERTRUST ENERGY SERVICES INC.
ALLEGED VIOLATION OF INTERIM RULES FOR COMPETITIVE SERVICE PROVIDERS
PUE000739 UTILIQUEST LLC
ALLEGED VIOLATION OF VA CODE §§ 56-265.19 A, ET AL.
PUE000740 EX PARTE: DRAFT PLAN
IN MATTER CONCERNING DRAFT PLAN FOR PHASE-IN OF RETAIL ELECTRIC COMPETITION
PUE000742 WILDWOOD WATER COMPANY INC.
TO PURCHASE ASSETS OF WILDWOOD FOREST WATER CO. AND FOR CERTIFICATE TO OPERATE SAID FACILITY
PUE000744 DELMARVA POWER & LIGHT COMPANY
TO REVISE FUEL FACTOR

PUF: DIVISION OF ECONOMICS AND FINANCE

PUF990040 ATMOS ENERGY CORP.
FOR AUTHORITY TO ISSUE COMMON STOCK AND LONG-TERM DEBT SECURITIES
PUF000001 CRAIG-BOTETOURT ELECTRIC COOPERATIVE
FOR APPROVAL TO INCUR SHORT-TERM DEBT
PUF000002 VIRGINIA GAS STORAGE COMPANY
FOR AUTHORITY TO INCUR INDEBTEDNESS
PUF000003 VIRGINIA GAS DISTRIBUTION CO.
FOR AUTHORITY TO INCUR SHORT-TERM INDEBTEDNESS
PUF000004 POTOMAC EDISON CO. D/B/A ALLEGHENY POWER
FOR AUTHORITY TO INCUR SHORT-TERM DEBT
PUF000005 ATMOS ENERGY CORPORATION
FOR AUTHORITY TO ISSUE 2,000,000 SHARES OF COMMON STOCK
PUF000006 CENTRAL TELEPHONE CO. OF VIRGINIA
FOR AUTHORITY TO ISSUE SHORT TERM DEBT AND TO LEND FUNDS TO PARENT, SPRINT
PUF000007 UNITED TELEPHONE-SOUTHEAST INC.
FOR AUTHORITY TO INCUR SHORT-TERM INDEBTEDNESS FROM AFFILIATES OR BANKS AND TO LEND SHORT-TERM FUNDS TO AFFILIATES

PUF000008 KENTUCKY UTILITIES COMPANY
FOR AUTHORITY TO ISSUE UP TO $13.4 MILLION OF TAX-EXEMPT REFUNDING BONDS
PUF000009 SHENANDOAH TELEPHONE CO.
FOR APPROVAL UNDER AFFILIATES ACT
PUF000010 MECKLENBURG ELECTRIC COOPERATIVE
FOR AUTHORITY TO ISSUE LONG-TERM DEBT
PUF000011 DELMARVA POWER & LIGHT CO.
FOR AUTHORITY TO ISSUE LONG-TERM DEBT
PUF000012 ALLEGHENY POWER COMPANY
FOR APPROVAL OF MONEY POOL AGREEMENT
PUF000013 BARC ELECTRIC COOPERATIVE
FOR AUTHORITY TO BORROW $5,100,000 FROM FEDERAL FINANCING BANK
PUF000014 VIRGINIA ELECTRIC & POWER CO.
FOR AUTHORITY TO LEASE RAIL EQUIPMENT
PUF000015 VIRGINIA ELECTRIC & POWER CO.
FOR AUTHORITY TO INCUR DEBT
PUF000016 VIRGINIA ELECTRIC & POWER CO.
FOR AUTHORITY TO ISSUE SECURITIES AND TO ESTABLISH TRUST PREFERRED FINANCING FACILITY
PUF000017 KENTUCKY UTILITIES COMPANY
FOR AMENDMENT OF EXISTING AUTHORITY AND APPROVAL TO USE FINANCIAL DERIVATIVE INSTRUMENTS
PUF000018 ROANOKE GAS COMPANY
FOR AUTHORITY TO INCUR SHORT-TERM DEBT
PUF000020 ATMOS ENERGY CORPORATION
FOR AUTHORITY TO INCUR SHORT-TERM INDEBTEDNESS
PUF000021 VIRGINIA ELECTRIC & POWER CO.
FOR AUTHORITY TO PARTICIPATE IN LEASE FINANCING ARRANGEMENTS FOR CONSTRUCTION OF GENERATION FACILITIES, AND FOR DECLARATION OF NON-JURISDICTION
PUF000022 CFW COMMUNICATIONS CO., ET AL.
FOR AUTHORITY TO GUARANTEE OBLIGATIONS OF AFFILIATE
PUF000023 WASHINGTON GAS LIGHT COMPANY
FOR AUTHORITY TO ISSUE SHORT-TERM DEBT
PUF000024 VIRGINIA ELECTRIC & POWER CO.
FOR AUTHORITY TO ISSUE TAX-EXEMPT DEBT SECURITIES
PUF000025 VIRGINIA NATURAL GAS INC.
FOR AUTHORITY TO ISSUE SHORT-TERM DEBT, LONG-TERM DEBT AND COMMON STOCK
PUF000026 WASHINGTON GAS LIGHT COMPANY
FOR AUTHORITY TO ENGAGE IN AFFILIATE TRNASACTIONS THROUGH MONEY POOL
PUF000027 APPALACHIAN POWER COMPANY
FOR AUTHORITY TO FACTOR ACCOUNTS RECEIVABLES TO AFFILIATE
PUF000028 APPALACHIAN POWER COMPANY
FOR AUTHORITY TO PARTICIPATE IN INTER-COMPANY MONEY POOL
PUF000029 ATMOS ENERGY CORPORATION
FOR AUTHORITY TO ISSUE COMMON STOCK
PUF000031 WASHINGTON GAS LIGHT CO.
FOR AUTHORITY TO ISSUE LONG-TERM DEBT, PREFERRED STOCK, AND COMMON EQUITY
PUF000032 DALE SERVICE CORPORATION
FOR AUTHORITY TO ISSUE DEBT SECURITIES
PUF000033 NORTHERN NECK ELECTRIC COOPERATIVE
FOR AUTHORITY TO ISSUE LONG-TERM DEBT
PUF000034 KENTUCKY UTILITIES COMPANY
FOR APPROVAL OF AFFILIATE AGREEMENT WITH KU RECEIVABLES CORP.
PUF000035 PRINCE GEORGE ELECTRIC COOPERATIVE
FOR AUTHORITY TO ISSUE LONG-TERM DEBT
PUF000036 VIRGINIA ELECTRIC & POWER CO.
FOR AUTHORITY TO ESTABLISH CREDIT FACILITY
PUF000037 UNITED TELEPHONE-SOUTHEAST, INC.
FOR AUTHORITY TO INCUR SHORT-TERM INDEBTEDNESS AND TO LEND SHORT-TERM FUNDS TO AFFILIATE
PUF000038 CENTRAL TELEPHONE CO. OF VIRGINIA
FOR AUTHORITY TO ISSUE SHORT TERM DEBT
PUF000039 UNITED TELEPHONE-SOUTHEAST, INC.
FOR AUTHORITY TO ISSUE LONG-TERM INDEBTEDNESS
PUF000040 DALE SERVICE CORPORATION
FOR AUTHORITY TO ENTER INTO INTEREST RATE SWAP AGREEMENT
PUF000041 APPALACHIAN POWER COMPANY
FOR AUTHORIY TO ISSUE LONG-TERM DEBT
PUF000042 VERIZON VIRGINIA INC.
FOR AUTHORITY TO ISSUE SHORT-TERM DEBT IN EXCESS OF 12% OF TOTAL CAPITALIZATION
PUF000043 VERIZON SOUTH INC.
FOR AUTHORITY TO ISSUE SHORT-TERM INDEBTEDNESS
PUF000044 KENTUCKY UTILITIES COMPANY
FOR AUTHORITY TO RECEIVE CASH CAPITAL CONTRIBUTIONS FROM AFFILIATE

PUF000045 COLUMBIA GAS OF VIRGINIA INC.
FOR APPROVAL OF INTER-COMPANY FINANCING FOR 2001
PUF000046 ATMOS ENERGY CORPORATION
FOR AUTHORITY TO ISSUANCE COMMON STOCK
PUF000047 NORTHERN VIRGINIA ELECTRIC COOPERATIVE
FOR AUTHORITY TO GUARANTEE DEBT OF AFFILIATE
PUF000048 ATMOS ENERGY CORPORATION
FOR APPROVAL OF AFFILIATE AGREEMENT

SEC: DIVISION OF SECURITIES AND RETAIL FRANCHISING

SEC990073 MALBAFF, JAMES HAROLD
ALLEGED VIOLATION OF VA CODE §§ 13.1-502, ET AL.
SEC990074 COOK, THOMAS GREGORY
ALLEGED VIOLATION OF VA CODE §§ 13.1-502 ,ET AL.
SEC000001 CROCKER, KEVIN JOSEPH D/B/A KCI INTERNATIONAL
ALLEGED VIOLATION OF VA CODE §§ 13.1-507, ET AL.
SEC000002 FREIBERG, ERIC MARK
ALLEGED VIOLATION OF VA CODE §§ 13.1-202, ET AL.
SEC000003 ATM CAPITAL CORPORATION
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000004 SONORA INVESTMENT GROUP INC.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000005 MUTUAL BENEFITS CORP.
ALLEGED VIOLATION OF VA CODE §§ 13.1-504 A, ET AL.
SEC000006 GHOSH, SAMIR
ALLEGED VIOLATION OF VA CODE §§ 13.1-504 A, ET AL.
SEC000007 HARDY, DAVID
ALLEGED VIOLATION OF VA CODE §§ 13.1-504 A, ET AL.
SEC000008 HARDY, NORMA
ALLEGED VIOLATION OF VA CODE §§ 13.1-504 A, ET AL.
SEC000009 WOODBURY, FRED
ALLEGED VIOLATION OF VA CODE §§ 13.1-504 A, ET AL.
SEC000010 BOLLINGER, GLENN
ALLEGED VIOLATION OF VA CODE §§ 13.1-504 A, ET AL.
SEC000011 STANLEY, JOHN
ALLEGED VIOLATION OF VA CODE §§ 13.1-504 A, ET AL.
SEC000012 EPPS, JIM
ALLEGED VIOLATION OF VA CODE §§ 13.1-504 A, ET AL.
SEC000013 BEACON CAPITAL MANAGEMENT
FOR OFFICIAL INTERPRETATION PURSUANT TO VA CODE § 13.1-525
SEC000014 BEREA BAPTIST CHURCH
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC000015 INTERNOMICS INC.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000016 FREIBERG, ERIC MARK
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000017 CALIFORNIA BAPTIST FOUNDATION
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC000018 BARNARD, GERALD W.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000019 BAY SAVER INC.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000020 SENNETT, JOHN G.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000021 DUFFELER, PATRICK E.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000022 WILLIAMSBURG WINERY LTD, THE
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000023 LCP CAPITAL CORPORATION
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000024 SCHNABEL, ERIC GEORGE
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000025 MARTIN, JOHN LEWIS
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000026 NATIONAL COVENANT PROPERTIES
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC000027 AMERICAN CANCER SOCIETY POOLED INCOME FUND
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC000028 AMERICAN CANCER SOCIETY
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B

SEC000029 PARTNERS FINANCIAL SOLUTIONS
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000030 MENCHVILLE BAPTIST CHURCH
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC000031 MCLEAN, SR., ROLAND ERIC
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000032 STAUNTON AUGUSTA WAYNESBORO (SAW) COMMUNITY FOUNDATION
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC000033 JOHNSON, LOUIE GUY
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000034 HIDE A HOSE INTERNATIONAL
ALLEGED VIOLATION OF VA CODE §§ 13.1-560 AND 13.1-563(E)
SEC000035 FERRIS, BAKER, WATTS INC.
ALLEGED VIOLATION OF VA CODE §§ 13.1-501, ET SEQ.
SEC000036 BUTLER, ROBERT L.
ALLEGED VIOLATION OF VA CODE §§ 13.1-501, ET SEQ.
SEC000037 MISSION INVESTMENT FUND OF THE EVANGELICAL LUTHERAN CHURCH IN AMERICA
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC000038 INTOUCH INC.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000039 ROSE OF SHARON BAPTIST CHURCH
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC000040 DUNIVAN, SR., JAMES E.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000041 KRASNOW, STEVEN JED
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000042 BLUE RIDGE COMMUNITY COLLEGE EDUCATION FOUNDATION INC.
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC000043 UNITED CHARITABLE FOUNDATION
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC000044 PARKER, BRADLEY E.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000045 BLUE RIDGE NURSING CENTER OF MARTINSVILLE AND HENRY COUNTY, INC. V. BLUE RIDGE NURSING CENTER, INC.
PETITION FOR CANCELLATION PURSUANT TO VA CODE § 59.1-92.10
SEC000046 WJ NOLAN & COMPANY INC.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000047 NEW LIFE CHRISTIAN METHODIST EPISCOPAL CHURCH
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC000048 ALANAR INC.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000049 U.S. CHARITABLE GIFT TRUST, THE
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC000050 US CHARITABLE GIFT TRUST INCOME POOLED INCOME FUND
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC000051 US CHARITABLE GIFT TRUST HIGH YIELD POOLED INCOME FUND
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC000052 US CHARITABLE GIFT TRUST GROWTH & INCOME POOLED INCOME FUND
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC000053 EFOX.NET INC.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000054 SCHNELL, ERIC S.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000055 AIO TECHNOLOGIES INC.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000056 KEHL, MICHAEL J.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000057 COLLIER, ELLSWORTH G.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000058 LOCUST STREET SECURITIES INC.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000059 GRACE EVANGELICAL LUTHERAN CHURCH
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC000060 ADVISORY FINANCIAL GROUP INC.
ALLEGED VIOLATION OF VA CODE §§ 13.1-507, ET AL.
SEC000061 SPITZLI, DONALD H.
ALLEGED VIOLATION OF VA CODE § 13.1-507
SEC000062 INTERNATIONAL PENTECOSTAL HOLINESS CHURCH EXTENSION LOAN FUND INC.
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC000063 PRISON FELLOWSHIP MINISTRIES
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B

SEC000064 SAUNDERS, H. MARK
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000065 WESCHKE, ERIC PETER
FOR ORDER IMPOSING SPECIAL SUPERVISORY PROCEDURES
SEC000066 CHVALA, WILLIAM JAMES
FOR ORDER IMPOSING SPECIAL SUPERVISORY PROCEDURES
SEC000067 LUTHERAN CHURCH EXTENSION FUND-MISSOURI SYNOD
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC000068 JEWETT, EUGENE ALDEN
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000069 AIRCABLE OF ROANOKE LLC
ALLEGED VIOLATION OF VA CODE §§ 13.1-518 AND 12.1-33
SEC000070 REDEEM CHURCH OF GOD IN CHRIST
FOR ORDER OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC000071 CATHEDRAL OF LIFE CHRISTIAN CENTER
FOR ORDER OF EXEMEPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC000072 DIGITAL BROADCAST CORP.
ALLEGED VIOLATION OF VA CODE §§ 13.1-518 AND 12.1-33
SEC000073 VIRGINIA INVESTMENT ADVISORY INC.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000074 PARKER, SUSAN
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000075 TRIBRO INC.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000076 RAPPAHANNOCK COMMUNITY COLLEGE EDUCATIONAL FOUNDATION, INC.
FOR CERTIFICATE OF EXEMPTION PURSUANT TO VA CODE § 13.1-514.1 B
SEC000077 TULANE EDUCATIONAL FUND
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000078 ABBA FUND LLC
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000079 MOREDOE INC.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000080 HERTZ, RICHARD A.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000081 HPW ENTERPRISES INC.
ALLEGED VIOLATION OF VA CODE § 13.1-518
SEC000082 MILLENNIUM FINANCIAL GROUP INC.
ALLEGED VIOLATION OF VA CODE § 13.1-518
SEC000083 MILLENNIUM FINANCIAL GROUP LLC
ALLEGED VIOLATION OF VA CODE § 13.1-518
SEC000084 LANDMARK DESIGN GROUP
FOR CANCELLATION OF REGISTRATION OF MARK
SEC000085 WASHINGTON SQUARE SECURITIES
ALLEGED VIOLATION OF VA CODE §§ 13.1-519, ET SEQ.
SEC000086 KLEIN, JEFFREY LAVERN
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000087 NEWPORT SERVICES CORPORATION
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000088 SAFESTOR ORLANDO I LLP
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000089 FAIRWAY DEVELOPMENT INC.
ALLEGED VIOLATION OF VA CODE §§ 13.1-519, ET SEQ.
SEC000090 DENTON, RUSSELL
ALLEGED VIOLATION OF VA CODE §§ 13.1-519, ET SEQ.
SEC000091 BLOODSWORTH, CANDACE ANN
ALLEGED VIOLATION OF VA CODE §§ 13.1-519, ET SEQ.
SEC000092 GUY, WILLIAM JAMES
ALLEGED VIOLATION OF VA CODE §§ 13.1-519, ET SEQ.
SEC000093 HALSEY, JR., JAMES GLENN
ALLEGED VIOLATION OF VA CODE §§ 13.1-519, ET SEQ.
SEC000094 CAPITAL BROKERAGE CORPORATION
ALLEGED VIOLATION OF VA CODE §§ 13.1-519, ET SEQ.
SEC000095 RICOFF ENTERPRISES INC.
FOR OFFER OF COMPROMISE AND SETTLEMENT
SEC000096 DRIVING FORCE 1 RLLP
ALLEGED VIOLATION OF VA CODE §§ 13.1-519, ET SEQ.
SEC000097 WS INVESTMENT CO. LLC & WILSON SONSINI GOODRICH & ROSATI, PC
FOR INTERPRETATION OF VA CODE § 13.1-514 A